

Guideline # 10

Which Job Classes to Compare

PAY EQUITY IMPLEMENTATION SERIES

The *Pay Equity Implementation Series* is designed to help employers, employees and bargaining agents to achieve pay equity and to understand their rights and obligations under the *Pay Equity Act, R.S.O. 1990, c. P7*, as amended (the *Act*). These guidelines do not restrict review officers of the Commission or the Pay Equity Hearings Tribunal in their interpretation of the *Act*. The series is published in a sequence that generally reflects the steps for implementing pay equity. **(Revised Summer 2002)**.

SIGNIFICANCE

The *Pay Equity Act* requires that female job classes be compared with male job classes in terms of the value of work and pay within the same establishment to see whether pay equity exists. This guideline looks at how to find the appropriate male job class or classes to compare to a female job class using the job-to-job comparison method.

The Commission publication *Step-by-Step to Pay Equity Using the Proportional Value Comparison Method* details how to find a representative group of male job classes when applying the proportional value comparison method.

EXPLANATION

There are three methods that can be used, under certain circumstances, to make pay equity comparisons:

- the job-to-job comparison method;
- the proportional value comparison method; and,
- the proxy comparison method (in the public sector).

The job-to-job comparison method must always be applied first. If a female job class in an establishment cannot achieve pay equity using job to job-to-job comparisons, the proportional value comparison method must be applied. (An employer may not use a proportional value comparison if a prior job-to-job comparison indicates a higher adjustment.)

If pay equity cannot be achieved by either job-to-job or proportional value comparisons, the employer must notify the Pay Equity Commission.

Only public sector employers who cannot achieve pay equity for all female job classes with either job-to-job or proportional value comparisons and who had employees on July 1, 1993 may be ordered to apply the proxy comparison method. If ordered, these broader public sector employers will be given information on applying the method.

Before comparisons can be made by any method, three steps must be completed:

1. Determine the number of pay equity plans required in the establishment: one for each bargaining unit and one for all non-bargaining unit job classes (see *Guideline #4: Definition of Establishment*).
2. Determine which job classes are female dominated and which are male dominated (see *Guideline #7- Determining the Gender Predominance of Job Classes*).
3. Using a gender-neutral job comparison system, determine the value of all female job classes and all male job classes that are potential male comparators for female job classes. (see *Guideline #9: Gender Neutral Job Comparison*).

The Job-to-Job Comparison Method

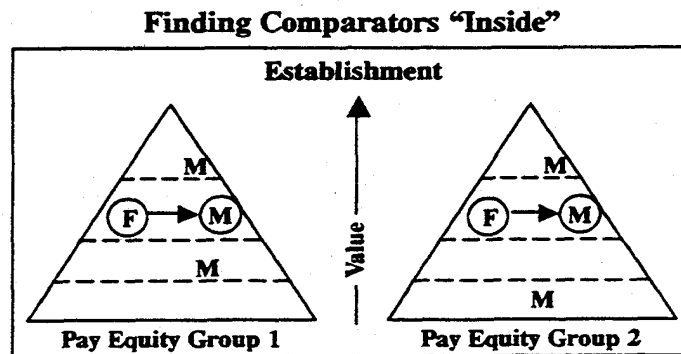
If the value of job classes was determined using a point-factor comparison system (the most usual system), the number of points assigned to the job class determines its value.

If a ranking system was used which did not produce comparison points, the position of the job class in the rank order represents its value.

The *Act* stipulates a specific sequence for identifying the appropriate male comparator job class for any particular female job class. One male job class can serve as the comparator for more than one female job class. Once jobs are evaluated, employers must take the following steps in sequence:

1. Look for a male job class of equal or comparable value among those in the same bargaining unit or among the non-union male job classes. This is what is called the "equal or comparable inside" comparison. If more than one male job class is found to be equal or comparable, the one with the lowest job rate is the appropriate comparator. Pay equity is achieved when the job rate for the female job class is at least as great as the job rate of the lowest paid equal or comparable male job classes.

In this and the following illustrations F = female job class and M male job class.

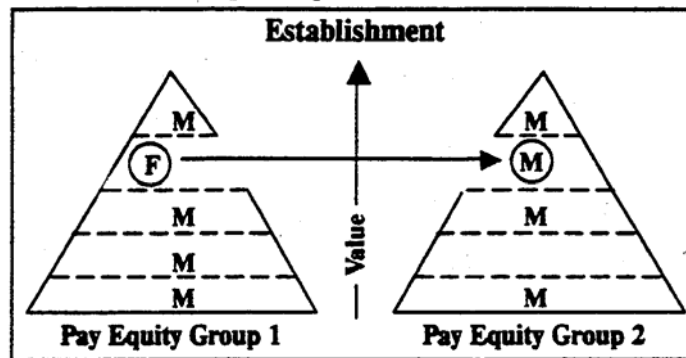


2. If there is no male job class of equal or comparable value in the same bargaining unit or group of non-union job classes, look for one from among other male job classes in the establishment. In this case, boundaries between one bargaining unit and another, or between a bargaining unit and the group of non-union employees must be crossed to look for a male comparator in the establishment. This is the "equal or comparable outside" comparison. If more than one of equal or comparable value is found, the one with the lowest job rate is the appropriate comparator.

For example, if there is an unmatched female job class in a bargaining unit, look for male job classes in the other bargaining units or among the non-union job classes. If the female job class is in the non-union plan, look for male job classes in the bargaining units.

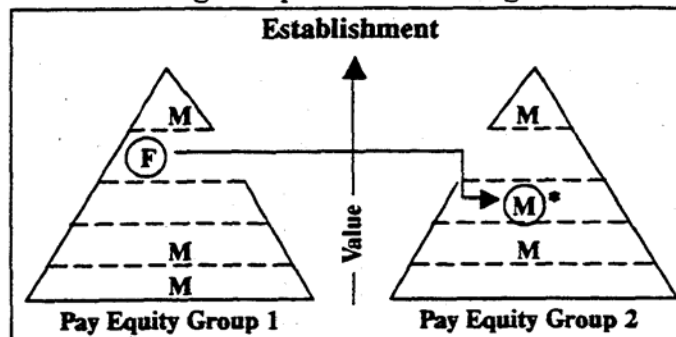
Pay equity is achieved when the job rate for the female job class is at least the same as the lowest paid male job class of equal or comparable value.

Finding Comparators "Outside"



3. If there is no male job class of equal or comparable value in the establishment, look at all the male job classes throughout the establishment ("lower value, higher paid throughout") that are of *lower value*, with a *higher job rate* than the unmatched female job class. If more than one is found, the one with the *highest job rate* must be selected.

Finding Comparators "Throughout"



* Assuming this is the highest paid of male job classes of lesser value than the female job class under consideration.

In this case pay equity is achieved when the job rate for the female job class is at least equal to the highest job rate of the lower valued, higher paid male comparators.

If it is necessary to go outside a group of non-union job classes or outside the bargaining unit to find a male comparator for a female job class, potential male comparator job classes must be evaluated using the same gender neutral comparison system.

If no male comparator job class can be found for a female job class, pay equity for this female job class cannot be achieved by job-to-job comparisons and the proportional value comparison method must be applied.

Equal or Comparable Value

The first two steps in the search for a male comparator job class specify that the male comparator must be of equal or comparable value to the female job class. If a point-factor comparison system was used to determine value, value is expressed in terms of evaluation points. Equal value would be two jobs with the exact same number of points. But what is comparable? Comparable means having close to, or roughly the same number of points.

In determining which job classes are comparable in value, many employers set out ranges or bands of points in which the value of different job classes are considered comparable. This process is usually called banding.

Banding of Points

The concept of banding is not new. An example of bands of comparability is found in the school system when students are assigned grades. Students who score 90 to 100 points are given a letter grade of A; those who score 80-89 receive a "B"; and so on. No distinction is made between, say, a score of 91 and one of 97. Instead, these are defined as comparable and given the same letter grade. The same concepts can be applied using job comparison points and job rates.

There are two approaches to banding: fixed bands (the most commonly used) and floating bands.

Fixed Bands

One approach in determining equal or comparable job classes is to list job classes by value, then divide the set of job class values into sections, or bands, with each band having the same number of points.

For example, different job classes evaluated using a particular system may range in value from 110 to 1000 points. One way of banding is to select a starting point - say, 100 points - and a constant band width - 50 points in this example. Any job classes falling into a particular band of points would be considered to be of equal or comparable value.

Point Band	Range of Points
I	100 to 149
II	150 to 199
III	200 to 249
IV	250 to 299

Because the definition of the bands is not related to the value of any particular job class and because the bands have fixed boundaries, they are called fixed bands. The ones in this example are also of fixed width - they are all 50 points wide.

Using band widths that increase as the point values rise is another approach. For example, some comparison systems have point scales for each factor in which the increments in points get larger as the levels increase (for example, 100, 115, 132, 152, 175, 200, 230). This scale increases by about 15% per step. It would be logical to have point bands that increase by 15% for the totals of evaluation points this system produces. These would still be fixed bands, although they vary in width, because the boundaries between the bands are pre-determined.

Deciding Where to Start Fixed Bands

As with the width of bands, there are no rules about where fixed bands should start. Some possibilities are:

- sufficiently below the job class with the lowest point value to allow for a new job of even lower value, or,
- the lowest possible point score the system can produce.

Floating Bands

Floating bands start from a reference point, plus or minus a certain number of points. In this case, the value of each female job class is a reference point. For example, if a female job class has 178 points and the floating band width is 50 points (plus or minus 25 points), job classes of equal or comparable value will be from 153 points (178 - 25) to 203 points (178 + 25).

Alternatively, floating bands can be a percentage of the number of points of the female job class, for example, plus or minus 15%. In this case, the female job class with 178 points would have job classes of equal or comparable value from 151 points (178 x 0.85) to 205 points (178 x 1.15). It is preferable to have floating bands that start at some meaningful or logical point and follow some consistent pattern.

Consider the Intent of the Act

In deciding or negotiating point bands, keep in mind the intent of the *Act*: to redress gender discrimination in the compensation of employees in female job classes.

One sign of gender bias in the banding of job classes may be where female job classes consistently fall at the top of bands and male job classes at the bottom, with the effect of consistently comparing the job rates of female job classes to the job rates of male job classes of lower value. In this case, band boundaries may need to be adjusted so that job classes of equal or comparable value are more accurately reflected.

RELEVANT SECTIONS IN THE ACT

Subsection 1(1)	Includes the definition of job class.
Section 4	Defines the purpose of the <i>Act</i> and states that systemic discrimination in compensation will be identified by comparing the value of the work done and the compensation received by female job classes with male that of job classes.
Subsection 5(1)	Specifies that the value of work is measured by skill, effort, responsibility and working conditions.
Subsections 6(l)-(5)	Details the requirements of the job-to-job comparison method.
Subsections 6(6)-(10)	Describes the group-of-jobs approach when comparing compensation.
Subsection 8(1)	Describes the grounds for permissible differences in compensation.
Section 12	States the requirement for employers posting pay equity plans to use a gender-neutral comparison system to evaluate job classes and compare compensation to see if pay equity exists.
Subsection 21.1	States that the proportional value requirement applies to employers who must or who opted to post pay equity plans.
Section 21.2	Specifies when to use the proportional value comparison method.
Section 21.3	Explains the proportional value comparison method.

REFERENCES:

Pay Equity Implementation Series (Revised) - Guideline #4: Definition of Establishment
Pay Equity Implementation Series (Revised) - Guideline #7: Determining the Gender Predominance of Job Classes
Pay Equity Implementation Series (Revised) - Guideline #9: Gender Neutral Job Comparison
Barrie Public Library Board (1991), 2 P.E.R. 93
Step by Step to Pay Equity: Volume 3 - Using the Proportional Value Comparison Method, Pay Equity Commission, 1993

For More Information:

We are here to help. We can answer your questions by e-mail at <mailto:Pecinfo.Pecinfo@ontario.ca> or by phone at (416) 314-1896, or toll-free at 1-800-387-8813. You can also register for a free seminar. All communications are confidential. Visit our website at <http://www.payequity.gov.on.ca/peo/english/seminar.html>

The Pay Equity Commission

This fact sheet is for information only, and is not intended to restrict Review Officers or the Pay Equity Hearings Tribunal in their determination of matters. Refer to the *Pay Equity Act* for exact interpretation.

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