

Introduction

A Guide to Pay Equity and Job Evaluation

The Canadian Human Rights Commission has produced this Guide in order to provide practical direction in pay equity both to Commission staff and to practitioners from organizations in the federal jurisdiction.

Each volume of the Guide deals with one general subject:

A Summary of Experience and Lessons Learned is a detailed overview of the job evaluation process as it applies to pay equity. The different steps of the process are described chronologically. Various options and gender neutrality are discussed at each step. This volume focuses on the “how to” aspects of job evaluation and avoiding gender bias.

The Makings of a System is a collection of job evaluation factors that may be used either to design a customized evaluation system, or to examine an existing system for comprehensiveness and gender neutrality. This volume focuses on the “what” elements of a job evaluation system, i.e., the content.

The Commission has made this Guide as clear as possible in the hope that it will prove helpful to specialist and novice alike. Its publication reflects our strong commitment to the legal requirements of equal pay for work of equal value, combined with a recognition that the implementation of pay equity can be a technical challenge necessitating a certain degree of expertise.

We recommend taking some time to read the Guide — for many, it will be more comprehensible if digested in smaller portions — and to consider how the material and suggestions it contains might be adapted to your organization. If you have any questions or comments, please do not hesitate to contact the Commission’s Pay Equity Directorate. The phone number is (613) 943-9061 (toll-free: 1-888-214-1090) and the address is:

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Guide to Pay Equity and Job Evaluation Limitation

The Canadian Human Rights Commission is providing this Guide to educate and give practical assistance to organizations as they establish pay equity systems. Organizations are responsible for ensuring gender neutrality in the pay systems. *Experience and Lessons Learned* is provided as raw material, to minimize gender bias and maximize awareness of potential problems. Each organization is expected to adapt and mould the content to fit its specific needs, and the result will remain its own product. The Commission cannot endorse any particular organization's use or adaptation of the Guide's content.

In the event of a pay equity complaint in an organization that has used these manuals, the Canadian Human Rights Commission will investigate the resulting pay system for fairness, appropriateness, and gender neutrality. It cannot accept responsibility or liability for an organization's use of these manuals.

An Introduction to Pay Equity

1. Pay Equity: The Basic Concept

Pay equity is about fair pay for jobs. It addresses **gender or sex discrimination** in pay. Discrimination means any kind of bias that favours one group over another. In the case of pay equity, employers are prohibited from treating people differently based on their sex. Women have generally worked in very different occupations than men; it was, therefore, necessary to have a law to address the historic undervaluation of the kind of work they tended to do. Women also tend to be clustered into a small number of jobs compared to men, who are scattered across many occupations. This employment pattern for women has come to be called **occupational segregation**.

Pay equity is not about changing the kind of work women do. It is about recognizing how important their jobs are to organizations, and making sure that they are paid according to the same rules that apply to men's jobs.

2. About Experience and Lessons Learned

Working toward ensuring fair pay for work of equal value — regardless of the gender of whomever performs the work — involves “evaluating” jobs. This volume of the Guide provides a detailed outline of the various steps in the job evaluation process. The outline is based on the experience gained from ten years of evaluating jobs in the context of pay equity.

Guiding Principles in Evaluating Jobs

The eight important principles listed below must be understood and applied when evaluating jobs for pay equity. Applying them will help make the evaluation fair. These principles will be repeated throughout this volume to help with some of the decisions you will need to make. Refer to them whenever you are in doubt as to the best course of action.

1. **Gender neutrality and fairness:** These must be the goal at all times. They will help to settle questions regarding interpretation of the law and appropriateness of approach. Fairness is the equivalent of equity and gender neutrality. It requires that all jobs be judged without biases or assumptions that are based on stereotypes and misunderstanding. An important tool for minimizing bias is a committee whose members have taken sensitivity training and are encouraged to challenge bias where they see it (see also page 6 and sections on avoiding sex and gender bias in each chapter).
2. **Inclusivity:** The job evaluation process must include all aspects of work done by men and women even if the work was not previously valued, understood or even noticed. Missing or overlooking elements of work has created much of the gender bias problem.

This concept is relevant to the processes of describing jobs and of choosing the factors (see Chapter Two in this volume and *The Makings of a System* for a thorough explanation of factors and their role in job evaluation) against which to determine job value. It is essential that the job evaluation process capture (i.e., include) all aspects or requirements of each job in the organization and all working conditions associated with it. Factors, examples and weights must fairly represent jobs and job tasks done by men and women.

3. **Clarity and understandability:** Confusion over the meaning or significance of the wording at any stages of the job evaluation process can compromise the quality and fairness of the results. Everything in the job evaluation process needs to be accessible to everyone in language that is clear and precise. Especially when asking questions about jobs, avoid jargon and ambiguous terminology that may lend itself to multiple interpretations. If some people cannot understand the language, or if several different interpretations are possible, the process will likely lead to unfair results.

Jargon leaves the evaluators without effective guidance. The job evaluation tool should provide direction to evaluators regarding how to look at jobs and the information in the questionnaire. When the factors or notes do not provide this direction, the committee (see Chapter One for a discussion of Pay Equity Committees) has little choice but to rate according to *assumed value*, e.g., “it’s a management job so it must be worth a lot.”

4. **Making work visible:** This is a major challenge in the pay equity process, and lack of visibility is one of the main reasons that women's work has been undervalued in the past. It is only when jobs are better understood and everything about them has been properly defined and described that effective job evaluation can take place. When information is overlooked or misunderstood, the organization will not be able to properly value, understand and manage a job. Understanding a job allows the organization to set appropriate recruiting requirements, define and measure performance standards and determine the appropriate compensation for equity purposes.

Although employees are the experts about the requirements of their jobs, they often do not describe their jobs most effectively for evaluation purposes. With training, they learn how to describe their jobs in a way that makes their work visible. Instructions given to employees should both prompt them to think about particular aspects of work, and provide examples of the detail expected and the best terminology to use in describing their job.

5. **Representativeness:** Everyone has biases. Therefore, it is best for any committees you may use in job evaluation to have a number of people from different perspectives involved at every stage to bring a balance of views to the process. The group will balance each member's biases. Diversity is also the best way to gain a better appreciation of jobs and job families because members of the committee will know more about certain jobs and can explain, defend and sell the value of these jobs to their colleagues, which will help increase the chances of a bias-free result.
6. **Openness to change:** All participants (including employees, managers, job evaluation committee members, job information collectors and so on) should be sensitized and trained regarding the job evaluation process and the goals of pay equity — i.e., the elimination of gender bias — the changes that may result, and the reason for these changes. There is no point involving people such as this who are unwilling to consider necessary changes.

As pay equity is about questioning past assumptions and relationships, all those involved in the pay equity process need to remain open to new ideas and allow new results to emerge. If evaluators are committed to maintaining the status quo, they will overlook places where change is warranted. It may be helpful to use some new people and people who have a vested interest in providing new insights.

While it is true that change is difficult and challenges people on many levels, it is essential that people stay open to change if the pay equity process is to have a chance of succeeding.

7. **Context:** Gender bias must be seen in context of the goals of the organization, the range of work, the range of working conditions, and so on. All decisions must reflect the organization's circumstances fairly. The reason for considering the nature and purpose of the organization is that these provide the most objective means for measuring what is actually required of employees. Requirements include both the skill sets that are necessary to perform the tasks required to meet the employer's goals, and the responsibilities which are assigned to jobs to enable organizations to function. Requirements also include the effort required of employees, given the demands placed on them, as well as the organization-specific working conditions.

The term *context* is used in a number of places in these volumes. It is first of all an important ingredient in determining what is of value to a particular organization. Context refers to the circumstances and the characteristics of the organization in which jobs will be evaluated. Job requirements need to be measured and the values of the organization set out, e.g., by making plain not only its mandate for quality service, but by explicitly recognizing the value of customer contact and dealing with complaints. These organizational values must not only be translated into job evaluation, they must also be consistent with demands on employees which stem from the context of the organization. It is not enough, for example, to recognize responsibility for resources and working conditions like dirt and dust, but then forget verbal abuse sustained by employees in service-oriented jobs. When responsibility for resources is highly recognized, as are working conditions in terms of dirt and dust, but no mention is made of noise or verbal abuse, we can conclude that mandate and value do not mesh with either of the two aspects of the context of the organization and the job evaluation factors.

8. **Consistency:** In order for job evaluation to contribute to fair compensation practices, the process must treat all jobs equally, i.e., according to the same rules and the same level of interest. Words must be carefully chosen to provide a consistent level of information; all assumptions or changes made, or short-cuts taken, apply to all jobs. If assumptions are made for some jobs but not others, or if equipment is considered for some but not others, the results will be neutral. Consistency is one of the most important elements of any job evaluation process because what has been left out has often caused bias in the past.

Avoiding Gender Bias

Gender *bias* refers to any factor or behaviour which, even unintentionally, unfairly favours one sex over the other. In pay equity, gender bias can affect both the design of job evaluation plans and their application. Gender *neutrality* is harder to define than gender bias. Neutrality means that conditions allow both sexes equal access to having the importance of their jobs recognized and to fair compensation. While the *Act* applies equally to men and women, protecting them from discrimination in their work, gender bias has to date been an issue only for jobs done by women. The law does not rule out the possibility, but thus far, we have not found jobs done by men to have been undervalued due to gender bias. Traditionally, the value of many elements of typically female work has been overlooked in wage-setting processes. Manual dexterity skills, the hazards of working with the sick, and the stresses involved in dealing constantly with the public are all examples of requirements once ignored in applying compensation systems and job evaluation plans. Male jobs have not yet been undervalued in this way. In fact, “male” requirements such as physical effort, responsibility for resources, and management duties have often been counted under two factors or given unreasonably high weight. Even when wage plans have been relatively neutral, information-collection processes have sometimes given greater emphasis to elements of male-dominated work. Or evaluators have relied on prevailing stereotypes about the worth of women’s work, which skew results. If, for example, an evaluator reads job information on a receptionist and thinks, “that’s a receptionist’s job (a female job), we can’t rate it too high”, the job will not be assessed fairly. While everyone’s understanding of the various ways in which gender bias operates is still evolving, experience and rulings in different jurisdictions now permit us to outline some basic safeguards to optimize gender neutrality at all stages of job evaluation. The understanding of gender bias is developing. As a result, organizations should expect to have to adapt their systems in the future to ensure they continue to meet the standards as they develop. This volume will explore gender bias at each stage of the process.