Equal Pay for Work of Equal Value Significant Ruling given in court

Yet another piece of Governance that HR needs to take ownership of is Equal Pay for Work of Equal Value.

The trade union Workers Against Regression (WAR) referred a dispute to the CCMA on behalf of seven of their members who were at that time newly appointment employees at Pioneer Foods (Pty) Ltd. WAR's request for arbitration stated that their employees are discriminated against on grounds of equal pay for work of equal value as they were appointed on only 80% of the rate for drivers. Pioneer Foods however have a collective agreement with another union where new entrants are remunerated at 80% of the rate for two years and then moved up to 100% and subsequently this is applied throughout.

The CCMA Commissioner considered that the newly appointed employees had previously rendered services to Pioneer Food through various labour brokers and that this had triggered the difference in remuneration . He found that the difference in remuneration was not based on any rational ground and was in conflict with the requirement of equal pay for work of equal value. Damages and correction of remuneration was ordered by the Commissioner.

Pioneer decided to appeal to the Labour Court under section 10(8) of the EEA Act, 1998 which allows for appeal against an award of the CCMA in an unfair discrimination dispute.

The Labour Court upheld Pioneer Foods' appeal and found that the conduct was not based on an arbitrary unlisted ground, was not unfair and that the CCMA Commissioner should have dismissed the claim.

The Judgment can be found here: *http://www.saflii.org.za/za/cases/ZALCCT/2016/14.pdf*

We have a tool that can assist you to view your pay analysis in the organisation, to see where your risk areas are, and where you need to consider implementing plans to eradicate unlawful differences between employees. If this should happen to your Company, are you prepared?

Contact us today for a demonstration on how to determine and eradicate unlawful differences