You Published the Pay Gap Now What Will You Do About It



The pay transparency report is on the website. The calculations have been checked, leadership has approved the wording and the reporting task is marked complete. Then an employee asks a reasonable question: what is the organization going to change? A polished explanation of the numbers won't answer it.

For many British Columbia employers, December 2026 is the first opportunity to confront that question after mandatory reporting. The provincial guidance extends the November 1 preparation requirement to provincially regulated employers with at least 50 employees in B.C., using the January 1 headcount. Reports must then be made publicly available as required. [1] The expanded threshold brings the exercise into organizations where compensation decisions may still depend heavily on individual managers and informal exceptions.

That is where HR should direct its attention. The report supplies evidence to investigate; the decisions about starting salaries, assignments and progression determine what happens next. Before the 2027 compensation cycle is locked, HR needs to identify which decisions warrant a change, who has authority to make it and what funding is required.

Start with what the published result can tell you

An organization-wide pay gap doesn't establish that two people doing comparable work have been paid unlawfully. Equally, a small overall gap doesn't establish that every employee has been treated fairly. The aggregate result and the individual compensation decision answer different questions. Treating either one as a verdict invites a premature conclusion.

B.C.'s reporting regulation calls for specified gender comparisons covering hourly pay, overtime, bonuses and workforce distribution across pay quartiles, subject to its calculation and disclosure rules. [2] Those measures can direct the next inquiry. A difference in bonus receipt may require a different investigation from a difference in hourly rates, even when both appear in the same report.

Keep the public reporting dataset intact. Record the period, population, definitions

and calculation method used so the result can be reproduced. If HR conducts additional analysis, label it clearly and explain how it differs. An internal comparison of employees in selected roles may be useful, but it shouldn't quietly replace the required organization-wide measure when the original result becomes uncomfortable.

The legal question needs its own assessment. Section 12 of B.C.'s Human Rights Code addresses sex-based wage discrimination for similar or substantially similar work, including the role of skill, effort and responsibility and reasonably justified factors other than sex. [3] A separate analysis may therefore be needed even when the published report has been prepared correctly. Obtain advice on suspected discrimination and other applicable obligations rather than assuming the reporting exercise has settled them.

For an employer operating across Canada, this distinction matters twice. B.C.'s reporting framework doesn't replace the requirements of another province or the federal regime. The management questions in this article travel well, but the legal analysis must follow the employment relationship and the applicable law.

Investigate the explanation before accepting it

"We have more men in senior jobs" may accurately describe the workforce. It doesn't explain how that pattern developed or whether current decisions are sustaining it. HR should ask what happened before people reached those jobs.

Examine the route into higher-paid work. Who received an acting appointment? Who inherited the larger client portfolio when a colleague left? Which employee was given the project that later became a promotion requirement? The relevant records may sit outside the compensation system, in staffing approvals, project assignments and manager emails. Look there before accepting a broad claim that the gap is entirely a consequence of employee choice or occupational mix.

Start with a manageable question. If the report shows a pronounced difference in bonus receipt, identify the eligible population and examine how people enter it. An employer may have consistent bonus calculations within a plan while using inconsistent judgment about who joins the plan. Reviewing only the payout formula would miss the decision that produced the difference.

Then examine outcomes within comparable groups. Consider relevant role requirements, level, service and other supportable factors, while checking whether the records actually substantiate them. Avoid comparing everyone with the same title as though their work must be identical. Also avoid allowing a proliferation of titles to make comparable work disappear from view.

A statistical adjustment can help locate questions, especially in a larger workforce. It can't decide that every variable included in the model is fair. If access to a higher level is itself under examination, controlling for level may remove part of the pattern HR needs to understand. Have a qualified analyst explain the model's assumptions, limits and sensitivity to different specifications. Ask what remains unresolved after the calculation, not merely whether the adjusted number is smaller.

Some explanations will withstand review. Others won't. Preserve that distinction, along with the evidence, so leadership can see which conclusions are established and which remain hypotheses.

Follow the discretionary money

The annual salary review is an obvious place to look. It may not be the most revealing. A manager can apply the same percentage increase to everyone while preserving a difference created by an earlier offer, an unrecorded retention payment or a decision about who receives overtime.

Choose one recurring decision with enough volume to examine meaningfully. Starting-pay exceptions are often a useful candidate. Compare the approved range with actual offers and identify who authorized departures from the normal placement rule. What reasons were recorded at the time? Were the reasons supported, and were similar requests treated consistently? A competitive offer may explain one decision; a template phrase copied into every approval explains very little.

Where the review finds that negotiating confidence drives salary placement, leadership has a choice to make about its compensation policy. HR can recommend a rule based on the role and relevant qualifications, with defined approval for exceptions. Recruiters then need usable instructions and an escalation route. Otherwise the organization will announce greater consistency while continuing to reward whichever manager argues most forcefully for a particular candidate.

Overtime deserves the same operational scrutiny. Ask how opportunities are offered, how employees express availability and how supervisors allocate work when several people qualify. A short-notice telephone call to the same few employees may be administratively convenient, yet it can narrow access before anyone has an opportunity to volunteer. Establish the facts before drawing a conclusion, including skills required, collective-agreement terms and legitimate scheduling constraints.

This doesn’t mean every employee must receive an identical overtime total. It means the allocation process should be explainable. Where the existing method is difficult to defend, test a more consistent process and monitor whether qualified employees can actually use it.

Retention payments require particular care. If additional money appears only after someone threatens to leave, employees who can’t credibly make that threat may fall behind. HR should review repeated counteroffers alongside the ordinary progression process. A series of supposedly exceptional payments can reveal that the standard process has stopped responding to the work people perform.

Fund corrections without hiding them in merit increases

Where a review establishes that compensation needs correction, give that decision its own funding and implementation record. An employee shouldn’t have to outperform colleagues in the next review to obtain a correction the employer has already determined is required. Nor should a manager have to choose between making the correction and funding ordinary progression for the rest of the team.

Suppose a hypothetical review identifies eight employees who should each receive an annual base-pay increase of C$4,000. The annual salary cost is C$32,000. If Finance uses an illustrative 15% allowance for applicable employer costs, the annualized budget becomes C$36,800. A July 1 implementation would produce C$18,400 of recurring cost in that calendar year under the simplified assumption that all affected costs accrue evenly.

Those figures are planning assumptions in Canadian dollars, not a legal assessment or market benchmark. Replace the loading percentage with actual contribution rules, benefit terms and ceilings. Assess any amount owed for an earlier period separately. A midyear implementation date is useful for illustrating cash timing; it isn't permission to delay a correction that must be made sooner.

The business case shouldn't depend on an invented estimate of litigation damages. Leadership already needs to fund a legally required payment. For proposed improvements beyond an identified legal obligation, HR can assess the commercial consequences with evidence the organization recognizes, including recruitment spending and the cost of replacement capacity.

For example, assume three departures require C$12,000 each in external recruitment and transition spending. That is C$36,000 of hypothetical expenditure, close to the annualized correction budget above. It doesn't establish that a pay change will prevent those departures or pay for itself. It gives Finance a transparent comparison to test against actual turnover records and employee feedback. Separate the financial exposure from any claim about causation.

A sound approval paper identifies who will receive the correction, the basis for it, the effective date and the payroll consequences. If more work is needed, assign the outstanding question to a named decision-maker. "Subject to budget availability" isn't a sufficient endpoint for an obligation the organization has confirmed.

Give managers decisions they can explain

Once the report is public, employees will interpret it through their own experience. Someone who has repeatedly been told there is no budget for progression will notice a new hire's advertised range. A manager who responds defensively can make an already difficult conversation worse.

B.C.'s Pay Transparency Act protects employees against specified reprisals for pay inquiries, sharing their own pay in the circumstances covered by the Act, asking about a report and seeking compliance. [4] Managers need to understand those protections. A request for an explanation should reach the appropriate HR process without affecting assignments, advancement or the employee's standing with the supervisor.

Prepare managers to explain the actual pay process. They should know how placement within a range is determined, how a review can be requested and who decides a disputed question. Don't ask them to improvise a defence of the organization's overall gap. Give them a contact who can address report methodology and a clear route for an employee's individual concern.

The response should also be honest about what HR knows. If a review hasn't established the cause of a particular pattern, say what is being examined and when the employee can expect an update. Avoid promising that all gaps will close by a fixed date before the organization understands them. An achievable commitment to examine a defined decision is more credible than a sweeping assurance followed by silence.

Protect confidentiality without using it to avoid the question. Employees can receive an explanation of the criteria and process without receiving another person's personnel file. Where a response would disclose personal information, HR should obtain appropriate privacy advice and provide the explanation at a suitable level.

Protect the people behind the smaller categories

The regulation restricts specified reporting where a gender category contains fewer than ten employees. [2] HR shouldn’t treat a suppressed public figure as evidence that no issue exists. It means the prescribed publication rules limit what appears in the report.

Internal analysis needs its own safeguards. Restrict detailed information to people who need it for a defined purpose, and assess the risk of identification before circulating a small-group comparison. Removing names may be insufficient when a department has only one employee at a particular level. The manager may know exactly who the row describes.

Gender information also requires care. The Act requires reasonable collection efforts for reporting and requires employers to tell employees that disclosure is voluntary. [4] Don’t ask managers to infer an employee’s identity from appearance, name or a personnel record created for another purpose. Preserve the reporting process and obtain privacy advice before expanding how collected information will be used.

A low response rate creates uncertainty, not a licence to fill the gaps with guesses. Explain the limits of the analysis, review how the collection process was communicated and give employees the opportunities to provide or update information required by the legislation. Trust in that process will be harder to maintain if employees discover that a narrowly described reporting exercise has become unrestricted access to identity data.

Measure the decisions that will shape the next report

Leadership may ask for a smaller headline gap next year. HR should resist making that the sole performance measure. An aggregate figure can change because highly paid employees leave, a business is acquired or the workforce mix shifts. None of those movements necessarily demonstrates that compensation decisions have improved.

Keep the statutory report and supplement it with a small number of internal measures linked to the actions approved. If the problem is inconsistent starting-pay placement, track exceptions and the evidence supporting them. If access to acting roles is under review, record who was eligible, who was considered and how the appointment was made. The measure should reveal whether the new process is operating, rather than merely count how many managers completed training.

Use these records to examine movement over time. A correction can be undone when the next round of discretionary offers reintroduces the same pattern. Similarly, a more open promotion process may need several cycles before its effect appears in the overall workforce distribution. Review the decisions in the meantime so the organization doesn’t wait twelve months to discover that its intervention never took hold.

December’s leadership discussion should end with a limited set of specific commitments. Assign authority for the correction budget, identify the decision process being changed and set a review date. If the analysis points to possible discrimination, address that through the appropriate legal process promptly. Keep

unresolved findings visible until someone has made and recorded the necessary decision.

When employees next ask what followed publication, HR should be able to describe a completed action and the evidence being used to assess it. That answer will carry more weight than another paragraph about the organization’s commitment to fairness. It will also give next year’s report a management history worth examining.

Sources

[1] British Columbia Ministry of Finance. Pay Transparency Report Guidance. Reporting scope employee count and phased implementation. https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/gender-equity/pay-transparency-report-guidance.pdf

[2] British Columbia. Pay Transparency Regulation BC Reg 225 2023. Reporting measures calculation rules and small category disclosure restrictions. https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/225_2023

[3] British Columbia. Human Rights Code section 12. See also BC Human Rights Tribunal guidance on wage differences and sex discrimination. https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/00_96210_01 and https://www.bchrt.bc.ca/human-rights-duties/employment/sex/

[4] British Columbia. Pay Transparency Act. Sections 4 to 7 address reprisals reporting collection and access. https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/23018