POLICY AND PROCEDURES ON PAY SCALE EQUITY AND ELIMINATION OF GENDER PAY GAPS

1. Policy Statement

Misamis University shall provide equal remuneration for work of equal value and shall measure, disclose in appropriate aggregate form, and eliminate unjustified gender pay differences. The University shall also address structural causes of overall gender pay gaps, including unequal access to promotion, leadership, training, additional paid assignments and career progression. It shall fund corrective actions, monitor their effectiveness and prevent recurrence.

The long-term objective is elimination of gender pay gaps. The immediate requirement is zero unresolved discriminatory pay differences. A small or zero institution-wide gap shall never excuse unequal pay in an individual case.

2. Purpose

This policy establishes equitable compensation and a repeatable process for measuring, investigating and eliminating gender pay gaps at Misamis University. It connects compensation decisions to objective job requirements, documented evidence, employee remedies and continual improvement within the Educational Organization Management System.

3. Scope

This policy covers all employees, including faculty, administrators, nonteaching personnel and full-time, part-time, probationary, regular, temporary and fixed-term employees. It applies to recruitment, starting pay, salary adjustments, promotion, allowances, incentives, benefits, overload pay and separation-related compensation. Contractor employees remain under their lawful employer; procurement shall require appropriate nondiscrimination commitments and a route to raise concerns.

4. Legal and Standards Basis

- The Labor Code of the Philippines, as amended, and RA 6725 prohibit sex-based discrimination in compensation and employment opportunities. RA 6725 specifically addresses lower remuneration and fringe benefits for women performing work of equal value and sex-based preferences in promotion and training. [1–2]
- RA 9710, the Magna Carta of Women, provides a framework for substantive equality and decent work. MU shall integrate equal opportunity into compensation administration and advancement. [3]

- Applicable Regional Tripartite Wages and Productivity Board X wage orders and implementing rules govern statutory wage floors where applicable. HRD shall maintain a current legal register and verify coverage and effectivity before each payroll change. No fixed wage rate is embedded in this policy. [4]
- RA 11210 and its implementing rules protect maternity benefits and employment rights. Lawful maternity leave shall not itself justify inferior salary progression or unfavorable pay decisions. Other applicable leave, labor, contractual and collective bargaining obligations shall be observed. [5]
- RA 10173, the Data Privacy Act of 2012, and applicable National Privacy Commission issuances govern collection, use, access, security and retention of employee data. [6]
- Labor Code protections against unlawful diminution of benefits apply. Equity correction shall not be achieved by unlawfully reducing another employee's salary or vested benefits. [2]
- ISO 21001:2025 provides the EOMS framework for leadership, resources, monitoring and improvement. This policy is MU's application of that framework; ISO does not prescribe the pay-gap formula or internal deadlines adopted here. The clause map appears in Section 14. [7–8]
- THE Sustainability Impact Ratings Methodology 2026 identifies pay-equity policy under 8.2.6, tracking under 8.2.7 and employee appeals under 8.2.8. MU shall verify the methodology and evidence period for each submission cycle. Adoption now does not establish compliance with a past reporting period. [9]

5. Definitions

- **Pay scale equity** means consistent and fair remuneration based on objective job value and defensible criteria. Work of equal value shall be assessed through skill, effort, responsibility and working conditions, including comparisons across different job titles. This institutional approach does not narrow statutory employee protections.
- **An unadjusted gender pay gap** compares group earnings before accounting for job differences. An unexplained difference remains after relevant, validated factors are examined. A group gap is a diagnostic indicator; individual discrimination requires a fact-based review, and can exist even when a group gap is zero.

6. Rules for compensation decisions

- HRD shall maintain approved job descriptions, job families, grades and salary ranges. Job evaluation shall assess required qualifications and skills, mental and physical effort, accountability, supervisory duties and working conditions using consistent criteria. Care, coordination and interpersonal work shall not be undervalued because of gender stereotypes.

- Starting pay and progression shall use approved criteria such as job-relevant qualifications, verified experience, licensure, teaching or administrative responsibility, relevant tenure and fairly assessed performance. Prior salary or negotiating ability shall not be the sole basis of starting pay.
- Each pay decision shall record the grade, rate, criteria, supporting evidence, reviewer and approval. Market or scarcity supplements require evidence, an expiry or review date, and a check that comparable employees have equitable access. Historical practice alone does not establish fairness.
- Sex, gender identity or expression, pregnancy, marital status and caregiving stereotypes shall not determine pay. Lawful leave shall not be treated as poor performance. HRD shall check access to promotion, training, research incentives, overloads and leadership assignments for unequal opportunity.
- Differences in duties, hours or contracts may justify different earnings only when their relevance and consistent application are documented. Part-time and per-unit faculty shall be compared using equivalent workload and rate measures; a teaching unit shall not automatically be treated as one working hour.
- An authorized independent reviewer shall check exceptions before approval. No person shall approve a pay decision or appeal in which they have a conflict of interest. Statutory, contractual and collective bargaining entitlements prevail where more protective.

7. Responsibilities

- University President and authorized governing authority: approve policy, salary framework and remedial resources within delegated authority; review annual results and unresolved risks.
- HRD: own implementation, job evaluation, employee communication, data validation, annual analysis, complaint administration and action tracking.
- Accounting and Payroll: reconcile pay records, calculate and implement approved corrections, check statutory obligations and retain payment evidence.
- Pay Equity Review Committee: appointed by the President with HRD, Finance, QA and employee representation; include gender and analytical competence, confidentiality commitments and conflict-of-interest controls.
- QA and Document Controller: control versions, audit implementation and track corrective-action effectiveness. The Data Protection Officer reviews lawful processing and public disclosure. Deans and office heads substantiate job and workload information.

8. Procedure for establishing the baseline

All timelines below are MU internal service standards proposed for approval. They do not extend a statutory payment deadline or limit employee remedies.

Step 1 Within 30 calendar days of effectivity, the President shall appoint the Committee. HRD shall approve a work plan, responsibilities, data dictionary, reporting period and secure access arrangements with Finance and the Data Protection Officer.

Step 2 Within 60 days, HRD shall reconcile the employee master list with payroll and approved positions. Record employee identifier, sex as lawfully recorded, job family, grade, employment status, relevant tenure, qualifications, contracted hours or workload, paid period, basic salary, allowances, overtime, overloads, bonuses and other compensation components.

Step 3 Document missing data, joiners, leavers, unpaid leave, pay adjustments and employment changes. Reconcile all employees and compensation totals to payroll. Do not silently delete incomplete records; report their number, reason and effect on coverage.

Step 4 Within 90 days, the Committee shall complete the first analysis using the latest completed 12-month payroll period available. If reliable historical data are unavailable, issue an initial analysis for a clearly stated shorter period, disclose limitations, and complete the first full-year baseline when available.

Step 5 HRD shall repeat the review annually within 90 days after the approved reporting year closes, and conduct focused reviews after major restructurings, pay revisions or substantiated complaints. Use a consistent reporting year and explain any change.

9. Measurement Protocol

- HRD and the Accounting Office shall approve and retain a calculation workbook and methodology note. Calculate both mean and median gaps for basic hourly-equivalent pay and separately for consistently defined total remuneration. Also report actual annual earnings to reveal differences in paid opportunities; do not mix actual earnings and annualized rates in one measure.
- For each employee, basic hourly-equivalent rate equals basic pay for the stated period divided by corresponding normal paid hours. Use documented standard hours consistently for monthly employees. Exclude overtime premiums from basic pay. For faculty paid by teaching unit, report comparable per-unit rates and workload bands separately unless a defensible hours conversion is approved.
- For annualized full-time-equivalent basic pay, divide the contractual annual basic salary rate by the employee's full-time-equivalent fraction. Keep this rate measure separate from actual annual cash

received. Document treatment of paid leave, unpaid absence and partial-year employment.

- Mean pay gap percent = [(mean men's pay − mean women's pay) ÷ mean men's pay] × 100. Median pay gap percent uses the same formula with group medians. A positive result indicates lower women's pay; a negative result indicates lower men's pay. Retain the sign and investigate disadvantage in either direction. Round published results to two decimals while retaining calculation precision.
- If a comparison group is absent or the denominator is zero, report "Not computable" and explain why. Never report zero in place of missing data. Report group counts, workforce coverage and exclusions with every result. Overall mean and median gaps and comparable-role gaps shall be clearly distinguished.
- Analyze faculty, nonteaching employees, administrators, grade, job family, full-time or part-time status and comparable workload. Examine starting pay, progression, bonuses, allowances, overload access, promotion and representation across four pay quartiles. Review groups with only one sex for occupational segregation and progression barriers.
- A trained analyst may use regression or matched comparisons where sample size and data quality permit. Validate explanatory factors for relevance and bias; grade and performance ratings may themselves reflect inequity. Document model choices and uncertainty. Small samples require individual job comparisons rather than unsupported statistical conclusions.
- Sex-disaggregated reporting shall not exclude gender-diverse employees from protections or the workforce coverage count. Additional gender information shall be voluntary, purpose-limited and privacy-reviewed.
- Do not infer identity or force disclosure. Analyze other groups where lawful and sufficiently safe; disclose limitations without identifying individuals.

10. Investigation and correction

- Within 30 days of identifying a gap or pay concern, HRD shall open a review record. Review every credible individual disparity regardless of size. Compare job evaluation, rates, qualifications, workload, tenure, performance evidence and access to paid opportunities. Record whether a difference is justified, unjustified or unresolved.
- Within 30 days after confirming an unjustified difference, the Committee shall recommend a correction stating affected employees, cause, revised rate, effective date, arrears or other amounts requiring legal review, budget, accountable officer and completion date. Urgent payroll errors and statutory underpayments shall be corrected without waiting for the annual review.
- Implement approved recurring pay corrections in the next practicable payroll, normally within 60 days of confirmation. Escalate any delay to the President with interim controls and a written recovery

timetable. Budget constraints do not excuse continuing unlawful discrimination or unpaid statutory entitlements.

- For structural gaps, approve an annual action plan addressing recruitment, promotion, training, workload allocation or job valuation. Set a numeric target from the verified baseline, with an owner, budget and due date. Do not invent a reduction percentage before the baseline is established.
- The Accounting Office shall verify revised payroll and any approved remedial payments. HRD shall inform affected employees in writing. QA shall check effectiveness after three payroll cycles and at the next annual analysis. Reopen ineffective actions and update related pay rules or training.
- No correction shall require a waiver of statutory rights. Disciplinary action for deliberate discrimination, retaliation or falsification shall follow applicable rules and due process.

11. Employee Complaints and Appeals

- An employee may submit a written, oral or accessible-format concern to HRD without first approaching the supervisor. If HRD or the normal reviewer is involved, the employee may report directly to the President or a designated independent official. Anonymous concerns shall be assessed where sufficient information exists.
- HRD shall acknowledge within five working days, preserve relevant records and assign an impartial reviewer. The reviewer shall seek a written determination within 30 calendar days of receipt, give the employee an opportunity to explain and present records, and state the findings, reasons, remedy and appeal route. Any extension requires written reasons, interim protections and a revised date communicated before the deadline.
- The employee may appeal within 15 working days of receiving the determination to the President or an independent authority designated by the governing body where the President is involved. A reviewer uninvolved in the original decision shall resolve the appeal, normally within 30 calendar days. These internal periods do not bar access to DOLE, the NLRC, courts, the National Privacy Commission or another competent body, as applicable, or suspend legal filing periods.
- Retaliation, threats, adverse assignments or withheld opportunities for raising concerns or assisting a review are prohibited. HRD shall check for retaliation during the case and after closure. Confidentiality shall be protected to the extent compatible with fair investigation and legal obligations.

12. Privacy and records

- Use coded identifiers in analysis; restrict identifiable payroll and case files to authorized personnel.
- The Data Protection Officer shall document the lawful basis, privacy notice, access controls and retention schedule.
- Keep records only as necessary under applicable legal, payroll and claims requirements, preserve legal holds, and securely dispose of records when retention ends.
- Access to another employee's identifiable pay shall not be granted merely because a complaint exists.

13. Reporting and Performance Review

- The Committee shall submit an annual report to the President covering methodology, data quality, mean and median gaps, comparable-role findings, structural causes, employee complaints, corrections, resources and verified results. Management review shall record decisions, owners and deadlines. Internal audit shall sample source data, pay approvals and action closure at least annually.
- After approval and privacy review, MU shall make the policy and an accessible aggregate annual summary available to employees and through its authorized public communication channel. Suppress public cells with fewer than five persons and apply complementary suppression where needed to prevent re-identification. This is an internal disclosure safeguard, not a statutory threshold. Keep complete restricted records for authorized review.
- The evidence shall include the approved dated policy, documented measurement, aggregate results, action plans and review records. QA shall retain evidence of actual approval, implementation and any publication date. Do not backdate records, claim public availability before publication, or present this draft as proof of implementation.
- Monitoring indicators
- Coverage: 100% of payroll employees reconciled; disclose any analytical exclusions. Owner: HRD and Finance; annually.
- Pay decision controls: 100% of new offers, promotions and exceptions have documented criteria and authorization. Owner: HRD; quarterly.
- Measurement: One validated annual pay-equity report within 90 days of year-end. Owner: Committee.
- Correction: 100% of confirmed unjustified differences have an approved remedy and are tracked to verified closure; target zero overdue cases. Owner: HRD and Finance; monthly.
- Outcome: Zero unresolved discriminatory pay differences; annual reduction milestones for structural gaps approved after baseline validation. Report mean and median gaps even if a target is missed.
- Employee remedies: 100% of concerns acknowledged within five working days and tracked against determination and appeal deadlines. Owner: HRD; quarterly.

14. ISO 21001 2025 Alignment

- The following is an application map, not a claim that the standard specifies gender-pay calculations.
- Clause 4.2 supports consideration of employee and legal expectations; 5.1–5.3 support leadership, policy and accountability; 6.1–6.2 support risks and measurable objectives; 7.1.2 supports human resources; 7.2–7.5 support competence, awareness, communication and controlled records; 9.1–9.3 support measurement, audit and management review; 10.1–10.3 support improvement and corrective action.
- QA shall validate detailed implementation against MU's controlled copy. [8]

15. Required controlled records

- HRD shall maintain job descriptions and evaluation records; approved grades and salary ranges; pay-decision and exception records; the reconciled pay dataset and methodology; annual mean and median calculations; a pay-gap investigation register; approved correction and structural-action plans; employee notices and appeal decisions; payroll verification; training records; and annual management-review decisions.
- The investigation register shall record case number, reporting period, group or role, observed difference, evidence, justification assessment, root cause, correction, action owner, approval, due date, payment reference, effectiveness result and closure authority. Public reports shall use aggregates only.
- The annual report template shall identify reporting dates, population and exclusions, normalization rules, counts by group, mean and median rates, signed gaps, comparable-role findings, limitations, actions and progress against the previous baseline. Figures shall be traceable to the restricted workbook.

16. References

a. RA 6725 and implementing rules. Supreme Court E-Library: https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/6268 and https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/10/39977
b. DOLE. Labor Code Book III Conditions of Employment: https://dole.gov.ph/book-3-conditions-of-employment/
c. RA 9710, particularly Section 22. https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/26011
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e. RA 11210. https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/86567
f. RA 10173, particularly Sections 11–13, 16 and 20. https://privacy.gov.ph/data-privacy-act/
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i. Times Higher Education. Sustainability Impact Ratings Methodology 2026, SDG 8 indicators 8.2.6 to 8.2.8, printed pages 103–105. https://www.timeshighereducation.com/cms-academic/sites/default/files/2025-08/THE.SustainabilityImpactRatings.METHODOLOGY.2026.v2.pdf

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