



**MSc. Human Resources Management and
Organizational Psychology**

Implementing Proactive Gender Pay Equity Legislation
A Study of Icelandic and Canadian pay equity legislation and its future
impacts on the gender wage gap

January, 2019

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I. Abstract

This study will be looking into the primary factors that influence the implementation of gender pay equity legislation. The central focus will be on Icelandic companies, however to understand the universality of these implementation factors, strategies, and barriers, Canadian insights will also be included in the analysis.

The key elements investigated in this study include, organizational gender demographics, implementation strategies, implementation barrier, key success factors, and potential long-term implications of gender pay equity legislation. The purpose of this study is to examine how organizations are applying gender pay equity legislation, and whether or not this legislation will successfully address the factors contributing to the gender wage gap.

The findings of this study suggest that occupational gender segregation continues to play a large part in the gender wage gap. It was also found that there are similar techniques being used to implement gender equity legislation in both Iceland and Canada. In particular, having well-structured documentation and the use of outside consultants have been identified as important factors in the implementation process. In terms of barriers and challenges, Iceland presented with fewer internal barriers than Canada, partly due to higher levels of internal support and stricter legislative enforcement.

The current legislative movement towards achieving equitable compensation for women and men in Iceland is a positive change, however, it is too soon to tell if it will be effective enough to eliminate the wage gap. The dominant sentiment amongst participant was that through the new legislation is a step in the right direction, it will not have a major impact on their businesses or industry as a whole. It was concluded that larger societal changes are needed to correct the underlying causes of wage discrepancies.

Key Words: Gender pay equity, gender segregation, wage gap, implementation strategies

II. Declaration of Research Work Integrity

Appendix 3 - Declaration of Research Work Integrity

Declaration of Research Work Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document, I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

...December 1, 2018, Reykjavik... 290690-3909... *Majie Dalme*...
Date and place Kennitala Signature

III. Acknowledgements

I would like to thank my supervisor Kristján Vigfússon for his assistance and guidance throughout this process. Most of all, I would like to thank all of the interview participants for taking the time to meet with me share their valuable insights and perspectives. I would also like to thank Edda and Þóranna for their invaluable assistance in finding and getting in touch with relevant organizations, it was very much appreciated.

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1.0 Introduction

The gender wage gap has been a pervasive and ongoing issue on a global scale. Iceland is ranked first in the world for gender equality by the OECD, a title which they have held for the last nine years. Despite this top ranking, the nation continues to have an adjusted wage gap of 9.9% (OECD, 2018). With the recent introduction of Iceland's stringent gender pay equity legislation, Act on Equal Status and Equal Rights of Women and Men No. 10/2008, the topic of pay equity is once again at the center of public discussion. In recent years other nations, such as Canada, have also been making strides towards closing the gender pay gap with similarly proactive pay equity legislation.

This most recent push towards gaining gender pay equity in Iceland is an important step towards reaching true gender parity within the labour market. This is a significant and exciting new piece of legislation that has the potential to have major impacts, not just for women, but also for other groups who are currently underrepresented or undervalued in the workplace. The purpose of this study is to gain further understanding regarding the implementation process of gender pay equity legislation, the factors contributing to the current gender wage gap, and what the long-term implications of this legislation may be.

The recent amendments to the Icelandic Act on Equal Status and Equal Rights of Women and Men No. 10/2008, presents a new and exciting case study about the feasibility of implementing mandatory and regulated gender pay equity legislation. This topic has not been fully examined since this is a precedence setting piece of legislation that is still being enacted. This legislation is the first of its kind globally so there is very little information known about how effectively it can be implemented and what the potential impacts will be for employers and employees. I was further interested in finding out how this new legislation compares to Canada's current system and whether or not these amendments would result in the achievement of true gender pay equity. To advance the understanding of legislative impacts on gender pay equity, I will also be exploring the recently proposed amendments to the federal legislation in Canada and see how their regulations differ from those being implemented in Iceland.

Having looked into past research about pay equity implementation in both Iceland and Canada there wasn't much literature regarding the implementation process itself and how organizations deal with mandatory changes to employee compensation systems. There has been a significant amount of research in the areas of gender pay equity in Canada, however, much of the literature available is from the early 1990's when Ontario first implemented its proactive pay equity legislation. The more recent Canadian literature focuses on the shortfalls of current policies and makes suggestions for further amendments.

There is a gap in the literature regarding the implementation of gender pay equity legislation and what factors aid and hinder this process. Through this research I hope to provide deeper insight into the implementation process itself and how it can be done more effectively. Therefore, my primary research question for this study focuses on the key barrier and success factors employed by organizations during the implementation of pay equity legislation.

Research Question: What strategies and best practices are Human Resources Professionals using to implement pay equity legislation in Iceland and Canada, and what have been the main barriers and key success factors that have affected the implementation process?

My secondary research questions address the inquiries regarding whether or not the legislation will accomplish its goals, and what the long-term implications may be.

- What are the anticipated long-term impacts of the new pay equity legislation?
- Will the current pay equity legislation have the desired impact of eliminating the unexplained gender pay gap?

To address these questions, I have taken a multiple case study approach as to provide a broader perspective. The data presented in this study comes from interviews conducted with ten Icelandic companies who represent a variety of industries and a Canadian Human Resources consultant with expertise in the area of pay equity. All the participants interviewed have been working directly on the implementation of gender pay equity legislation and were therefore able to provide valuable insights regarding their experiences working within the legal frameworks. This research method provided a valuable overview of the common success factors and barriers being encountered by employers.

To provide context for the current legislative changes occurring in Iceland and Canada, this study refers the most prominent gender pay gap theories and past literature regarding the causes of gender wage inequality. Of particular interest in this research were the effects of gender role segregation and the lack of female representation in leadership roles. Understanding where the gender wage gap comes from is essential when considering whether or not current legislative practices will be successful in eliminating the wage gap or if larger societal changes will be needed.

2.0 Literature review

2.1 The Gender Wage Gap

The gender wage gap is a differential in the wages earned by female employees in comparison to their male counterparts, the measured difference in their pay comprise the wage gap. (Baker & Fortin, 2004). The measurement of the gender wage gap is a complicated process with no universally accepted method, resulting in varied findings across national statistics and studies (Gow & Middlemiss, 2011). However, there are two types of measurements used when researching gender wage gaps, unadjusted and adjusted. The unadjusted wage gap can be calculated in several ways. One method, used by the OECD, involves taking the difference in female and male median wages and then dividing it by the median wages earned by men (Amado et al., 2018).

The European Commission calculates the unadjusted pay gap using a different method. They start by looking at the percentage difference in the hourly wages earned by men and women and then they measure it against the average pay of the men (Amado et al., 2018). The second type of measurement, the adjusted pay gap, takes into consideration factors that may partially explain the differences in pay between the sexes, such as education, hours worked and work experience. (Amado et al., 2018)

2.1.1 Gender Wage Gap: Iceland & Canada

Iceland has been ranked first in the world in overall gender equity since 2009. Despite holding this top position Iceland has less than stellar results in the area of economic opportunities (Rafnsdóttir, Einarsdóttir, & Snorrason, 2014). The recent amendments introduced in January 2018 to the Act on Equal Status and Equal Rights of Women and Men No. 10/2008, have been put in place to help eliminate this issue. According to the most recent OECD reports the adjusted gender wage gap in Iceland was 9.9% as of 2015 and Canada's gender wage gap was 18.2% in 2016. The OECD average for 2016 was 13.9% as is shown in Figure 1 below (OECD, 2018).

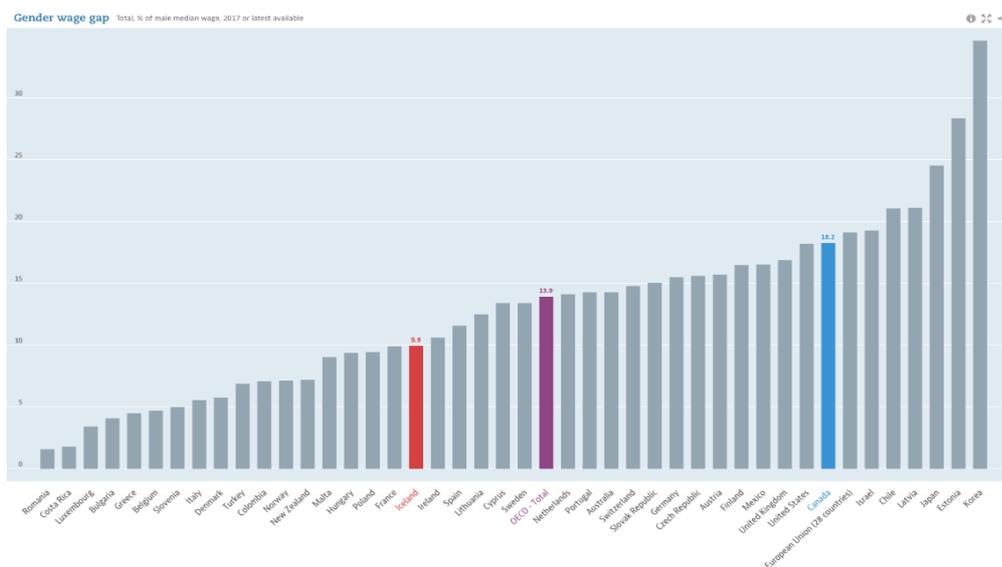


Figure 1. Gender Wage Gap. from OECD Gender Wage Gap. OECD (2018), Gender wage gap (indicator). doi: 10.1787/7cee77aa-en (Accessed on 25 August 2018)

Iceland has achieved a significant drop in the gender pay gap from 19.2% in 2004 to 9.9% in 2015, nearly a 10% reduction. Whereas Canada’s pay gap has remained relatively stable from 22.7% in 2004 to 18.6% in 2015, as can be seen in figure 2 below.

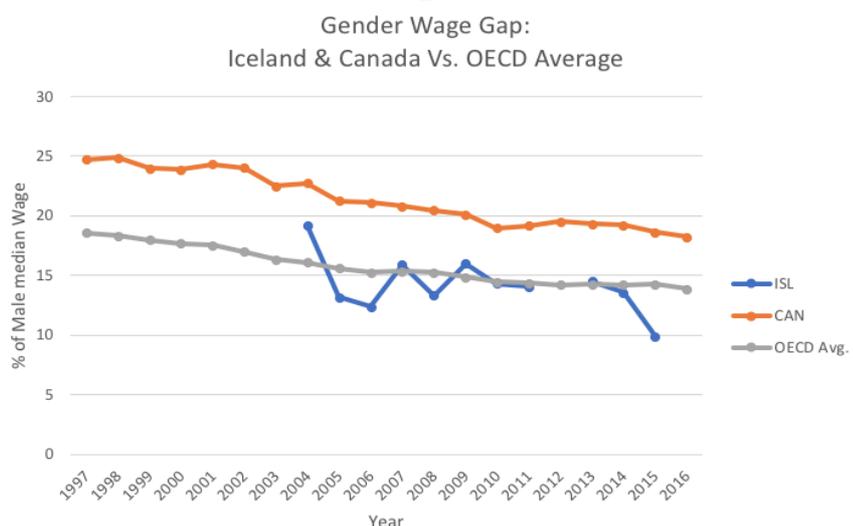


Figure 2. Gender Wage Gap – Iceland & Canada vs. OECD Average. Adapted from OECD (2018), Gender wage gap (indicator). doi: 10.1787/7cee77aa-en (Accessed on 25 August 2018)

2.2 Causes of the Gender Wage Gap

The presence of a gender pay gap on a global scale has been the subject of many studies and from these studies several causes have been identified to perpetuate the ever-present gap. Some of these causes include: the historical undervaluation of female dominated

positions, occupational segregation, and the over representation of women in part-time work (Moyser, 2017). These factors are important to consider when studying gender pay equity legislation because they highlight the primary issues that need to be addressed in order for the legislation to be successful.

2.2.1 Historical undervaluation of female roles

Job evaluations are a critical aspect of the pay equity system. However, assessing the value of work and job-related duties can be a challenging process. Historically wage compensation of female dominated roles has been disproportionately lower than male dominated roles, even when the roles require the same skills and abilities (Moyser, 2017). This trend emerged because the majority of female jobs mirror the skills and activities women would have performed in the home, and despite the skill level being the same as some male dominated roles, women are being paid less. This demonstrates why there has been the longstanding practice of under-valuing women's skills in the workplace (Moyser, 2017).

The undervaluation of female dominant activities creates an area of concern for pay equity advocates, especially with the assessment criteria and methods being used for job evaluation, descriptions and advertisements. Many of the job evaluation methods are inherently subjective, and are therefore criticized for being biased and discriminatory against female dominated positions (Arvey, 1986). Given the historical compensation discrepancies of female work activities, it is especially important that employers use evaluation methods that are gender neutral (Rubery & Koukiadaki, 2016).

Similarly, the use of gendered language can have a discouraging effect on men and women applying for jobs in fields that have been historically dominated by a particular gender. Certain language can project the image that a role would be more suited to male or female characteristics and therefore not suitable for applicants of the other gender. Using gender biased wording in job advertisements has become less overt, but research shows that it still occurs today (Heilman & Caleo, 2018).

2.2.2 Occupational gender segregation

Gender segregation is defined as “the unequal distribution of women and men across the occupational structure, including occupations, workplaces, industries and sectors” (Ellingsæter, 2013). The concept of occupational gender segregation was first introduced in the 1960's, a period of drastic differences in female and male jobs in the labour market. Despite vast improvements in the participation rates of women in the workforce over that last

50 years, gender segregation continues to be a problem in advanced economies (Ellingsæter, 2013).

The dominance of one gender in an occupation or industry can cause both horizontal and vertical segregation (O’ dorchai, 2011; Rafnsdóttir & Weigt, 2018). Vertical segregation represents direct discrimination where women are under-represented in the upper hierarchical positions of leadership within organizations, despite having the same qualifications as their male co-workers (O’ dorchai, 2011). Establishing a more balanced gender ratio in top level management is an important issue that the majority of Icelanders would like to see addressed in corporations as well as the public sector. In a survey conducted in 2011 by the Social Science Research Institute in Iceland, 85% of women and 71% of men surveyed believed that establishing more equal gender representation in upper level management in both the public and private sectors was important (Rafnsdóttir et al., 2014).

Horizontal segregation looks at the lower representation of women within more desirable fields and occupations (O’ dorchai, 2011). When looking at the ratio of men and women in the workforce as a whole, it appears to be close to balanced, however when you take a look at specific industries, professions, and roles, a lack of female representation in the high-status positions remains (Heilman & Caleo, 2018). A study by O’ dorchai (2011) found that over the past few decades there has been an increase in the ratio of women seeking higher education and entering into highly skilled roles, yet there has not been a proportional rise in women entering into historically male dominated professions (O’ dorchai, 2011).

These patterns of vertical and horizontal gender segregation are still present in many industries. In Iceland “Women and men often work in different sectors and women have been highly underrepresented in CEO positions, especially in private corporations”(Rafnsdóttir et al., 2014). According the Statistics Iceland there are several sectors of the labour market where one sex is more dominant than the other.

Table 1.

Male vs. Female Dominated industries in Iceland

Male Dominated Industries		
Sector/Industry	Men	Women
Crop and animal production, hunting, related service activities and hunting	2,1	1,6
Fishing and aquaculture	3,5	0,7
Manufacturing	13,3	5,9
Manufacturing food, beverages and tobacco	4,3	3,2
Processing and preserving of fish, crustaceans and molluscs	1,6	1,3

Manufacture of basic metals	1,8	0,4
Electricity, gas, steam and air conditioning supply	1,3	0,4
Water supply; sewerage, waste management and remediation activities	1	0
Construction	11,7	0,8
Wholesale and retail trade; repair of motor vehicles and motorcycles	15,5	12,3
Transportation and storage H:51 Air transport	9,1	5
Travel agency, tour operator and other	4,9	4
Financial and insurance activities	6,9	3,8
Professional, scientific and technical activities	1,2	0,6
Administrative and support service activities	8,2	6,1
Female Dominated		
Accommodation and food service activities	1,6	1,8
Information and communication	6,4	7
Real estate activities	2,6	3,6
reservation service and related activities	1,8	2,1
Public administration and defense; compulsory social security	3,9	5,9
Education	6,1	21,8
Human health and social work activities	4,9	21,1
Arts, entertainment and recreation	3,8	4,9
Other service and non-specified activities	2,1	4,3

Note. Adapted from “Iceland in figures 2018,” (2018)

2.2.4 Women in part-time work

Historically there has been a higher number of women taking on part-time work. This is due to the larger portion of unpaid labour roles they are expected to fill (Gow & Middlemiss, 2011; Lips, 2013b). The traditional gender-based division of labour, particularly in terms of child raising has led to fewer opportunities for women seeking work outside the home. It has also caused them to leave their jobs for extended periods of time, which reduces their ability to gain seniority and experience. It has also often been the case that women seeking to reduce their hours from full-time to part-time hours are unable to stay in their current positions. The inflexibility of many workplaces makes it impossible for women to balance their work and home life (Arnarson & Mitra, 2010; Gow & Middlemiss, 2011). In order to strike this balance many women choose to reduce their working hours to accommodate domestic roles.

2.3 Gender Wage Gap Theories

2.3.1 Human Capital Theory

The use of the Human Capital Theory in explaining the gender pay gap has become a highly debated topic in recent years. The human capital model directly links worker's wages to their investments into employment (Lips, 2013b). This model predicts that the greater the investment an employee makes into their employment, in terms of education, training, work experience, and skills, the greater their income will be. This theory relies on the assumption that the employee's merits can be measured and calculated accurately and that rewards will be distributed in an un-biased and consistent manner, based on these calculation (Lips, 2013b).

This traditional supply demand model has been criticized by many researchers because they see it as a way to rationalizes the presence of a gender pay gap, by attributing the wage differences to an individual's choices, thereby diminishing the role discrimination plays in perpetuating the gap (Lips, 2013a). Although the use of Human Capital Theory in explaining the gender pay gap has been losing credibility recently (Rubery & Koukiadaki, 2016), some researchers like Olson (2013) believe that human capital theory has a role to play in making sense of the gender wage gap. She thinks the model can be useful, but researchers need to be cognizant of the fact that human capital variables are not impervious to social norms. She also advises that readers should keep in mind that the employee's investments into education, training, skills, and work experience can also be influenced by sex-based discrimination (Olson, 2013).

Using this model to assess the gender gap, it would be assumed that as women built up their education, training, skills, and work experience, the gender pay gap would become smaller (Nadler, Voyles, Cocke, & Lowery, 2016). However, research has shown that despite the rising ratio of women with advanced education and experience, it has not directly correlated to a decline in the gender pay gap. This indicates that the difference in male and female education only accounts for a very small portion of the wage gap, which is a direct contradiction to the human capital model (Rubery et al., 2005).

2.3.2 Glass Ceiling

The glass ceiling is a theory used to describe the invisible barriers to promotion that women and minorities face within in an organization, in particularly promotion into the highest-ranking roles (Heneman, Judge, & Kammeyer-Mueller, 2015). This phenomenon affects the progress of women moving into senior positions in all industries, even those within sectors that are female dominated (O'dorchai, 2011). A number of other terms have

been coined to describe invisible barriers that stop women from achieving career advancements. These terms include: glass walls, glass escalator, and sticky floors (Sabharwal, 2015). Glass walls refers to barriers preventing women from moving away from industries that are historically female. Glass Escalator is a term used to describe a phenomenon where men in female dominated roles advance into positions of leadership at an accelerated rate compared to women. The final term, sticky floors, refers to women being held back by low ranking positions, which prevents them from advancing into more senior positions (Sabharwal, 2015).

Studies have indicated that over the past 20 years the number of women in management roles has increased from approximately one-third to one-half (Cohen & Huffman, 2007). This brings into question whether or not these terms are still relevant. A study conducted by Cohen and Huffman (2007) showed that when the representation of women in management roles increased the wage gap became smaller. However, the effects of this trend were much stronger when women held management roles that had a high status within the organization (Cohen & Huffman, 2007). In this same study by Cohen and Huffman, they felt that if their findings held true it emphasized the significance of the glass ceiling. This means that if qualified women are barred from entering into influential management roles it will have an adverse impact on the gender ratio of the organization and the women working in non-managerial roles. This would then perpetuate the trend of women being grouped into the lower level management roles instead of the upper management positions that have the power to influence change (Cohen & Huffman, 2007).

2.2.5 Reward Expectations Theory

The perception of fair wages has been shown to differ between the sexes. Men have been shown to feel more entitled to higher wages than women (Sabharwal, 2015). These different expectations of compensation can be examined using the reward expectation theory and gender status beliefs. There is a difference in the perceived status of men and women in the workplace which contributes to the expectation of wages. It has been proposed that men have traditionally held a more elevated status and have been viewed as having greater competencies in the workplace and therefore have a stronger sense of entitlement in terms of compensation (Auspurg, Hinz, & Sauer, 2017; Hogue et al., 2007).

In contrast, research indicates that women are less likely to negotiate a higher starting salary than men, which creates a wage gap from the very beginning of their employment. This lower initial rate of pay can make it increasingly difficult for women to 'catch-up' to their male co-workers, since pay increases are usually calculated using a percentage of the

employee's current wage (Heneman et al., 2015). The fact that women perceive less pay as being fair is also a big contributing factor to the wage gap (Khoreva, 2011). To resolve the discrepancy in wages women need to be encouraged to negotiate for higher wages when they deserve them (Hogue et al., 2007).

2.4 Iceland & Canada Legislative Comparison

Table 2.

Legislative Requirement Comparison

	Iceland	Canada - Federal	Canada - Ontario	Canada - Quebec
Legislation	Act on Equal Status and Equal Rights of Women and Men No. 10/2008	Canadian Human Rights Act R.S.C., 1985 Equal Wages Guidelines, 1986	Pay Equity Act, R.S.O. 1990	Pay Equity Act, 1996 (CQLR c E-12.001)
Who it applies to	Enterprises and institutions with 25 or more employees, on average over the year	All federally regulated employees	Employers in the private sector in Ontario who employ 10 or more employees, all employers in the public sector	Enterprises who employ 10 or more employees.
Enforcement	Proactive	Complaint based	Proactive	Proactive
Renewal/Audit Requirement	Employers must acquire certification on an annual basis and confirmation will be renewed every three years	None	Employers must maintain compensation practices for pay equity (no set timeframe)	The employer must conduct a pay equity audit and posting every five years.
Certification Requirement	Yes	None	None	None

Note. Data for Iceland from, Act on Equal Status and Equal Rights of Women and Men, No. 10/2008; data for Canada Federal from, Canadian Human Rights Act R.S.C., 1985; Data for Canada-Ontario from, Pay Equity Act, R.S.O. 1990; data for Canada-Quebec from, Pay Equity Act, CQLR c E-12.001

2.4.1 Icelandic pay equity

Iceland has a long history of working towards gender equality within the workforce. The first piece of Icelandic legislation about equal pay was passed in the 1960's and during that time it was thought that the gap would be eliminated by 1967, yet it continues to be a central gender equity issue to this day (Måwe, 2017). The Act on Equal Status and Equal Rights of Women and Men, No. 10/2008, was enacted to secure equal social influence for women and men, resolve gender-based discrimination in the labour force, and ensuring both men and women can achieve work-family life balance (Rafnsdóttir et al., 2014). The most recent amendment to the Icelandic legislation was passed in 2017 and came into force January 1, 2018, which means it is still in its early stages of implementation.

The development of the certification system to implement the wage equality policy was first agreed upon by parliament and the Ministry of Social Affairs and Housing in 2008. (“Stjórnarráðið, Forsaga,” n.d.). The Equal Pay Standard (ÍST 85: 2012) was developed with collaboration between the Ministry of Welfare, ASÍ, SA, and Business Iceland. It was agreed that the standard would be developed using the ISO standards as a framework (Måwe, 2017). In 2012 the ÍST 85 standard was created and financed by partners in the private labour market, along with the Ministry of Labour and several other stakeholders. The standard was then published to the national standards body, Icelandic Standards. The standard, ÍST 85: 2012, is referred to in the new gender equality legislation that was enacted (Preisler, 2014).

The implementation of the new act will take place in phases based on the number of employees within an organization. Giving smaller employers more time to make the necessary changes. Initially, employers with over 250 employees had to comply with the new legislation by December 31, 2018 (Act on Equal Status and Equal Rights of Women and Men No. 10/2008, 2008). However, on November 14th, 2018 an amendment was made to postpone the implementation deadlines by 12 months. This extension did not apply to the government of Iceland, publicly funded organizations, or organizations that are majority state-owned (“Frestur fyrirtækja og stofnana til að öðlast jafnlaunavottun framlengdur um 12 mánuði,” 2018).

Under section 3, Article 18, In the Act on Equal Status of Women and Men No. 10/2008 it states that employers must create a gender equity program, or they have to create a personnel policy that integrates a gender equity perspective. The equity program or personnel perspective must include details about how they plan to achieve their goals and maintain it over time, employers must then review it every three years. (Act on Equal Status and Equal Rights of Women and Men, No. 10/2008, 2008). The new legislative requirements ensure frequent reviews of pay equity practices within companies to sustain its objectives over time. The Ministry of Welfare has also appointed the Centre for Gender Equity as the administrator for the new legislations. They have been given the authority to oversee the daily operations and implementation of the new act (Act on Equal Status and Equal Rights of Women and Men, No. 10/2008, 2008).

The labour market is relatively small in Iceland, thus the number of organizations with 250 or more employees is very limited, approximately 80 (Sigurðardóttir, 2018). There are also a number of organizations, with fewer than 250 employees who are currently seeking to obtain their certification in 2018, ahead of their requirement deadline (Sigurðardóttir, 2018).

To assist in the successful implementation of the new legislation the Ministry also offers a variety of free resources, checklists, and sample job classification tools to help employers with the implementation process (“Verkfærakista,” 2018). The Ministry also provided a flow chart that demonstrates how the implementation process operates, as can be seen in figures 3 and 4 below.

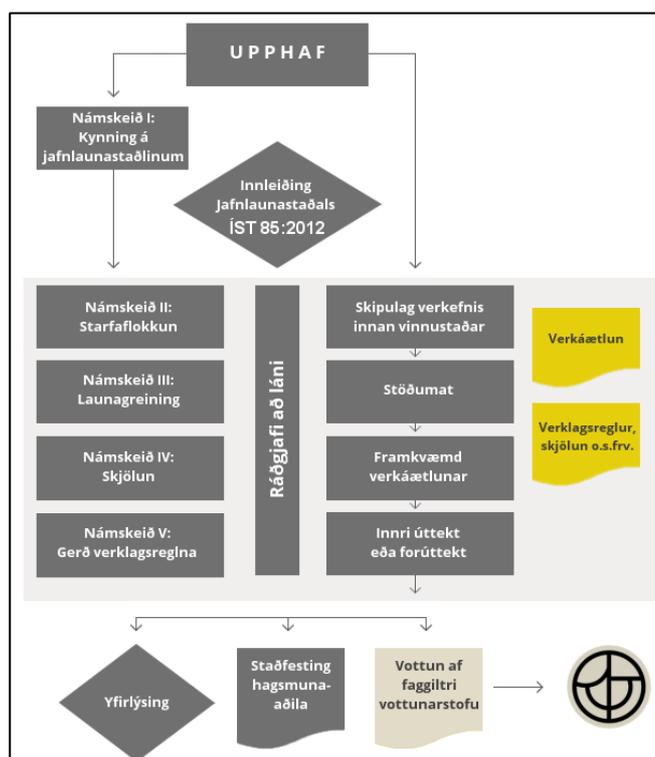


Figure 3. Jafnréttisstofa: Ferli innleiðingar. Adapted from Ferli innleiðingar. (n.d.). Retrieved August 28, 2018,

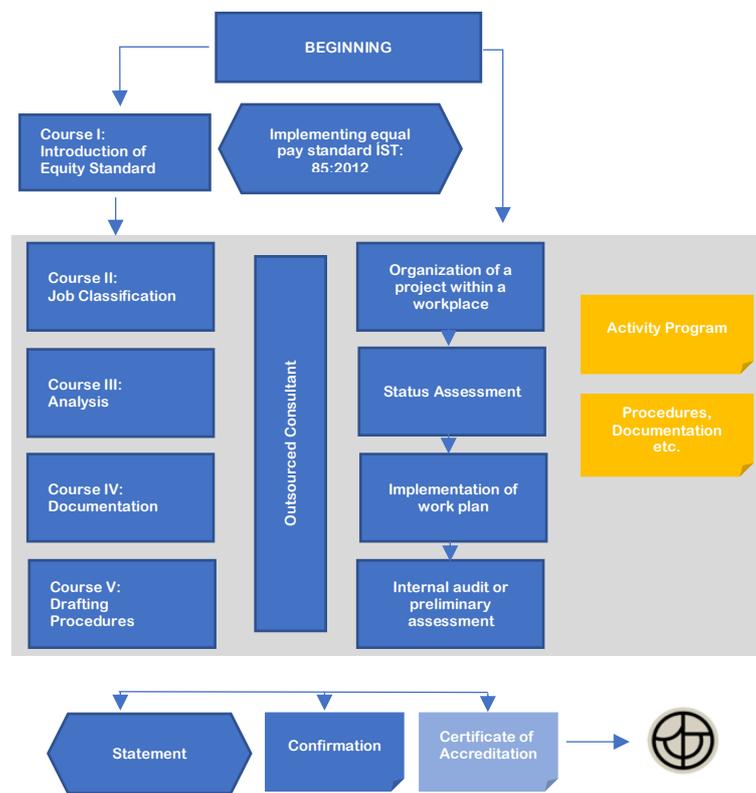


Figure 4. Equal Pay Standard: Implementation Process. Adapted from Ferli innleiðingar. (n.d.). Retrieved August 28, 2018,

2.4.2 Canadian pay equity

Gender pay equity has been present in Canadian legislation since the enactment of the Canadian Human Rights Act in 1977 and its revision in 1985, which states that under Section 11(1) "It is a discriminatory practice for an employer to establish or maintain differences in wages between male and female employees employed in the same establishment who are performing work of equal value" (Canadian Human Rights Act, 1985). Then in 1986 more detailed requirement under the Equal Wages Guidelines, were introduced. Despite the enactment of legislation and policies that support stronger gender equity, recent literature suggests that pay equity advancement in Canada have stalled (Guppy & Luongo, 2015; McDonald & Thornton, 2016). Many of the anti-discrimination laws in Canada are voluntary in nature and place little responsibility or consequences for non-compliance (Guppy & Luongo, 2015). The federal system is currently complaint-based, which places the onus of

proving discrimination and wrong doing on the employee, along with the financial costs. There is also the fear of reprisal for coming forward with a complaint, making employees even less likely to file complaints, even though they have the legal right to do so (Gunderson & Lanoie, 2002; Guppy & Luongo, 2015)

Unlike the Icelandic system, Canada's pay equity legislation is distributed between two level of government, Provincial and Federal. Each province has its own pay equity laws that are separate from the federal. Six provinces: Ontario, Quebec, Manitoba, New Brunswick, Nova Scotia, and Prince Edward Island, have proactive pay equity legislation in place. Of the six provinces with proactive policies only Ontario, Quebec and New Brunswick require employers to maintain their pay equity plans after implementation (McDonald & Thornton, 2015). Unfortunately, the enforcement of the legislation in Ontario since the 1990's has been minimal, partly due to the 50% reduction in funding to the Pay Equity Commission and Hearings Tribunal (McDonald & Thornton, 2016). The other four provinces: British Columbia, Saskatchewan, Alberta, and Newfoundland and Labrador, have no dedicated pay equity legislation in place. These four provinces have a limited 'non-legislation' approach to pay equity and equal pay for work of equal value (McDonald & Thornton, 2015).

The federal government, Northwest Territories, Nunavut, and Yukon take a different approach with a complaint-based pay equity system (McDonald & Thornton, 2015). According to the Government of Canada website part of the 2018 Federal budget will be directed towards the implementation of proactive pay equity legislation for federal employees ("Budget 2018," 2018). On October 29, 2018 the Federal government of Canada announce the tabling of a new proactive pay equity legislation, similar to what has been already established in Ontario and Quebec ("Government of Canada introduces historic proactive pay equity legislation," 2018).

While it is agreed that proactive pay equity legislation will be a vital tool in combating the wage gap in Canada, it is also been identified that broader policy tools are needed to make an impact ("Government of Canada introduces historic proactive pay equity legislation," 2018). They suggest that the government should invest in "early learning and child care, improved financial support for training and learning, enhanced parental leave flexibility, pay transparency, the continued appointment of skilled, talented women into leadership positions, and better access to flexible work arrangements" ("Government of Canada introduces historic proactive pay equity legislation," 2018). Some of these policies, such as pay transparency, are already being discussed at the provincial level. In Ontario they

have introduced Bill 203, Pay Transparency Act, 2018, in the hopes that if it passes it will help close the gap in gender compensation. (Dobson, 2018).

2.4.3 Supplementary legislation

The primary pieces of legislation focusing on gender pay equity in Iceland and Canada were discussed above. However, in both countries they have passed other acts and legislative policies to help strengthen women's position in the labour market and bridge workplace inequities that perpetuate the gender wage gap ("Budget 2018," 2018). In both Iceland and Canada, they have enacted policies that cover a range of gender issues including sexual harassment and paid parental leave.

2.4.4 Gender quotas

After the 2008 financial crash, Iceland's economy suffered major losses with the collapse of three major banks. As a result of the crisis, the lack of female representation in business leadership positions became a focal issue (Rafnsdóttir et al., 2014). In response to this the government proposed the Act on 40% Gender Quota on Boards of Directors No. 13/2010 and the Act on Gender Quota on boards of Pension Funds No. 122/211, which was passed in 2011. These acts require boards of companies to have a minimum ratio of 40% representation of either gender (Rafnsdóttir et al., 2014). This legislation "applies to publicly owned public companies; public limited companies; private limited companies, and co-operative limited companies (where more than fifty persons are employed on an annual basis)" (Rafnsdóttir et al., 2014).

There was a lot of debate amongst politicians and the business community about whether they should be setting legally mandated minimums for gender balance or establish voluntary frameworks (Rafnsdóttir et al., 2014). In 2008 the government also adopted a new article in the Act on Equal Status and Equal Right of Women and Men no.10/2008 that requires gender quotas for government committees, councils, and boards. (Rafnsdóttir et al., 2014)

When these acts came into force 1 September 2013 (Preisler, 2014; Rafnsdóttir et al., 2014), some argued that by setting a gender quota it would be a detriment to women and would diminish the hard work of those women who had to earn their positions on boards prior to the quota being implemented. Before the quota was established the leader of the Independent Party stated that setting gender quotas meant women would be "losing the fight" (Axelsdóttir & Einarsdóttir, 2017). There were arguments from both men and women that setting these minimum standards would result in less respect and creditability being given to

the women who were appointed after the quotas were applied (Axelsdóttir & Einarsdóttir, 2017; Rafnsdóttir et al., 2014).

Despite the fact that women are still woefully underrepresented in upper management and leadership positions, the representation of women on boards has increased across all industries (Axelsdóttir & Einarsdóttir, 2017). These positive results influenced the public's opinions about the legislation and its impacts. Leaders in the business community are now emphasizing the importance of the legislation. Prominent women involved in business, who had initially opposed the quotas, stated they were now in favour of their implementation. (Axelsdóttir & Einarsdóttir, 2017)

2.5 Best Practices for Successful Pay Equity Legislation

A comparative analysis of pay equity models and their impacts was conducted in 2006 by Marie-Thérèse Chicha. The study compared Sweden, Canada (Québec), United Kingdom, Netherlands, Switzerland, and France. Based on the comparison of these six models, it was concluded that one of the most beneficial best practices for gender pay equity legislation is the appointment of a government commission that has the resources and means to conduct training initiatives, dispute resolution, and other management functions (Chicha, 2006). A second important feature of successful pay equity programs is having detailed guidelines for the application of the legislation as well as having legislation that is both proactive and mandatory (Chicha, 2006).

Michael Baker and Nicole M. Fortin also conducted a study of Ontario's pay equity system in 2004. In their conclusions they suggest methods for the successful implementation of pay equity legislation. First, they state that pay equity programs should address the barriers involved in the job evaluation process, especially for smaller organizations that lack comparator groups for female dominated positions (Baker & Fortin, 2004). Their second recommendation is for stricter tools for policy enforcement. They advocate for a more active system that requires organizations to provide proof of compliance, unlike the current system in Ontario that conducts random audits to look for evidence on non-compliance (Baker & Fortin, 2004).

2.6 Barriers to Change

The Pay Equity Act in Ontario was implemented in the early 1990's (Pay Equity Act, 1990). During the implementation phase in Ontario there was a large rate of non-compliance from small and medium size firms. A survey was conducted to find out what the primary causes of non-compliance were and the main factors were: confusion about the law, the cost

of pay equity plans and lack of resources (Baker & Fortin, 2004). Larger firms had the financial resources to implement policies with much less difficulty than smaller firms. Employers have also found pay equity legislation to be an administrative burden that consumes a lot of working hours and resources. The cost of pay equity for organizations is substantial (Gunderson & Lanoie, 2002). They have to invest a lot of resources into the planning, implementation, and administration of the policy. These costs can escalate depending on the complexity and subject matter expertise that is needed. Consultants and subject matter experts are also often involved, especially if the organization needs to update their compensation framework or job evaluation system. (Gunderson & Lanoie, 2002).

When employers began implementing pay equity in Ontario, it was difficult to figure out the exact cost to businesses because organizations were not taking the same factors into consideration when calculating total costs. However, it is estimated that the administrative cost just to develop their plan was \$173 per employee in the public sector. In the private sector the estimates per employee varied by organization size: \$88 for large companies with over 500 employees, \$168 for companies with 100-499 employees and \$150 for companies with 50-99 employees. (Gunderson & Lanoie, 2002; Singh & Peng, 2010).

As a result of these barriers and the financial difficulties associated with implementation, many employers began to undermine the system. Especially in provinces like Ontario where there is a requirement to maintain pay equity over time. Employers have tried to avoid maintaining their programs by reorganizing workloads or job duties in order to cut back on equity payments (Armstrong Pat & Cornish Mary, 2002).

Another study conducted in Ontario indicated that “roughly two-thirds of public and large private employers and 54% of firms with 100–499 employees reported hiring external consultants. In contrast, just 37% of firms with 50–99 employees and less than one-quarter of the very small number of 10–49-employee firms” (Baker & Fortin, 2004). The implementation process has been particularly difficult for small to medium sized firms, as well as non-profit organizations that have a large base of female employees with limited funding available (Singh & Peng, 2010). The costs associated with gender pay equity and the hiring of consultants can be prohibitively high, especially for smaller female dominated organizations.

2.6.1 Short-falls of past legislation

The gender wage gap is a global phenomenon and there have been many attempts by governments to eliminate it through legislation, none of which have succeeded to the extent that was desired (Fleetwood, 2010; Rafnsdóttir & Weigt, 2018). There have been great

improvements in gender wage equity in many parts of the world, but despite all the attempts by governments to change the status quo, there isn't a single nation that has achieved complete gender pay equity (Fleetwood, 2010).

Past pieces of legislation that have been enacted have had issues in their implementation in terms of the complexity of administration, resource costs, and lack of process transparency, which have caused significant barriers to achieving successful outcomes (Gunderson & Lanoie, 2002). On top of the design and implementation concerns with these policies, some fundamental issues have been identified that are not being addressed in the legislation. Looking back at the primary causes of the gender wage gap there are several factors that the legislation does not take into consideration or fully address (Fleetwood, 2010). As discussed previously, the gender wage gap is a complicated matter that has several underlying causes ("Government of Canada introduces historic proactive pay equity legislation," 2018). While pay equity legislation addresses the political-economic factors of gender inequality, it may have little to no impact on the causes that derive from cultural causes (Fleetwood, 2010).

One of the main factors contributing to the gender wage gap is horizontal and vertical segregation. The framework of pay equity legislation is designed to address horizontal equity in gender segregated roles, particularly for individuals working in predominantly male-dominated and female-dominated positions (Gunderson & Lanoie, 2002). This is because the concept of pay equity is to provide equal payment for work of equal value. Meaning that if work being conducted by employees in a female dominated role is of equal value to work being done in a male dominated role, they will be compensated equitably (Gunderson & Lanoie, 2002). This deals with the direct discrimination between men and women performing roles on the same level but does not take into consideration the issues of vertical segregation and lack of female representation in leadership roles.

3.0 Methodology

3.1 Design

For this study I chose to use a qualitative research approach. Qualitative research allows the researcher to gain a more in depth understanding of a particular subject, which is beneficial given the relative newness of the Icelandic legislation being researched. There are few statistics or past results that can be analyzed because the implementation process just began in January 2018 (Act on Equal Status and Equal Rights of Women and Men, No. 10/2008, 2008). Qualitative research was the best option for this project because it allows for a more flexible approach that emphasizes the relating of feelings, perceptions and experiences instead of focusing on quantitative measurements. The aim of this type of research is to explore diversity instead of quantifying data (Kumar, 2014).

3.1.1 Multiple case study

A multiple case study approach was taken for this research project in order to gain a more diverse view of how organizations in various industries are approaching the implementation process of gender pay equity legislation. Multiple case studies are most commonly used as a way to compare individual cases that are being researched. This method allows the researcher to discover the commonalities and differences between the cases being examined (Bell, Bryman, & Harley, 2018). This method was chosen in the hopes of discovering if there are common best practices, strategies, success factors and barriers being faced during the implementation process of pay equity legislation.

3.1.2 Convenience sampling

A convenience sampling method was used to select interview candidates for my research project. Convenience sampling is based on what resources are available and accessible to the researcher (Bell et al., 2018). The primary concern was finding organizations who would be willing to participate and give me access to the information I needed. The selection of Icelandic participants began by using online research about companies with an average of 250 + employees, as well as the list of certified companies on the Jafnréttisstofa website. I then reached out by email, phone, LinkedIn and through personal contacts to the Human Resources professionals within these organizations. My original plan was to focus on companies in specific industries: oil and gas, shipping, manufacturing, fishing, and mining; However, access to these sectors was too limited. I

expanded my sample to include engineering, technology, insurance, pharmaceuticals, banking, and other services.

To research the key success factors and barriers faced by Canadian companies I similarly reached out by email, phone, LinkedIn, and through personal contacts. After getting limited response from Human Resources professionals working within individual organizations, I reached out to Human Resources consultants who have a background or specialty in pay equity legislation. Given their professional background I felt they could provide valuable insight into current practices. I received only one positive response to my requests, so my sample was limited to one Canadian interview.

3.2 Participants

As stated previously, the current legislative policy in Iceland requires companies with an average of 250 or more employees to comply by the first deadline in December 2019. However, several companies with fewer than 250 employees have already begun, or have completed, the certification process. Given the small sample of Icelandic companies completing the certification process at this time I shifted away from my original plan to only target employers with over 250 employees.

My sample included ten Icelandic companies in the following industries: Engineering, Technology, Accounting, Pharmaceuticals, Banking, Shipping, Insurance, and other services. The companies ranged in size from 192-1240 employees as can be seen below in figure 5.

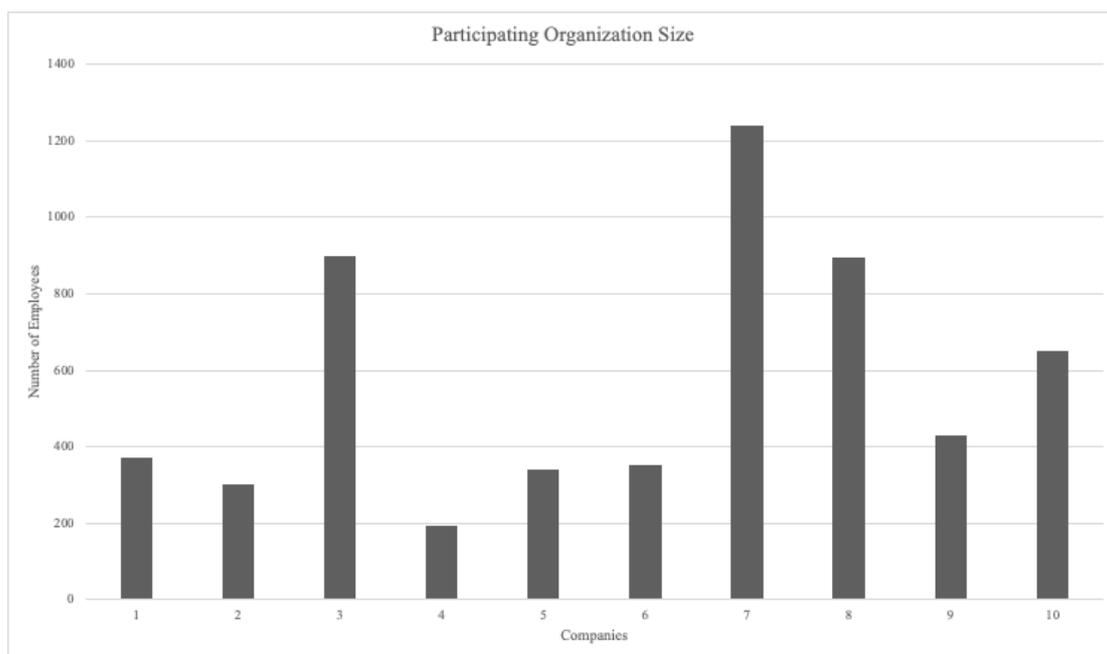


Figure 5. Participating Organization Size

Of the companies represented, four have completed the equal pay certification process and six are still in progress, as can be seen in Figure 6 below.

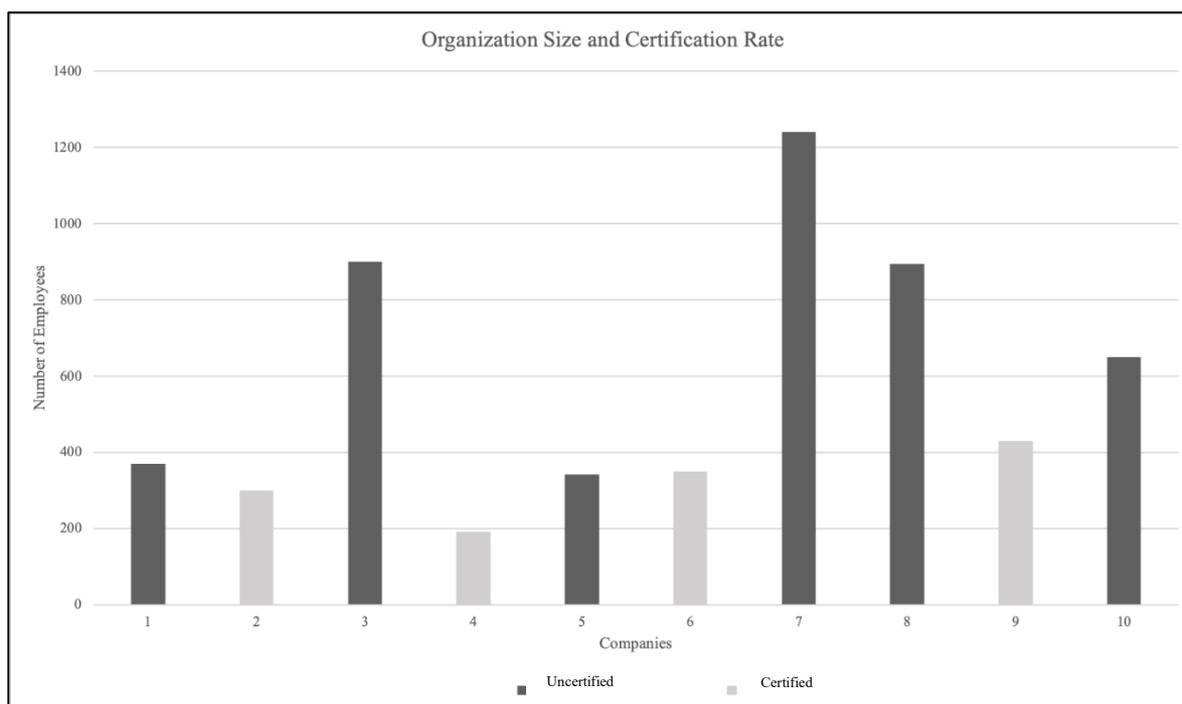


Figure 6. Organization Size vs. Certification Rate

All interview participants were members of the human resources department or associated areas, such as employee compensation and benefits. The participant’s rank within the departments varied. There was representation from directors/head of departments, managers, specialists, and consultants. In table 3 below you can see the rank distribution of the Icelandic participants.

Table 3.

Rank Distribution of Icelandic Participants

Icelandic Participant Rank Distribution	
Participant Rank	Number of participants
Director/Department Head	2
Manager	2
Consultant	1
Specialist	5

Gaining access to Canadian companies and consultants was a challenge and due to the limited response to my interview requests I was not able to gather statistical data regarding individual Canadian organizations. For further insights into the Canadian legislative system I interviewed an HR consultant who specializes in pay equity implementation for organizations covered by the Ontario and Quebec pay equity acts in both the private and public sectors. The consultant was able to provide an overview of the most prevalent barriers, success factors, and best practices as they related to the two pieces of provincial legislation.

3.3 Procedure

Interview candidates were provided with the participant agreement form prior to meeting and given the opportunity to ask questions before the interview process began. The ten Icelandic interviews were conducted in person at the participant's place of work in a designated meeting room. All interviews were recorded for later transcription and analysis. Due to geographic limitations, the Canadian interview was conducted using Skype video chat, this interview was also recorded and transcribed for my records.

3.4 Ethics

This research project was conducted in line with the Reykjavik University code of ethics. All participants signed the participant agreement form [see appendix A], which serves as a confidentiality agreement between the researcher and the participant. Given the small business sector in Iceland and the limited sample group, keeping the names of participants and companies anonymous is very important. It is sometimes necessary to clarify your sample in order to give your findings context, but not at the expense of breaching confidentiality or revealing the identity of your interview participants (Kumar, 2014). For this reason, I was not able to name all of the industries that were represented in this study. Given the small number of companies in Iceland, naming these particular industries would have singled out the participating companies and possibly the participants involved in this study.

Ethical issues that were considered when working on this project concerned the collection of data and gaining consent from participants. When reaching out to potential interview candidates it was made clear in both the email and participant consent form what information I was seeking and why I was seeking it. I also made it clear that participation was entirely voluntary. The participant agreement also informed interviewees that they could withdraw their consent at any time, even after the information had been collected.

The data collected for the purposes of this study was not particularly sensitive. However, during the course of the interviews several companies revealed plans for new

projects that were of a confidential nature, thus it was important to assure participants that the information would be kept confidential.

3.5 Data Collection

This study was conducted using a qualitative research method with the primary sources of data being gathered through a series of semi-structured interviews. The interview questions were prepared in advance and consisted mostly of open questions, see appendix B. During semi-structured interviews you cannot anticipate how a participant will answer your prepared questions, so it may be necessary to ask a follow up, based on the initial open question (Wengraf, 2001). This is the benefit of a semi-structured interview process.

My primary source of data, as stated above, came from ten interviews conducted with Iceland companies that are in the process of obtaining, or have recently obtained, their equal pay certification and one Canadian Human Resources Consultant with specialization in pay equity implementation. The Icelandic participants were all directly involved in the implementation process and had knowledge of the project.

My secondary sources of data were collected by reviewing academic literature, statistical data from both Icelandic and Canadian sources, along with legal documents, legislation and government resources. I also referred to the websites of the participating organizations as well as the websites of relevant stakeholders (i.e. Unions, Ministries, employer associations, etc.).

3.6 Data Analysis

All interviews were recorded and transcribed prior to conducting a thematic analysis. The transcripts were coded and analyzed using the NVivo software to determine what thematic trends emerged, specifically in area of strategies, success factors, barriers to compliance, and impacts of the legislation. The initial themes that emerged were derived from the topics explored in the interview questions, however the open nature of the questions allowed for respondents to give more detailed answers from which new trends emerged. Along with NVivo, I also used Excel to analyze the collected demographic data. Using this program, I was able to compare statistics and discern trends in gender representation across participating companies.

4.0 Findings

The findings section is divided into two parts. The first will be an analysis of the themes and trend that emerged within the Icelandic interviews and the second section will be an overview of the Canadian perspective and its related themes.

4.1 Themes

A thematic analysis was conducted using NVivo and Excel and themes were drawn from coding the collected data. In Figure 7 below you can see the themes that emerged from the coding process of the Icelandic Interviews. The chart shows the overarching global theme which cascades down into the thematic categories, followed by the themes.

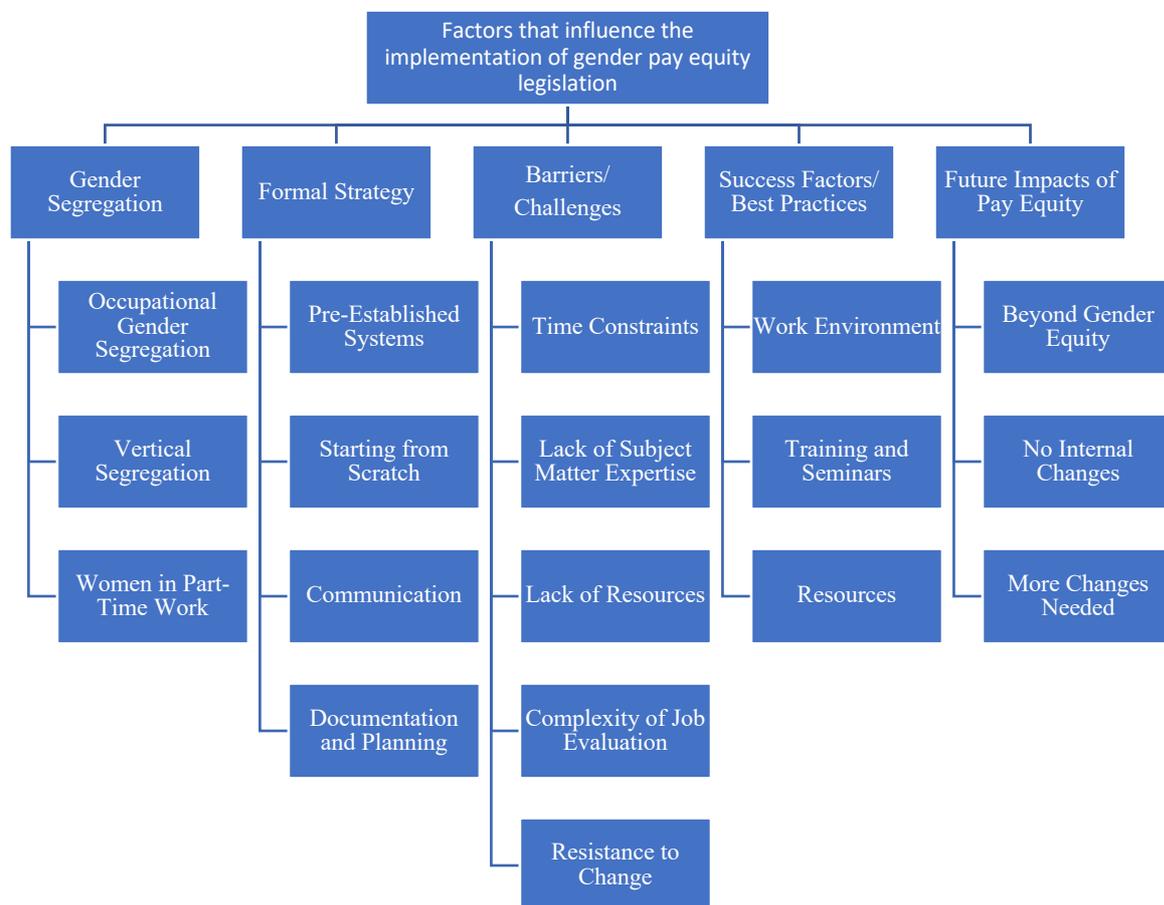


Figure 7. Thematic Analysis

4.2 Gender Segregation

The demographic and background information collected during the Icelandic interviews was processed through Excel to assess if there was evidence of gender segregation

in particular roles or industries. Below in figure 8 are the overall gender ratios of the ten participating Icelandic organizations.

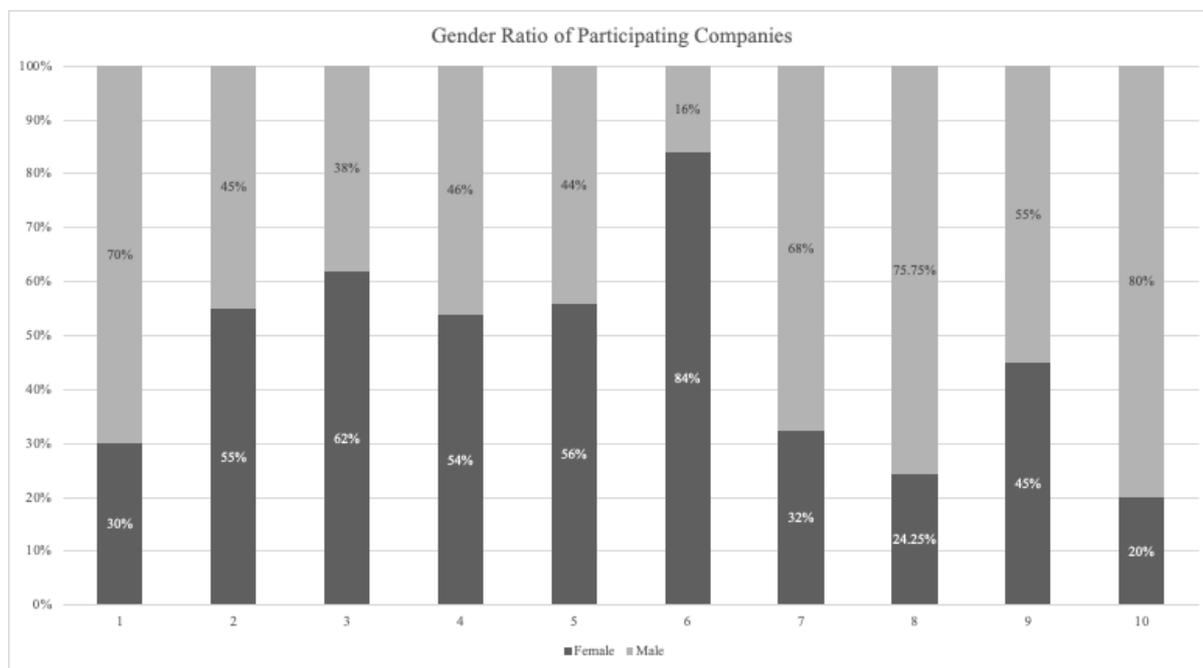


Figure 8. Gender Ratio of Participating Organizations

40% of the participating companies have 30% or fewer women represented in their labour force. These organizations belong to the technology, engineering, and shipping industries, which are all historically male dominated. One of the ten companies (10%) is female dominated. This organization has a large department dedicated to retail and customer service, which is a female dominated field. The remaining 50% of organizations are close to 50/50 male to female ratio.

4.2.1 Occupational gender segregation (horizontal)

Every participant interviewed identified that at least one or more of their departments has a gender imbalance. From the interviews conducted the roles that were identified with having the highest gender segregation were:

Table 4.

Interview Findings - Male vs. Female Dominated Roles

Male Dominated	Female Dominated
Electrical Engineering	Customer Service and Service Representatives
Information Technology	Human Resources
Production Roles	Payroll
Firefighting	Finance Department
Maintenance	Office Administrators
Cleaning Staff	Cosmetics
Financial Advisors	
Drivers	
Electricians	
Manufacturing and Assembly	

4.2.2 Vertical segregation

Based on the demographic data collected from participating organizations, a trend became apparent in the progression of women within the organization’s upper ranks. In this study I asked about the number of women in management and executive roles. The comparison of these two levels is particularly important as they represent different levels of responsibility and authority within an organization. Executives have a broader scope of responsibility, more decision-making power, and are often involved in the policy making process, meaning they are in a better position to influence changes within an organization.

The number of women represented in positions of leadership decreases the higher up the ranks you look, as you can see in figures 9, 10, and 11 below. The number of women represented in executive positions is much lower than those in management positions. The representation of women in executive roles is on average 6% lower than at the management level as can be seen in Figures 9 and 10 below. When you move up to the CEO/Managing director role it drops significantly. In this study only one of the ten companies (10%) had a female in its top leadership position as can be seen in figure 11.

The charts below show the gender ratios of nine of the ten companies interviewed, one participant was unable to provide their demographic statistics for this study, however they did say that the gender ratios were low.

“I don’t have it precisely, but it’s low [...] Yeah, it’s not that 30%, I think we have maybe around 15% or something.”



Figure 9. Ratio of Female to Male Managers

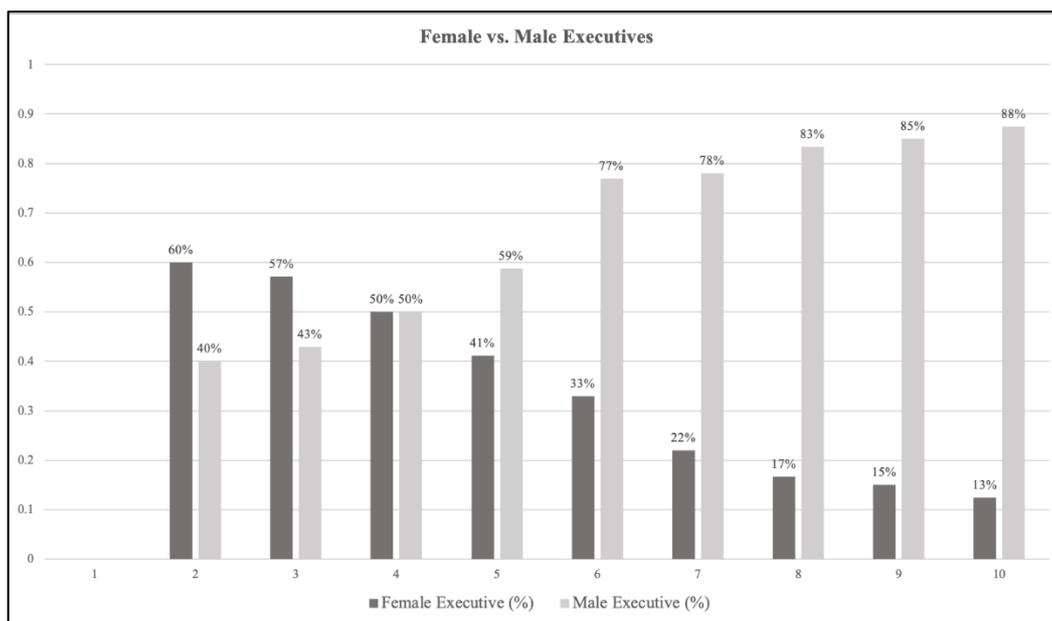


Figure 10. Ratio of Female to Male Executives

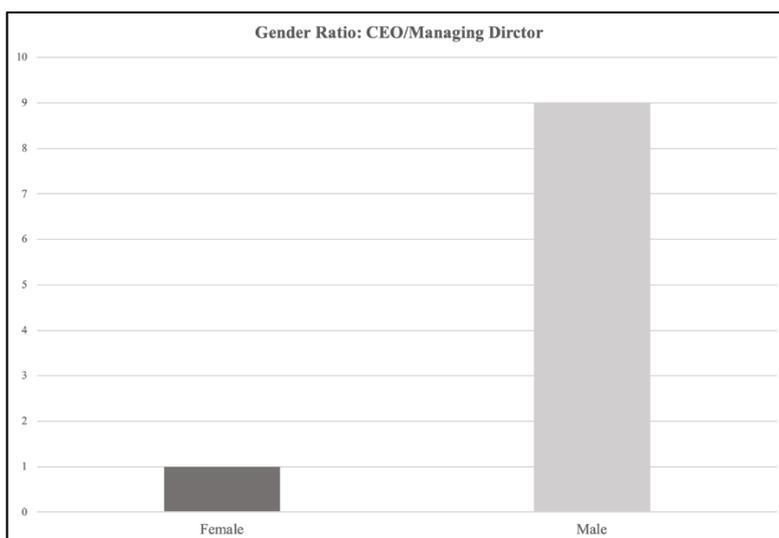


Figure 11. Gender Ratio of CEO/Managing Directors

4.2.3 Female ratio of part-time workers

Of the organizations interviewed only seven had data about their part-time staff available, the others had too few part-time employees. Five organizations reported equal or close to equal representation of men and women in part-time work. While two had a significantly higher rate of women working part-time as can be seen in figure 12 below.

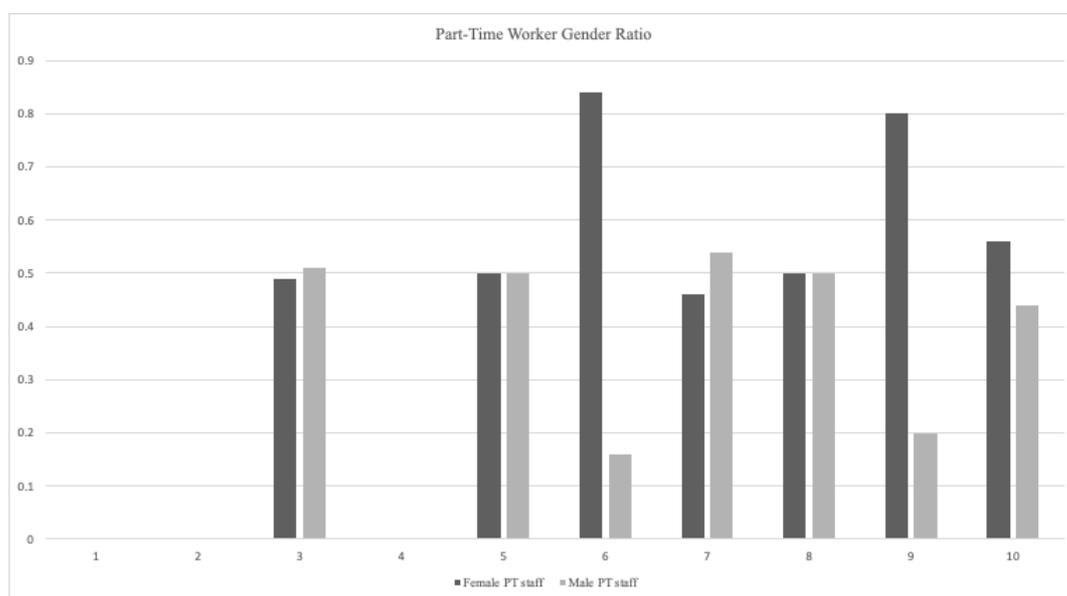


Figure 12. Gender Ratio of Part-time Workers

Company 6 had 84% Female and 16% male in part time roles, which is the same as the overall gender ratio for their organization. When discussing this the interview participant speculated that it was due to the nature of the work, “I think it’s just because it’s in sales”.

Company 9 has 80% Female and 20% male in part time roles, whereas their overall gender ratio is 45% Female and 55% male. However, within this company the number of part-time employees was negligible. “Probably 80%, yeah, but we only have ten, maybe ten employees working part time”.

Three companies were unable to provide data about the number of part time employees, as their numbers were minimal. However, Company 2 estimated they have more women than men due to return to work post-maternity leave:

“yeah, we have people like, I think maybe 15 or 20 people maybe that are lower, [...] many of them are I think I would say after maternity leave, they often apply for lower a year, or two years.”

In company 4 they also have very few part time staff and it was estimated that either the majority or all of them are female:

“ok, yes well that’s mostly female, [...] I think probably now we have about 20, 20 part-time employees but that’s maybe they are 90% job or they’re 95 or so, but that’s all female”

4.2.4 Board member ratios

The gender ratio amongst board members is fairly consistent across the companies, which reflects the gender quota legislation. The majority of the organizations meet the minimum requirement of 40/60, with women holding 40% of the seats. The exceptions to this are company 3, where women hold a majority with 57%, and Company 10 where women are underrepresented with only 33%. Company 8 was unable to provide the gender ratio of their board as they were in the process of replacing some of its members.

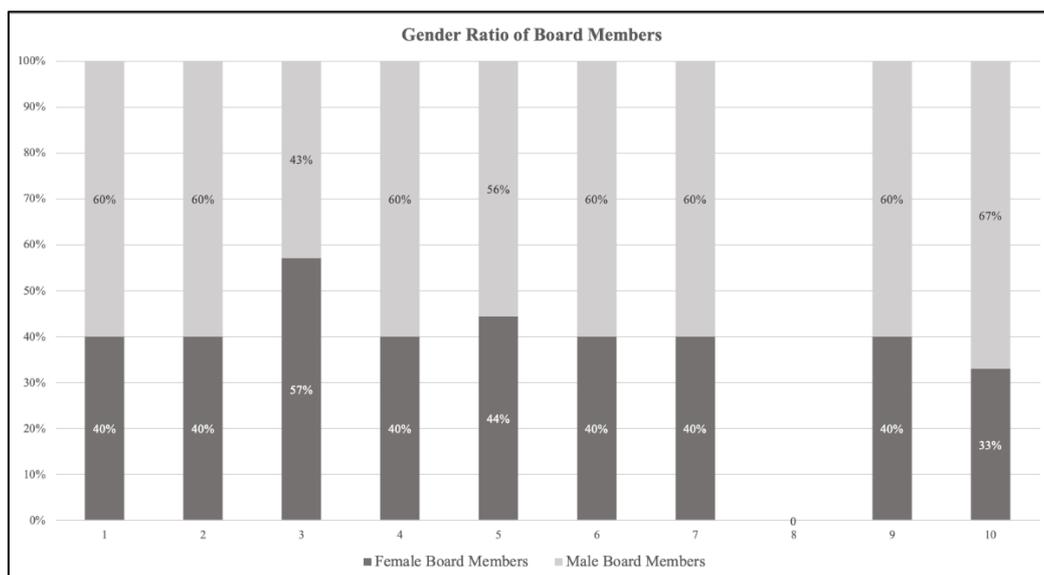


Figure 13. Gender Ratio of Board Members

4.2.5 Prioritizing gender pay equity

All interviewees agreed that gender pay equity is a current priority within their organization and stated that it had been discussed at the board, and or, executive levels. Participants also stated that the level of interest and/or involvement of the boards and CEO has been high.

“the executive board has been along from the beginning and we also have a CEO who is really focused on the project at hand”

“I present to the board level, to the board, and they want to see the equal pay ratio, they want to see what has come out of the process. They want to see the goals, want to see how we are doing on these goals, so both the directors and CEO are very much involved and also the board, they are really highly interested in it”

“The executive board is of course for the whole organization globally, so they are aware of it, but it was more the leadership team here for this location that knows about it and was involved”

Gender pay equity was also identified as being a societal priority and something that is being discussed openly. In response to this organizations are being proactive in their approach to gender pay equity and they consider this to be a form of corporate social responsibility.

“this is what people are talking about, and all research is showing that the gap exists, and you start thinking, well are they paying the men next to me higher salary than me. So, we wanted to make them sure, that’s the reason we did it. Also, just to show social responsibility. This is a big company. Over 400 employees is a big company in Iceland, so this is a corporate social responsibility as well, that is the reason why we did it. And we decided to go through with it before the legislation, before we had to, so we have had the certification for over a year now”

4.3 Formal Strategy

The strategies implemented by Icelandic companies varied greatly. Two of the main determining factors of their strategy depended upon whether or not they had a pre-existing system in place and when they began the implementation process. Early implementors and companies that took part in the pilot program had access to fewer resources, consultants, or subject matter experts, which impacted how they approached the process.

When asked if they used a formal strategy when implementing pay equity 70% of respondents said they did. Two organizations (20%) said they had a strategy, but it was not formalized and one organization (10%) identified as not having any strategy at all.

The organization that had no formal strategy was an early implementor and the absence of a formal strategy resulted from a lack of available information and resources at that time.

“no, we didn’t. Nobody was doing this. So, we were in the prototype group or something with the ministry – so there was no right way to do it.”

“So, there was no, definitely no strategy on board. We just got, tried to get, all the information we could.”

Those implementing the legislation now have access to more resources and subject matter experts to assist them in the planning and implementation of the legislation.

4.3.1 Pre-established systems

The approaches to the legislation varied widely amongst participating companies. The strategies used depended greatly on the pre-existing systems in place. However, the majority of participating companies chose to build upon what they already had.

Organizations who took part in the voluntary gender pay gap programs through VR and PwC prior to the legislative requirements often chose to build upon the processes they used through those programs.

“three years ago, we conducted, we took part in a measurement or, on the pay gap with PwC and we, they were at the time giving out what they call the golden stamp, or something like that, if you showed that you were within some percentage range you were given a stamp from them. We conducted that in 2015 I think, and we were basically building on what we did then, and the goal was always to keep that going every year and that was before the legislation came out, so we were actually working on that.”

4.3.2 Starting from scratch

Of the ten organizations interviewed, only one chose to start their system from scratch with brand new job descriptions and a job evaluation system: “We started, you know from the beginning. We say ok, we are going to make job descriptions again. Throw everything out and start again, you know.” This was an organization that has grown over time through the acquisition of other companies. After each acquisition the systems were not consolidated to

match those of the primary company, which resulted in many different pay structures. In this case, starting fresh was strategically the best option.

4.3.3 Communication

A requirement of the Icelandic legislation is for employers to communicate the policy to all staff and post it on their public website. When asked how they have, or will be, communicating the plan to their staff the most common methods of communication were through digital means, either the company intranet, workplace (a closed social media network), or email. Other communication methods included: Staff meetings, a staff party, bulletin boards, and framed posters.

Two organizations who are still in the process of implementing their policies are taking different approaches of how they will be communicating it to staff. One is taking an open and transparent approach, keeping staff informed of each step and milestone.

“So, but staff and everyone knows it’s in the pipes because we have the whole process, like our schedule and everything is up on the board and they can come and look at it anytime and see how we’re going and how we’re doing so we want them to be like aware that this is going on”

The second company is taking the opposite approach and is keeping the process closed to staff below the management level and will not be communicating the plans and results until the process has been completed.

Companies are also concerned about communicating the right message to staff when presenting the policy and process to staff. Two organizations who have not completed the process are still working on their communication plans. They are concerned about how they can present the process and results to staff in a positive way, and how they can correct any misconceptions they may have about the legislation and how it will affect them.

“we are just discussing how we can do this in a positive way and how we can, you know, use this to, you know, be open minded and how to be able to for people to see what’s behind it all and why we are doing this and how we can use this to help us and guide us”

“We are working on how we want to present. I think there’s a lot of myths going on and we have to be very careful how we conduct, or on how present the whole thing. Like I said, there are a lot of myths about, that your salary is going to increase a lot, that is definitely not the case, that’s not what this legislation is for”

4.3.4 Documentation and planning

Two of the participants who have completed the certification process highlighted the importance of documentation and getting your organizational practices down on paper. This was identified as their top piece of advice for those who are just starting the process.

“My main advice is this: just have a look at how you do it now and I’m sure if you asked how many do you have in the computer, “ok we have six” but you are paying them differently “yes, because of, because they are...” there, you already started to evaluate, to put in the different categories based on your knowledge or whatever. You just have to put it down to the paper and you say, that’s the way we do it, and there you have it”

One participant created a spreadsheet before beginning the process to have a complete overview of the payroll quality system and the requirements of the legislation all in one place. The spreadsheet contained a list of all the requirements under the legislation along with the corresponding files from the quality system that meet the needs of each requirement.

“This is something I did in advance and it has helped me so much because I understood that, how vast this system is because, for example a large part of the standard has to do with documentation with being able to validate every decision that you made [...] and this is just something I did myself so, and if I was supposed to be helping someone I would tell them do this the first. It’s very important. Get the overview of the system, how vast it is, because it’s really vast”

4.5 Barriers and Challenges

When asked about barriers in the implementation process very few participants identified having experienced any internal or external barriers. However, when discussing the various aspects of the implementation process, such as job evaluation and the involvement of management, several challenges were identified. These challenges and barriers are listed in table 5 below along with the percentage of participants who experienced them.

Table 5.

Implementation Challenges

Implementation Challenges	
Time Constraints (Auditor Availability & Multiple Priorities)	60%
Lack of Subject Matter Expertise	40%
Lack of Resources	30%
Complexity of Job Evaluation	30%
Resistance to Change	30%
Cost	10%

In the next section I will highlight the challenges that were identified by 30% or more of the participants.

4.4.1 Time constraints

The biggest barrier identified in the implementation process was lack of time with 60% of participants citing it as an issue. This piece of legislation was enacted in January 2017 and required compliance within one year for companies with an average of 250 or more employees throughout the year. Given the size and complex structures within these large companies the time constraints were not manageable, and the deadlines were extended by 12 months.

Two organizations also mentioned this process has been made more difficult due to competing project priorities which added more time pressure: “the only barrier might be a lack of time because we have many other projects, are really important as well” The second organization was in the midst of implementing another large piece of legislation regarding privacy of information this past year and was feeling very pressed for time.

Despite this administrative hurdle and the extension of the compliance deadline by 12 months, the interview participants who were still in the process of obtaining their certification stated that they were planning to stick to their original timeline as closely as possible. This means they anticipate completing the process before January 2019, or shortly thereafter.

“So, that gives us some time but we’re still keeping track as if we were trying to finish for the new year and we have to see, we will probably see in about two or three weeks if we can make that timeline or not. Otherwise we will try to finish it in January.”

4.4.2 Lack of subject matter expertise

Several of the participants pointed out that more often than not the implementation of this new pay equity legislation falls on the desk of the Human Resources department. It was also stated that the majority of Human Resources Professionals do not have the subject matter expertise to implement every aspect of the pay equity legislation.

“I think its most difficult for human resources to go through this because usually this goes to human resources to get the equal pay certification, because we don’t have this quality knowledge”

Other specific technical knowledge may also be required of the implementation team, which is why knowledge of other areas outside Human Resources is necessary.

“within HR general, people are not really used to working with these qualifications or, like ISO and other stuff within IT.”

4.4.3 Lack of resources

Lack of resources was identified by 30% of participants as a barrier. Of these participants 20% had already implemented the legislation and were amongst the first companies to complete the certification.

“external barrier is, or at that time, were that there was no help to find really. The Ministry was trying their best, and they were doing their best, absolutely, the pilot group was fine, but it was difficult to find consultants, you need to get the tool books from the ministry. Could be, and I think now, it’s better now than it was. They’ve updated their excel sheet, and we are implementing that now. But you were quite lost, and you don’t know where to start.”

The other participant (10%), who is currently in the process of implementing the legislation is struggling to find the right software that meets the needs of the organization.

“I don’t have any tools. I really need some better tools to this”

When asked about resources and tools being used in the implementation process, 40% identified that The Standard (IST 85: 2012) and the legislation itself were too complex and heavy to follow. The most common issue was its lack of direction in how to begin the process and its sheer complexity.

“And if you take a look at the standard, you probably read it, it doesn’t say you know, it doesn’t help you at all really”

“Because, I mean taking the standard, that was far too complicated to start with.”

“we had from the government which they had published. We started to use it and it was way too complicated and heavy, so we, we really put that behind us”

4.4.4 Complexity of job evaluation

The job analysis and evaluation are a critical piece of the pay equity certification process and is required by all organizations who are applying for certification. Several job evaluation tools have been made available through the ministry, unions, consultancy firms, and the auditors. However, 30% of participants found that because of the large number of positions they have within their organization and the complexity of their structure, fitting all of the positions into the required job categories to be a challenge.

Several participants also pointed out the challenge, and importance, of basing the evaluation on the requirements of the job rather than basing it on the knowledge, skills and abilities of the person, or people, who currently hold the position.

“There are so many different people working there with different job titles and only one person holds that job title – I think there are around 70 different job titles where only one person has that job and then we have maybe 50 other job titles where lots of other people have [...] and it’s really hard to categorize them because you cannot categorize them according to the person. But people tend to do that because you have to categorize, do the job analysis, based on what the job entails and what is expected of you in the job. But, when there’s only one person doing it you tend to look at what that person is capable of doing and you want to reward that somehow, but you can’t and it’s really hard when they have 67 people who just do something in particular, so that has been I think our main barrier.”

“I went and met every manager and asked them to make, you know, to make job descriptions for all the jobs, and the most important thing was to make descriptions for jobs not for the people who’s, you know, doing the jobs.”

4.4.5 Resistance to change

When asked about internal barriers to change and the involvement of Management in the implementation process, three participants identified buy-in from managers was an issue at some point during the implementation process.

“I mean, just getting the managers onboard to having to go through this process, you know, that’s pretty much it”

“the managers [are] not supposed to just take decision to make a higher salary or pay something more before asking us. We have a lot of managers which, they didn’t like it, they want to, you know, do it themselves.”

“it was also like a game changer in the company when we just reached an understanding with all the managers of why this was important, why their help was important. We’re going through all the job descriptions because of this and it took us like ten days to get them just to get on board that they need to send us job descriptions that might be lying around with them and not with us at HR because it could ease the process, but we just had a conversation with them and just like something clicked in their brains”

In all but one case the participants stated that the resistance to change was resolved. They were able to get managers onboard by communicating with them, showing them how the changes would benefit them and getting them involved in the process. The one organization that is still struggling with resistance to change is also using communication and meetings with staff to help resolve the issues.

4.5 Key Success Factors and Best Practices

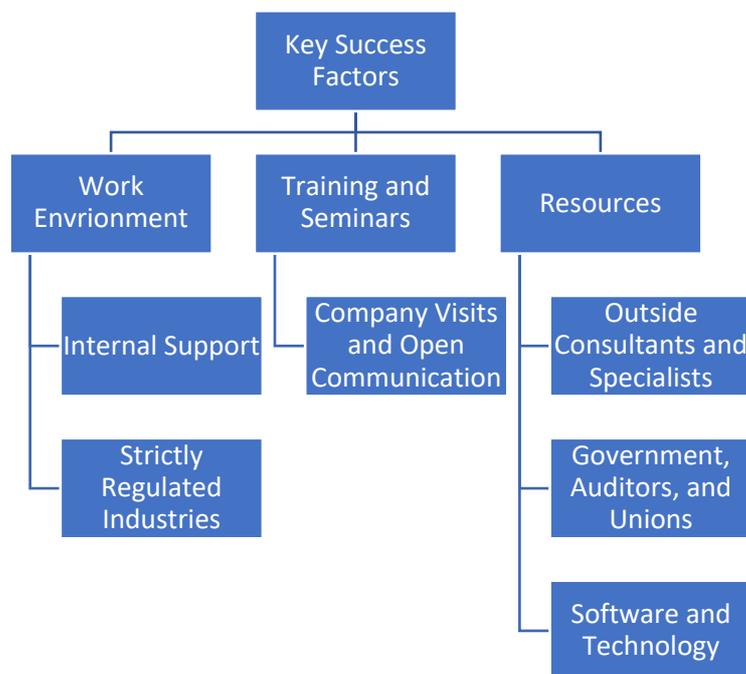


Figure 14. Summary of Key Success Factors

4.5.1 Work environment

Internal support. This was the most highly cited success factor amongst the interviewees. All of the participants agreed that internal support and the motivation of upper management was an important factor for the successful implementation of this legislation.

“I would say it’s successful because the board and the CAO want it to happen.”

“there was a will on all levels to do this, so everybody was willing to participate”

“Internally we have great support, and manager were asking ‘how it’s going?’, ‘when do you think we will have this?’, so we got great support here”

“everyone has been very, like I said, positive. Maybe not positive, but they understand the need to do this”

Strictly Regulated Industries. Companies were also influenced by the nature of their industry and the work they performed. Some industries are highly regulated by other ministries and legal standards. Based on my sample of organizations, those who had more strict legal obligations required less time to comply with the legislation.

“the pay system here has always been very structured and very transparent. Also, I think a lot has to do with, because the work environment we have is very regulated. [...] we’ve always had to have everything, you know, clear and cut. So, we didn’t really have that pay equity policy, but we had you, what do you call it? Like even opportunities policies kind of, you know. So, I think that kind of helped us in the beginning. So, I mean we’ve had this since 2015.”

“I mean we’re a very regulated company [...] so we are used to that kind of, kind of environment. But for example, companies in the travel industry they’re not used to these regulatory, they’re not used to explaining everything they do and having to have it written. I think companies like that might struggle at first, but everything is doable with a will.”

As previously mentioned, four of the ten organizations have already received their certification. The time frame for their implementation ranged from 1 month to 9 months. Two of the participating companies completed the process in 3 months or less, as can be seen in Figure 15 below. A common factor with company 1 and 2, was that they both came from

highly regulated environments and have been through similar certification processes in the past.

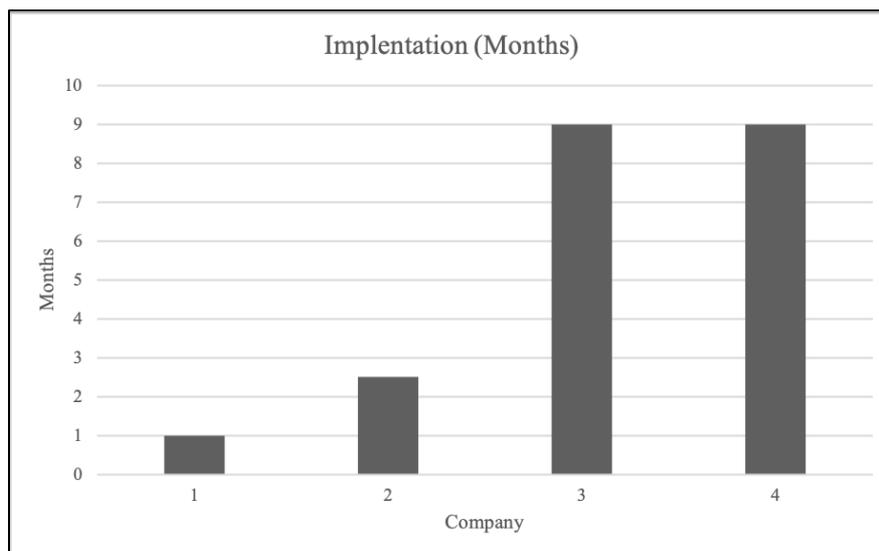


Figure 15. Implentation Time in Months

4.5.2 Training and seminars

Training is being offered through BSI á Íslandi, Starfsmennt, and Háskóli Íslands. Of the organizations interviewed, 90% identified as having attended at least one of the above-mentioned training courses. The majority found the training courses to be of great value.

“getting to training for the people who are working on it on a daily basis has been absolutely, just crucial. We wouldn’t be doing it, doing it otherwise. It’s really hard when you put a law on a – on all companies, all must do something, and so many companies have no experience, so it’s very good that the training is out there and, and these consultancies and everyone is willing to help”

One interviewee, who took part in the voluntary training and equal pay programs in 2014 found the session didn’t provide as much help, in comparison to those who took the more recent courses and seminars.

“when we started in 2014 [...] it was the only organization that was providing this service, so we only had one brief seminar there, which kind of didn’t explain anything. I was a much larger question mark than before - after that, than before.”

Company visits and open communication. As more organizations became certified after the pilot group completed the process, a group of organizations began offering informational seminars to explain how they implemented the policy and give those still in the process advice on how to begin the implementation.

“a lot of people, companies who have already gone through the process, they go to seminars and they share how they did it, and you can be in touch with them and they can send you a – ‘this is how we did it, if it’s of any help’, because everybody wants to help out. No one is like ‘we’re done, you just have to figure it out yourself’ everybody’s on the same boat”

Companies that implemented the legislation more recently, or are currently in the process of gaining certification, identified that talking to other Human Resources Professionals and seeking advice from others who have successfully been through the process has been a useful practice.

“The best thing we’ve been doing is just like getting guidelines and tips and tricks from you know, other people in kind of like the Human Resources community here.”

“I don’t really know if it’s best practices, but we have been following what other companies have successfully done, so in our opinion that’s very good practices”

“I mean everybody is talking to everybody I would say, trying to figure it out, which has been good”

4.5.3 Resources

A variety of resources have been made available to companies implementing the new pay equity legislation. The Ministry of Welfare, VR, BSI á Íslandi, and Starfsment all have materials to make the process as smooth as possible. I will highlight the resources the interviewees identified as the most helpful.

Use of outside consultants and specialists. The use of outside consultants and the hiring of external help has played a significant role in this process. 70% of the companies interviewed identified as having hired some form of outside assistance whether it was in the form of a consultant, HR Specialist/subject matter expert, or a combination of the two, see table 6.

Table 6.

Usage rate of outside consultants and specialists

Outside Consultant	40%
Outside Consultant + HR Specialist/Subject Matter Expert	20%
HR Specialist/Subject Matter Expert	10%
No consultant or specialist	30%

Government, auditors, and unions. The primary resource being used by organizations was The Standard (ÍST 85: 2012), along with help that has been provided by the Ministry of Welfare, major union offices, employer association and the auditors.

BSI á Íslandi was identified as a very helpful resource provider amongst the participants. They have Excel sheets, check lists and provide training to those implementing the legislation. Participants felt BSI had a solid understanding of the legislation and the standard since they have been involved in the process since the beginning. They were also involved with the pilot program, so they have seen how it works when put into practice.

“there was a great help from the BSI, it was a great help because they have done it with the pilot firms. So, they have, they knew the standard very well, so they could say, ‘ok, focus on this at the beginning, then you know, do that and don’t bother about this”

“we also had a list of what we have to do from the certification office and there it’s listed out everything we have to do according to the pay equity standard, and it’s more or less spoken in like, human language because the standard is very complicated, so that has helped a lot as well”

The Ministry also has Excel sheets that are being used for the job evaluations, and pay gap analysis, however there were differing opinions about their utility.

“they have a specific excel document that we have used, which is yeah, not very good, but the one - only thing we have so we’ve used”

“the table that they want you to have, the data for the payroll data, that was actually helpful. So, but no, nothing else.”

Software and Technology. A number of different programs were identified as being used for the implementation of the pay equity legislation. The software and tools are used for job evaluation, gender pay gap measurement/regression analysis, and tracking the implementation progress. There are many different processes and types of data that need to be collected and analyzed to meet the requirements of the pay equity legislation. Many of the participants have been using a combination of Human Resources Information Systems (HRIS), Quality Management systems and payroll software to meet the certification requirements.

The most commonly used program was Excel and coded Excel worksheets. The majority of the resources provided by the Ministry, Unions, Consultancy Firms and Auditors are excel based and many of the participants who were interviewed have chosen to use these resources, either in their original format or they have made modified versions of these documents to suit the needs of their organization.

“we are using a job evaluation matrix from the ministry, but many companies are using, some companies are using a more simple method but we had already gotten like the gold certificate from PricewaterhouseCoopers, but it was too simple for us and we wanted to make it better so we used this matrix from the ministry and adjusted it a bit to our needs as a company, because theirs was a bit too set in stone for every company, but ours was a bit maybe different from many other companies so we had to change a little bit just so we could fit everyone in there because we have so many different types of people working there.”

Three of the organizations had their own spreadsheets to begin with, which they modified to meet the requirements of the legislation.

“The categories, some of them were already there, some of them we had to invent, or you know, put an extra column in the spreadsheet and say ok, that gives us a column that we measure performance, the performance is measured by this.”

Other software and programs being used include:

- Pay Analytics
- SAP
- H3

New software or programs may become available in the coming years as more organizations start the implementation process and the demand rises. One participant who has

been struggling to find the right program mentioned that their consultant is working on an add-on features to work with their current system.

“we can use that for some area of this implementation and how to control it, but we need some add-ons and our consultant is now building a system, so hopefully we will be able to use that when we do this the next round”

4.6 Impacts of Pay Equity:

Opinions about how this legislation will impact individual organizations and their industries over the next five years varied. However, three themes came through amongst the participants interviews. The first is that gender pay equity legislation will have a boarder impacts beyond just supporting women’s wages. The second is that people feel they will not see an internal impact within their organization as a result of the legislation, and the third is that more changes are necessary if we want to completely remove the gender pay gap.

4.6.1 Beyond gender equity

The majority of interview participants agreed that this pay equity legislation is about more than just gender equality. There will be wider implications for other underrepresented groups and minorities.

“it’s about the whole process of thinking. It’s not about equal pay, gender equality itself, it’s about you know, equality for everything, for everybody. So, I think this is just the way to start, and then you can add on to it and you can make it bigger and you can make it better.”

“yes definitely, this also protects minorities of both genders, all ages. Many think that pay equity only revolves around women getting, you know, better pay and think that it’s like a feminist tool, which it’s of course not. I mean, of course it’s a feminist, but you know what I mean”

“So, it protects all groups. So, I think that’s going to be a positive, having a positive effect on a wider scale.”

The benefits of completing this certification process also goes beyond just gaining equity amongst men and women’s pay. Interviewees identified that this process is going to help them with all future decisions about pay as well as other areas including performance management.

“it would definitely open some managers eyes when dealing with pay requests on pay raise, it would definitely help us to take better decisions there.”

“it could change the whole discussion about payment, salary and things like that, so it’s no hush hush, it’s nothing new. No ‘who shouts highest is going to get the best paid’, you take that out of the deck and that is very good”

“I wasn’t one of the optimistic people in the beginning because I think this - to put this into legislation it’s, it will be forced, you know. But now I’m more positive, more optimistic. And because I can see how I can use this, how I can use it you know, to make the right decisions about salary and yeah”

4.6.2 No internal changes expected

When participants were asked out the five-year outlook of the gender pay equity legislation and its impacts within their organizations, the majority said that it would have little to no effect. The primary reason begin that they have had these systems in mind or already implemented for many years and it is not currently an issue within their organization.

“I don’t think it will change that much, no. Not for our organization, I think we are in a really good place actually because it’s been a high priority for many years.”

“we haven’t detected that as a problem within our organization. So, I just, I don’t think it will change much, I think we’re going to stay pretty good at it”

“I don’t think it will just be because of gender pay equity. We are actually seeing more female applying for jobs here with us, which is a good thing, so I don’t think that will be a major factor, no.”

4.6.3 More changes needed

Another common view amongst participants when asked about the five-year outlook for their industries in general was that this legislation is only one step in gaining true gender parity. More is needed to see real changes in the gender pay gap. Several participants brought up gender segregation and the fact that they would like to see more women entering into STEM careers, vocational training programs and the trades traditionally held by men.

“I always look at this gender pay, equality certification – it’s just one step”

“I don’t. I’m hoping, and we are all hoping, but within the whole industry I don’t think this is going to affect it. Like, we need more women in tech, this is not going to change it.”

“I think the problem was, when they start to do this, it’s good for all companies and everybody is loving it inside the companies, but if you are, you know, in the labour market the problem is that we have some places just for women and some places for men and there will not be changes there.”

4.7 Icelandic Findings Summary

The Primary findings of the Icelandic data suggest that the most significant challenges being faced by the participating organizations are time constraints and lack of specialized knowledge. These barriers tie directly into the key success factors that were identified in the implementation process. The most helpful resources and success factors highlighted by participants included, hiring outside consultants, training seminars, and company visits, all of which help to alleviate the previously mentioned barriers. Hiring outside consultants gives the employers access to more specialized knowledge and could speed up the process. The training seminars and company visits were also found to be valuable because it gave those on the implementation team the opportunity to learn about the process and become better able to apply the legislation within their workplace.

Overall pay equity has been identified as a high priority within the participating organizations, and they have all been receiving internal support. However, participants do not expect they will see many changes internally or externally as a result of this legislation. Participants also feel that other gender related issues need to be addressed before a true difference in the workforce will be seen.

4.8 Canadian Perspective

4.7.1 Gender segregation

The Canadian interview was conducted with a Human Resources Consultant, so the collecting of organizational statistics was not feasible. However, she was able to provide general information regarding gender distribution amongst the different industries she has worked in. She was able to discuss the representation of women in upper management roles that she has observed working with her clients. Her description demonstrated that horizontal gender segregation still exists within the Ontario and Quebec workforce.

“So, I think that, you know, if you’re looking at the healthcare industry, if you’re looking at not-for-profit, you’re probably going to find more women on the board of directors, and at the management level it will be heavily female dominated. But, generally speaking yes, I think it’s, it’s largely male dominated in the private sector, I’m not sure about the public sector. And again, I think the number, the percentage of men and women who are at the manager level really depends on the industry that you’re looking at. So, for example we have, I work for a lot of clients that are in manufacturing and I can tell you that it’s like 99% men who are in the management levels. That is true for the, some of the private accounting firms that we work with, that is true for, like I, we have some packaging and logistics companies, heavily male dominated at the management level. Where you’re seeing a lot of women again is like clients that work in the Healthcare industry, my clients that work in, we work with some fashion and textile companies, they’re heavily female dominated at the management level too, even at the retail level.”

This is not an isolated trend and seems to be consistent with the previous findings of the labour market that were shown as part of the Icelandic research.

Priority of gender pay equity. When asked about the commitment level to pay equity in Ontario, and Canada in general, the interviewee felt that the momentum and push for greater pay equity regulation varied at the different levels of government, especially after the recent provincial election that saw a shift from the Liberal party to the Progressive Conservative party in Ontario.

“I think that the liberal government really did make it a priority in Ontario and I’m not speaking federally, because federally Canada’s in a good place now when it comes to pay equity and they are pushing it, so I think that that’s great and the liberal government tried to implement some legislation about pay transparency right before they left and like increase in minimum wage and do some great things for the province, but they were just, it was, they were voted out and that’s the way that the province went so I think that pay equity, we’re probably not looking at a big push for pay equity over the next upcoming years”

The shifting of policy priorities at the Ontario provincial level seem to have halted the progress towards more strict pay equity policies, but the momentum at the federal level to pass their new proactive policies has remained.

4.7.2 Strategies

According to the interview participant, the first step she recommends for organizations implementing pay equity is to gather and organize the appropriate data. This is needed to get an overview of the employee workforce and be able to implement the legislation effectively.

“So, a lot of the strategies we implement with my clients are very technical in the sense that, ‘ok now we need to start compiling your data and organizing your data, and here’s the best way to go about doing that’, and sometimes it’s a matter of starting with, ‘do you have job descriptions? Do you know what your employee work force looks like?’ And I think that being able to organize your data is the first and probably the most important part of actually complying with pay equity, in order to get it right.”

These steps are similar to those recommended by the Icelandic companies who have recently completed the pay equity certification process. The Icelandic participants highlighted the importance of having the right data and documentation before you get started as well as having a solid overview of your workplace and systems. This is why the first strategy recommended by the Canadian consultant is to collect and organize the appropriate data.

“there’s so many small steps that are involved that really, the first step strategy that we give our clients is to really properly organize their employee data and if that means, you know looking, getting everything into an excel spreadsheet or downloading employee data from their Human Resource capital management system, that’s sort of the first strategy that we’re going to give them.”

Communication. The requirements of communicating the pay equity process differs between Ontario and Quebec, so there are a variety of approaches organizations can take. The participant described the differences in the two systems. In Quebec organizations are legally obligated to disclose when they are undertaking a pay equity exercises and have to post it for all staff to see and give them the opportunity to ask questions. In Ontario there is no obligation to disclose this process or your pay equity plan, unless they are under audit, in which case they are required to tell staff. This means that companies in Ontario can complete the entire pay equity exercise without disclosing anything to staff.

Although there is no legal obligation to disclose the pay equity process in Ontario, the interviewee said that she highly encourages her clients to communicate the entire process to staff:

“We try to encourage our clients to again, communicate it out, make it part of their policy, make it part of their branding, let everyone know that they’re you know, that they’re doing pay equity and that it’s a good thing. But, it’s really up to the client at the end of the day, unless they’re under an audit, in which case they have to tell people, they have to post their notice of you know their notice that they’re being audited.”

4.7.3 Barriers

Lack of internal support or motivation from upper management was identified as the biggest internal barrier to implementation in Ontario and Quebec companies. The participant noted that it’s difficult when companies don’t see the value or potential benefits of implementing pay equity long term.

“Internally I would say the biggest barrier internally is when we get company owners who just don’t see the value in doing pay equity and don’t want, they don’t see the return on investment and they don’t want to give you the time of day to actually do the exercise effectively, where they just don’t make it a priority at all, and it’s really, really hard sometimes to convince company owners that this is something that they should do, even when you say it’s the law, they still don’t think that they have to do it, or that they should do it.”

It was also noted that, in general, this resistance to implementation was stronger amongst smaller companies than in larger organizations.

“it’s not even executive levels, it’s like ownership level, smaller companies. Bigger companies, generally speaking they know they have to do it, their lawyers are like ‘look, this is just what you have to do’, it’s the smaller companies where it’s very, very difficult.”

In terms of external barriers to the implementation of pay equity in Ontario, it comes down to lack of education about employer obligations under the pay equity legislation.

“the pay equity commission tries their very best to get out there and be advocates and be vocal and try to speak to companies, but I don’t think that there’s enough push from the Ontario government to educate company owners that pay equity is something that, a law that has to be complied with and I think that, unlike in Quebec. In Quebec everybody, every company gets a letter, it’s very clear. They get a letter, they send it to their lawyer, they know that it’s something they have to do, but in Ontario they don’t get that yearly reminder that pay equity is what they have to do.”

4.7.4 Success Factors

Public awareness. The most influential factor for gender pay-equity, according to the participant was the discussion that was started at the federal level, and the public awareness raised through social campaigns like the #MeToo movement.

“the federal government talked about pay equity and then all of a sudden everyone got very interested in pay equity ‘wow, pay equity, right, is this something that I have to do? You know, advise them or do I have to do something for this?’ so, the federal government coming in, you know, the federal liberal government was great. When the liberals in Ontario made a push for pay equity, I think that got people, you know, ear to the ground. Certainly, over the last year, like the #MeToo movement it has really paid a big part in getting, you know, company owners and organizations in general to look at their diversity and inclusion policies and to make sure that they’re doing everything they can to make sure women are paid equitably. So, those have been good social pushes for companies, but at the end of the day if, if they’re not forced to do it, it’s really hard to get them to do it proactively, especially the smaller companies.”

Despite the push from the Federal government and general public, the participant also pointed out that without proper enforcement, companies will not invest in the implementation of gender pay equity policies.

Best practices. The top piece of advice that the interviewee gives her clients is to make reviewing their pay equity policy part of their annual processes, rather than something to revisit every few years. She noted that it becomes increasingly more difficult to update the policy and make the appropriate adjustments when left unchanged for too long.

“I would say, when I talk about best practices to employers, I’m always encouraging them to make pay equity part of their yearly routine. So, the first year that you implement pay equity it’s kind of a headache, it’s a big job and it can take a long time. But, if it’s something that you look at every single year, like doing your taxes, you know, at the end of your fiscal year make pay equity, make pay equity analysis just part of your yearly routine[...] it’s really hard to think about what that job consisted of five years ago, it’s really hard to get that information out of your memory, especially if you’re not, if you don’t have up-to-date job descriptions. So, making it part of your yearly routine is probably the best piece of advice that I can give to employers.”

4.7.5 Resources

The Pay Equity Commission of Ontario offers several online resources and mini-tool kits for employers. They also offer training for companies about how to implement the legislation. However, according to the interviewee they are not very user friendly. Consulting firms, such as the one the participant works for, offer implementation resources as well as training for companies. However, in Ontario these resources are more difficult to find than they are in Quebec.

“But, the resources online are not amazing, there’s not, there’s not a lot. Especially in Ontario there’s not a lot of pay equity consultants. There are a few companies that do it, but it’s not like every law firm has that capability. In Quebec you’ll find a lot more pay equity consultants they’re all over and there’s training that happens all the time.”

Software and programs. The resources being used to implement pay equity in Ontario consist mainly of coded Excel spreadsheets and a few specialized computer programs being sold by consulting firms. The interviewee said these are the only two options available for completing the pay equity analysis. She felt that excel is often the best choice because it is the cheapest and, if you have the right knowledge, it’s the easiest to use for completing the regression analysis.

“we have a proprietary tool that we have in-house and it’s, it uses excel, so it’s something that we’ve developed that makes it easier for us to do the analysis, companies when they do it on their own often times use excel. You have to do a regression analysis so typically excel is just like, it’s, if you know how to do it, using excel it’s easy and fast. I would say that, unless you’re using a software that you’ve bought from a consulting firm, so some consulting firms have developed online software that will do everything for you, you’re using excel. But, those are basically your two options.”

This is consistent with what is being used in Iceland as well. Excel seems to be the most universally used program for this process in both countries because of its convenience and program capabilities.

Use of consultants. According to the interviewee the use of outside consultants to assist in the implementation of pay equity legislation for companies with over 250 employees in Ontario and Quebec is very common. This is because of the specialized knowledge that is required to complete the process.

“[...] It is such a niche law that so many people just don't, are not familiar with, and it also requires compensation experience. So, often times if you're starting a pay equity project and you're putting into place a gender neutral evaluation system and you're going through the steps to actually evaluate all of the jobs in your organization, it's a logical next step is to put into place a compensation structure to use the organization data you have while you're looking into it, to actually create some salary grades and classes and do some benchmarking. And a lot of our clients, you know, that's an added value for them, but you need a, unless you have the expertise in-house, which is rare, even for companies that are, have 250 employees which are, you know, like a mid-size organization. The HR team typically doesn't have that expertise and if they do it's just in compensation and it's not in pay equity. So yes, I would say typically organizations would hire a consultant to do that work.”

4.7.5 Future outlook of pay equity

When discussing the future of gender pay equality in Canada, the participant said she could not foresee there being any significant changes or forward movement over the next four years at the Ontario provincial level due to the current political climate; However, if there would be any significant changes they would only come about because of strong advocacy and a push from the general public and the organizations themselves. She is optimistic about the new direction the Federal government is taking towards more proactive legislation and thinks progress in this area is likely.

“I think on the federal level, probably we could expect to see that, while Trudeau is in power. I think in Ontario over the next four years it's going to be pretty quiet, we may see some movement towards pay transparency, but if anything it's not going to come from the government level, it won't come from the legislation, it will come from like, societal push for organizations and just people, you know companies and people in HR making it a priority”

4.9 Canadian Findings Summary

One of the primary challenges identified from the Canadian perspective was the lack of buy in from employers and a lack of awareness about what their responsibilities are under the law. It was indicated that without proper enforcement there is little motivation on the part of organizations to act on the legislation. The key success factors brought up during the interview also tie into the theme of awareness. It was stated that the current progress in the

area of gender pay equity was due to the attention being brought to the issue through social campaigns like #MeToo and the push being made at the federal level.

There have been positive strides being taken at by the Federal Government to make amendments to the current complaint-based system, however, given the current political climate at the Ontario provincial level changes seem unlikely to occur over the next four years. The participant felt that the only way there would be any significant changes in the next few years would be because of heightened awareness and initiative being taken by the public and organizations themselves.

4.10 Findings Summary

Below in table 7 you can see a side by side comparison of the key takeaways of the Icelandic and Canadian interview data.

Table 7.

Findings Summary

Findings	Iceland	Canada
Gender Segregation	<ul style="list-style-type: none"> • Horizontal and vertical segregation 	<ul style="list-style-type: none"> • Vertical segregation
Strategy	<ul style="list-style-type: none"> • Using pre-established systems • Documentation • Creating a systems overview 	<ul style="list-style-type: none"> • Data collection and organization
Barriers & Challenges	<ul style="list-style-type: none"> • Time and administration • Lack of subject matter expertise • Lack of resources • Complexity of job evaluation • Resistance to change 	<ul style="list-style-type: none"> • Lack of buy in from employers • Employers uncertain of obligations
Key Success Factors & Resources	<ul style="list-style-type: none"> • Internal support • Training • Company visits & open communication • Hiring outside consultants • Excel/Spreadsheets 	<ul style="list-style-type: none"> • Public awareness • Making pay equity an annual process • Hiring outside consultants • Excel/Spreadsheets
Future Impacts:	<ul style="list-style-type: none"> • Little to no impact expected internally • Few changes expected within industries as a whole • Positive changes expected for more than just women 	<ul style="list-style-type: none"> • Little change expected in the next 4 years provincially in Ontario • Progress expected at Federal level
Areas of improvement:	<ul style="list-style-type: none"> • More changes needed to address gender role segregation 	<ul style="list-style-type: none"> • More needs to be done to remind employers of their obligations

5.0 Discussion

5.1 Current Causes of the Gender Pay Gap

Past research and literature indicated that the primary causes of the gender pay gap were associated with the undervaluation of female dominated positions, occupational gender segregation, and a higher ratio of women in part time work.

This study did not dig into the history of wages in female and male dominated positions so it cannot comment on how much this contributes to the current state of the gender wage gap. However, an important feature of current gender pay equity legislation is their requirement for employers to use gender neutral evaluation techniques to assess their jobs. This is meant to combat any past discrimination or undervaluation of certain skills that were associated with a particular sex.

The presence of gender segregation seemed to be one of the largest trends identified throughout the gathering of the demographic data for this study. The findings suggest that both vertical and horizontal segregation are still at play in today's workforce in Iceland. The lack of female representation in particular industries or desirable positions, known as horizontal segregation (O'dorchai, 2011), was also identified by the Canadian participant as being present at the provincial level in Ontario and Quebec. This trend in the Canadian labour market was observed most prominently in private sector organizations working within manufacturing, private accounting firms, packaging and logistics. These findings are consistent with previous research about the persistence of gender role segregation in developed economies (Ellingsæter, 2013).

When assessing vertical segregation, which is the underrepresentation of women in higher ranking positions (O'dorchai, 2011), you can see in figure 17 below that organizations 2, 3, 4, and 5 have a fairly balanced ratio of women in Managers and Executive roles and are within the 40/60 ratio. However, the remaining organizations lack gender diversity in their leadership positions. As was mentioned in the findings, organization one had no data available regarding gender ratios in management roles, however they said it was very low. This demonstrates that though some organizations have improved their representation of women in leadership positions, more than half are still struggling with the underrepresentation of women in leadership.

This lack of representation of women in higher ranking positions is also consistent with previous gender wage gap theories regarding the glass ceiling, an invisible barrier keeping women from ascending the ranks into upper management (Heneman et al., 2015). Past research by Cohen and Huffman (2007), indicated that there has been significant progress

for women entering into management roles in recent years. Despite this, there continues to be underrepresentation of women in higher ranking management roles that have enough influence to make changes (Cohen & Huffman, 2007). The findings in my study suggest that though the glass ceiling is being broken more frequently, the invisible barrier still exists and is affecting women's vertical advancement within organizations.



Figure 16. Women in Management and Executive Roles

One area where gender ratios were very consistent were on the company boards. These results were a product of the Icelandic gender quota system, which shows that, for the most part, the legislation is doing what it was designed to do.

The third factory identified as being an underlying cause of the gender wage gap was the higher ratio of women in part-time work. Unlike past literature, the results of this study suggest that the overrepresentation of women in part-time work is not a major contributing factor to the wage gap within the participating organization. Of the ten participating companies only seven provided data regarding their part-time staff, five of which reported having close to 50/50 male to female representation in part time work. The other two companies indicated they had a higher ratio of women in part-time roles, however one of the two companies only had about ten part time employees.

It is important to note that these findings may not accurately reflect the true ratio of women in part-time work in the Icelandic labour market due to the size of the companies and the industries represented within this study. The majority of the companies interviewed had very few part-time staff on their payroll. Had this study included more female dominated industries, such as: retail, education, social services, and healthcare the overall numbers might be different.

5.3 Strategy

There were overlaps in the strategies being used in both Iceland and Canada. In particular the importance of going into the implementation process with a solid overview of your labour force and key policies within the organization. A large portion of the pay equity implementation process in both countries involves documentation and data analysis, which is why the initial data gathering and organization is crucial to the overall process.

5.3.1 Importance of prioritizing gender pay equity

Gender pay equity was identified as being a current priority by all Icelandic participants interviewed. The high level of social awareness and legislative commitment to gender pay equity has resulted in these most recent amendments. In Canada there has been a lot of push recently at the federal level, and they have identified this legislation as a priority. However, at the Ontario provincial level, it was found that a recent political shift will likely slow potential changes to its current legislation for the next four years. The participant felt that no changes would occur unless there is a strong societal demand or if organizations and people make it a priority themselves, which highlights the importance of external support for change. The demand for social change in Iceland seems to have pushed this legislation forward and is, for the most part, being supported internally by organizations.

5.4 Barriers to Implementation

I was not surprised by the fact that time constraints were the largest implementation barrier identified by the Icelandic companies, especially given the relatively quick deadlines for compliance that were initially proposed by the Ministry. However, based on past literature regarding the financial burdens associated with implementing pay equity legislation I had expected that participants would identify cost as a major barrier to the process. The direct costs to the employer were only brought up by one participant, which was surprising given the amount resources being invested into the process. Other barriers that are associated to cost, such as time and administration were identified, but not the direct or overall cost to the organization.

Lack of internal buy-in was brought up by both the Icelandic participants and the Canadian HR Consultant. Based on the findings it seems to be a bigger hinderance for Canadian Companies. Only three Icelandic companies mentioned that resistance from management was a challenge at some point during the implementation process and there was no resistance from the organization's CEO's or Managing Directors. Whereas in Canada,

lack of buy in from owners/CEO's was identified as being the biggest barrier at the provincial level. This may be due to the more stringent regulations placed on Icelandic companies. The repercussions for non-compliance in Iceland are higher and the enforcement is much stricter. As was mentioned by the Canadian participant, "at the end of the day if, if they're not forced to do it, it's really hard to get them to do it proactively, especially the smaller companies".

One barrier that was mentioned by the Canadian participant that was not present in the Icelandic interviews was the lack of awareness by employers. In Ontario there is no set standard for policy renewal and therefore employers forget about their obligation to maintain gender pay equity policies. In Quebec there is an annual letter sent out to employers, which keeps them informed of their obligations, but more needs to be done in Ontario to similarly remind companies of this legislation. By instituting a mandatory review or renewal on an annual basis it keeps the issue fresh in employers' minds and prevents the legislation and corresponding policies from becoming obsolete. This is why the Canadian participant highlighted that her primary best practice for employers is to make pay equity part of their annual routine, even if it's not legally mandated. In this regard Iceland's new legislation and renewal recommendations should yield positive results, as long as the renewal process is properly maintained and enforced.

5.5 Key Success Factors to Implementation

In the findings I also discovered that there were similarities in the resources and tools being used by Icelandic and Canadian companies. The use of outside consultants in medium to large size firms was an important feature of the implementation process in both countries. Hiring consultancy firms is particularly helpful when there is a lack of subject matter expertise or complex job evaluation processes involved, both of which were identified as being barriers by Icelandic participants. There are a lot of components that go into pay equity and you need expertise in quality management, finance, human resources, payroll and employee compensation. As was pointed out by the Canadian participant, pay equity is a niche law and it would be uncommon for a single organization to have in-house staff who are proficient in all the necessary areas.

In terms of tools and software, companies almost unanimously used Excel, or a programed spreadsheet for analysis purposes. This program is affordable and easy to use for running regression analyses, which is a key component within the pay equity legislation. However, a large part of the legislation also involves the collection of employee data, relevant payroll information, and quality management documents. For this aspect Human Resources Information Systems, payroll system, and quality management systems were also

of vital importance. As of now, there seems to be no single software program that consolidates all of these features into one system, although it was mentioned by one participant that a consultancy firm is working on software addons to work with their existing system.

5.6 Future Outlook

Based on past research and the current findings, I feel it is unlikely full gender wage equity can be achieved in Iceland within the next five years. The current legislation addresses the issue of pay differentials between the sexes, however it does not have the capability of addressing the larger social issues on its own. More is needed to tackle the contributing factors to the wage gap. It was pointed out several times by participants that in order to see a true shift in the gender wage gap we need to see more women entering into historically male dominated fields.

Despite this, Icelandic participants seem to be optimistic that this legislation is a positive and necessary change. My findings also suggest that the Icelandic participants are viewing this new legislation as the first step towards bigger and better things for equality, not just for women, but for everyone.

From the Canadian perspective, the Federal government is making positive steps towards more proactive gender pay equity legislation, however the details of these legislative changes have not yet been revealed, so it is unclear how impactful they will be in the long term. At the Ontario provincial level, gender pay equity legislation is expected to be on hold for the next four years, and the participant does not anticipate seeing changes at this level.

6.0 Limitations

The original scope of my research included Icelandic companies in the areas of: oil and gas, shipping, manufacturing, fishing, and mining with an average of 250 or more employees. These parameters were very limiting given the small number of companies in Iceland that these criteria. As a result of limited access to companies in these specific industries I altered the course of my research to incorporate more industries including: Engineering, Technology, Accounting, Pharmaceuticals, Banking, Shipping, and Insurance. The relative newness of the Icelandic legislation was also a limiting factor, as there are few academic research article and sources available on the subject.

Access and participation of Canadian companies was limited in this research project. Companies I reached out to were unwilling or unable to participate in an interview. Several companies were not comfortable discussing the topic while others cited inexperience in the area. Others were in the process of implementing the legislation and were not familiar enough with the process to provide valuable insights.

6.1 Reliability and validity

The demographic data collected was analyzed and compared, however several of the research questions were based on opinions and conjecture, thus reliability and validity of these questions are relatively low. Given the newness of the legislative implementation in Iceland there are very few concrete facts and figures about its impacts at this time. Also, Given the limited sample size of Canadian participants for this study, it was not conducive to making accurate generalizations about gender pay equity practices in Canada.

Readers must keep in mind that the answers provided in a semi-structured interview with open questions can be skewed due to the participants role within their company, political views or their personal feelings about the implementation process. Participants could present a more positive or negative view of the implementation process based on their personal experience or feeling on the subject. Participants may also feel compelled to present themselves or the company they represent in a more positive light when speaking to outsiders.

6.2 Future Research

Further research using a quantitative approach could be conducted a few years after the legislative implementation process has been completed. This could yield results with fewer biases as they would be based on past outcomes, rather than anticipated results.

A follow up study could also yield valuable insights into the true impact of the gender pay equity legislation in Iceland. When quantitative data spanning several years becomes available, more accurate measure could be analyzed to see if the legislation has reduced or even eliminated the gender wage gap.

Further research into the legislative changes occurring in Canada could also be conducted in the next five years, as new legislation will likely be taking effect at the Federal level. However, given the complex and varied nature of gender pay equity legislation in Canada, I feel it would be necessary to focus on a single industry or province to gain valuable insights and results about how gender pay equity legislation is being implemented and what the impact has been on the wage gap.

This study was taken from a human resources perspective and did not take into consideration the perspectives of other members of the participating organizations. In future studies it may be valuable to conduct interviews with employees from different divisions and levels within the same organization in order to gain a more in-depth perspective of how the legislation has impacted the organization overall and the employees themselves.

7.0 Conclusion

It is too soon to know if the Icelandic gender pay equity legislation will have the desired effect of eliminating the wage gap by 2022. However, the Icelandic organizations who are currently in the process of implementing these new policies have been doing so with fewer barriers than I would have expected and are, for the most part, supportive of the changes. The Act on Equal Status and Equal Rights of Women and Men, No. 10/2008 is the strictest legislative policy in the world, however, I feel it is still unlikely that it will achieve its goal of full gender pay equity by 2022.

Based on the findings it is clear that a gender gap remains, not just in wages but also in terms of representation in desirable jobs and leadership positions. This is not an isolated trend and was observed in both Iceland and Canada. To reach true gender wage parity larger societal changes would need to occur to address the sustained traditional perspective of women's roles in the workplace. Moreover, something needs to be done to tackle the lack of representation of women in leadership positions. Neither of these issues can be fully addressed through the current legislation alone. As previous studies have shown, having more women in higher ranking management roles reduces the gap between male and female earnings within local industry (Cohen & Huffman, 2007). By increasing the representation of women in executive roles, the correction of the gender pay gap could be accomplished more quickly and effectively.

Under the current legislation the success of implementing gender pay equity legislation comes down to how well organizations can manage its data and documentation. There is a substantial amount of information that goes into fulfilling the gender pay equity legislation in both Iceland and Canada, so having a handle on the organization's information systems, practices and policies is essential for meeting these requirements. This may explain why Iceland and Canada employ similar techniques, best practices, and resources to implement their legislation.

The success of the gender pay equity legislation is also affected by the level of support it receives both internally and externally. If there is enough support from external actors, such as government bodies, labour unions, and the public; along with internal support from the CEO, executives, and managers, successful outcomes may be easier to accomplish. This was one of the primary differences between the Icelandic and Canadian systems. The Icelandic findings indicated that all participants felt they had strong internal support, whereas in Canada lack of internal support was identified as being one of the main challenges. This may be due to the differences in how the legislation is enforced. Iceland is the first nation to

require employers to go through a certification program to prove their gender equity status. There is also a mandatory recertification process that will be conducted annually to ensure this status is maintained. The enforcement of gender pay equity legislation in Canada is inconsistent and varies depending on the province and level of government the organization is covered under.

Iceland's Act on Equal Status and Equal Rights of Women and Men No. 10/2008 is the most proactive approach to gender pay equity ever attempted, yet Icelandic participants feel that the legislation will not have a major impact on their individual organizations or industries in general. Internally they feel their organizations are already in a good place, but externally they believed larger societal changes are needed. Many participants believe that more needs to be done to correct gender imbalances, particularly getting more women into male dominated roles. It was also found that people were in support of the legislation and felt it was a step in the right direction, not just for women but also for other underrepresented groups. Progress in the area of gender wage equity has been slow in both Iceland and Canada, but with consistent legislative intervention and increased social awareness, progress towards closing the gender wage gap should see positive movement in the coming years.

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Appendices

Appendix A: Participant Agreement Form:

Reykjavik University
Business School
Menntavegi 1
Reykjavík, 101

Dear Madam/Sir

Thank you for your participation in my pay equity research project. This research is being carried out as a final project in the pursuit of the MSc. in Human Resource Management and Organisational Psychology degree at Reykjavik University. The project is being conducted by Monique Delorme under the supervision of Kristján Vigfússon.

The purpose of the study is to investigate the strategies and best practices being used to implement pay equity legislation in Iceland and Canada, and what the main barriers and key success factors have been during this process.

Your participation is highly valued; however, participation is entirely voluntary, and you may withdraw your participation at any time, even after data has been collected.

I hereby confirm that all information and data collected from your company will be used strictly for the purpose of this research project. No names will be disclosed, and all information obtained from interviews and collected data will be treated with complete confidentiality.

Researcher/Monique Delorme

Participant/on behalf of the company

Date

Date

Appendix B: Interview Questions**Pay Equity Interview Questions****Demographics and Background Information:**

1. How many people do you currently employ?
2. What is the ratio of male to female employees within your organization?
3. Does the gender ratio vary between departments?
4. What percentage of your staff are female in the following areas?
 - a. Managers
 - b. Directors
 - c. Board Members
5. What is the gender ratio of your part time staff?
6. Does your organization currently have pay equity policies in place?

Strategy:

7. Does your organization have a formal strategy for the implementation of pay equity?
8. Is gender pay equity a current priority in your organization?
 - a. Has this been discussed at the board or executive level?
 - b. Has it been, or will it be communicated to staff at all levels
9. Has your organization enlisted the help of outside consultants to assist in pay equity?
10. How does, or how will, your organization measure pay equity?
11. What method have you used, or will you be using, for job evaluation?

Resources:

12. What resources or tools (if any) have you utilized for planning and implementation?
13. Have you received training regarding pay equity and how it should be implemented?
 - a. If yes, was it provided by your organization, the government, or a third-party contractor?

Best Practices:

14. Has your organization followed any best practices, or created any best practices, during the planning and implementation of pay equity?

Barriers:

15. What internal barriers (if any) has your organization faced implanting pay equity?
16. What external barriers (if any) has your organization faced implementing pay equity?
17. How have you overcome, or how do you anticipate overcoming these barriers?

Key Success Factors:

18. What have been the key success factors in the implementation of pay equity within your organization?

Results of Pay Equity:

19. Over the next five years do you expect to see any changes to the labour force as a result of gender pay equity:
 - a. Within your organization
 - b. Within your industry