Step 1: Identifying and Grouping Job Classes

PAY EQUITY OFFICE
BUREAU DE L'ÉQUITÉ SALARIALE

1_1_Intro <Narrator>
Welcome to the Pay Equity Solution for Small Business. In this video, we will go over Step 1 to demonstrate how to identify and group positions in your company into "job classes".

1_2_CaseStudy_1 <Narrator>
To help us better understand how to identify all job classes, we're going to follow Upcycled Fashion, a small clothing store company in the city of Waterloo, Ontario.

1_2_CaseStudy_2 <Narrator>
Haifa and Lucien co-founded Upcycled Fashion 3 years ago when they started upcycling their own clothes as a side project. Eventually, it grew into a profitable business and now the company is doing so well that they recently hired more employees to keep up with demand.

1_2_CaseStudy_3 <Narrator>
Since hiring their 10th employee 3 years ago, they have been using the Pay Equity Solution for Small Business toolkit to ensure they are abiding by Ontario's *Pay Equity Act* and paying all their employees equitably. Haifa has been in charge of this task, so she answered all the questions Lucien had during their meeting.

1_3_Purpose_1
<Lucien> It says here the first thing we need to do is identify all job classes. But I don't understand why. Don't we just compare our male and female employees?

1_3_Purpose_2
<Haifa> If we were aiming to ensure equal pay for equal work, then yes, we would go straight to looking at individual jobs and employees. But this is pay equity, which is about equal pay for work of equal value.

Another way of thinking about it is to think of it as a way of evaluating how much each position contributes to our business' success. To make sure that we do this in an unbiased way, we need to carefully quantify the value of every position, and then compare similarly-valued positions to ensure that they are compensated equitably. That

careful quantification process starts with looking at all of the positions and deciding whether and which ones should be grouped together into “classes”.

1_3_Purpose_3
<Lucien> Can you give me an example?

1_3_Purpose_4
<Haifa> Sure. If it were up to us, we would probably think that our sales associates have the highest value in our company since they’re the ones bringing in the most amount of money for us. But this toolkit may tell us that this is just our own bias as business owners and that there are perhaps other positions in the company that are just as important to our success, or even more so, than sales.

1_3_Purpose_5
<Lucien> Ok, so what do we need to do?

1_3_Purpose_6
<Haifa> We need to lay out all the job positions we have and group them all into job classes that we identify.

1_3_Purpose_7
<Lucien> Tell me again what exactly is the difference between a job position and a job class?

1_4_Difference_1
<Haifa> A position is the role an employee fulfills in a company, like Tatiana selling clothes as a sales associate. A job class, on the other hand, is a position or several positions grouped together based on shared criteria. A job class can be:

- a single job position with a single incumbent, or
- a single job position with multiple incumbents, or
- two or more similar positions.

To decide whether two or more positions are similar enough to form a job class, we need to decide whether they are similar by using 4 criteria. If two or more positions:

- have similar duties and responsibilities, and
- require similar qualifications, and
- are filled by similar recruiting procedures and,
- have the same compensation schedule, salary grade, or range of salary rates,

then they can be grouped into a single job class.

1_5_Identify_1
<Lucien> So would it make sense to group together all of our sales employees and label it the “Sales Job Class”?

1_5_Identify_2
They all have similar skills, do exactly the same work, and we hire them all from the same employment service.
And they’re paid roughly the same, right?

1_5_Identify_3
<Haifa> They do perform similar work but our full time sales associates have benefits, whereas our part time sales associates do not. That means we have two *different* job classes for our sales team–one for part time associates and another for full time associates.

1_5_Identify_4
<Lucien> Do we have ANY positions that can be grouped together as one job class?

1_5_Identify_5
<Haifa> Amir, our Personal Stylist, could be in the same group as our part time sales associates because they both sell directly and in person to our customers, and the most important qualification for both positions is that they are personable when working with customers and make each customer feel great when they leave the shop.

1_5_Identify_6
<Lucien> Ah - And they are both paid an hourly rate plus a sales commission but no benefits. I also remember we hired them all by posting a job ad at the fashion design school.

That means those two jobs meet all four criteria.

1_5_Identify_7
<Haifa> Yes, so we can group these two positions into a single class. The toolkit also recommends that if you group two or more positions into a single job class, you should try to give the class a name that is different from any of the job titles to avoid confusion later on. So we should call this job class “Part Time Customer Service”.

1_5_Identify_8
<Lucien> I like that. Do you think we can also group Hsin-Yi, our Admin Assistant, with Oksana, our Accountant, and label it the “Back Office” job class?

1_5_Identify_9
<Haifa> Hmm. They have very different skills, and our Accountant even has to have specialized post-secondary training. Although they're both back office functions, they don't strike me as being similar enough to put them in the same job class.

1_5_Identify_10
<Haifa> Remember that a job class can be made up of a single job position with a single incumbent, so it's all right if most of our job classes end up being the same as our job positions. Even though business is going well, we still only need one person for most roles.

1_5_Identify_11
<Lucien> It's starting to come together now, let's try inputting this data into the toolkit!

This video presents one hypothetical business scenario. It is for information only and is intended to assist employers in complying with the *Pay Equity Act*. It is not to be construed or considered as legal advice, nor warranted to be complete and accurate, and may be amended without notice. It does not restrict Review Officers of the Pay Equity Office in their interpretation and determination of matters under the *Act*.

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