Step 5, Video 2: Job-to-Job Comparison Method - Understanding Banding

PAY EQUITY OFFICE
BUREAU DE L'ÉQUITÉ SALARIALE

5B_1_Intro

<Narrator>
In this video, we will explain the job-to-job comparison method in more detail, including a demonstration of how banding works.

5B_2_ExplainBanding_1
<Lucien> Okay – so we've decided to start with the job-to-job comparison method. It says here we will be using banding to select our male comparators. What does "banding" mean and how do we do that?

5B_2_ExplainBanding_2
<Haifa> "Banding". is a technique that can be used in the job-to-job method that helps us decide in an unbiased way whether the point values of two job classes are similar enough to be compared. We do this by defining objective ranges for the point values of our job classes so that we can see which job classes fall within the same range of value and can therefore be compared to each other. Although banding is not a legal requirement, this is just one of the several techniques the Toolkit uses to reduce the risk that unconscious bias perpetuates pay inequity.

5B_2_ExplainBanding_3
We can choose between two different types of bands in the Toolkit to decide which classes have similar enough point values: "fixed bands" and "floating bands".

5B_2_ExplainBanding_4
Fixed bands use ranges that are the same size, or "width", such as 50 points. Let's say we start our point system at 310, since that's a round number slightly below our lowest job class point value. And let's say that the band size we select is 50. That means our first band is 310+49=359 points, the next band is 360 points + 49= 409 points, and so on. We can simply call them "Band 1", "Band 2", etc. Since our Administrative Assistant job class has 316 points and the Delivery Driver job class has 327 points, they're both in Band 1. Since our Sewist job class has 386 points, it is in Band 2. This goes on until the highest range with the General Manager.

5B_2_ExplainBanding_5
<Lucien> Why are we adding 49 points instead of 50?

5B_2_ExplainBanding_6
<Haifa> Because we include the initial point value in the 50 point range.

5B_2_ExplainBanding_7
<Lucien> So far, that makes sense to me. But what's the difference between fixed and floating bands?

5B_2_ExplainBanding_8
<Haifa> Fixed bands remain static and we fit our job classes into the bands by fitting each class' point value into a band.

5B_2_ExplainBanding_9
Floating bands are almost the opposite – we still set a constant band width, such as 50 points, but the range is measured against the point value of each female job class.

5B_2_ExplainBanding_10
For example, since the Administrative Assistant job class' point value is 316, the floating band would be 316-50=266 to 316+50=366. In other words, the band "floats" 50 points above and below this job class' point value of 316. So, a floating band of 50 points is actually 100 points in total size. Now we can see that the Delivery Driver with 327 points, fits between 266 and 366 points, so they're both still in Band 1.

5B_2_ExplainBanding_11
Band 2 would be set against the point value of the next female job class, Sewist, which Step 3 showed us has a point value of 386. Therefore, Band 2's range would start at 386-50=336 and end at 386+50=436. As a result, we can see that the Online Sales Job Class, with its 426 points, is a potential male comparator.

5B_3_ExplainFixedFloating_1
<Lucien> How do we choose between fixed and floating bands?

5B_3_ExplainFixedFloating_2
<Haifa> Once an employer has chosen a banding option, it's advisable to stick with the same banding choice for consistency.

5B_3_ExplainFixedFloating_3
The main advantage of fixed bands is that they can more easily line up with standard salary ranges in a formal compensation framework.

5B_3_ExplainFixedFloating_4
The disadvantage of fixed bands is that they can sometimes lead to seemingly arbitrary comparators.

5B_3_ExplainFixedFloating_5
For example, in the case of Upcycled Fashion, the Full Time Sales Associate job class is in the same fixed band as the Online Sales Rep job class; these two classes are 31 points apart but within the same fixed band of 410-459 points. Since the job rate for the Full Time Sales Associate class is higher than the male comparator within that same fixed band, no pay equity adjustment is owed to anyone in the Full Time Sales Associate class.

5B_3_ExplainFixedFloating_6
However, the Full Time Sales Associate job class is only 13 points apart from the Web Developer job class. But because the Web Developer class is in the next fixed band above, it is not compared to the Full Time Sales Associate class. If it were, the job rate of the Web Developer class is higher than the job rate for the Full Time Sales Associate class, so the job rate for the Full Time Sales Associate class would have to be raised to be the same or greater than the Web Developer class.

5B_3_ExplainFixedFloating_7
The main advantage of floating bands is that the identification of male comparators is less arbitrary.

5B_3_ExplainFixedFloating_8
Using the same example of the Full Time Sales Associate job class, and with a band width of 25 points, the male comparator is identified by looking for the nearest male job class within 25 points above or below the 457 points of that class. The Web Developer male job class is only 13 points away from the Full Time Sales Associate class and would be identified as the male comparator instead of the Online Sales Rep class identified by choosing fixed bands. As a result of choosing floating bands in this example, the job rate of Full Time Sales Associate would be increased, whereas the job rate would remain the same if 50 point fixed bands are chosen.

5B_3_ExplainFixedFloating_9
You can use the Toolkit to experiment with the different banding options to see if one option provides you with more comparator options than another or if the width of your fixed bands align well with the natural clusters of your job classes. You can even save your different experiments for future reference – just be sure to give each experiment a clear filename so that you can tell them apart from your real pay equity analysis.

5B_4_DetermineBandWidth_1
<Lucien> That's important to keep in mind. Now how do we pick the right band width when using this Toolkit?

5B_4_DetermineBandWidth_2
<Haifa> We need to look at the point values from step 3 and just use our own judgement as to what band size makes the most sense for us as an organization. We want it to be small enough for comparators to be as close in value as possible, but large enough to find potential male job comparators. In our case, it looks like 50 would be a reasonable range for our fixed bands.

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