Step 5, Video 3: Proportional Value Method of Comparison

PAY EQUITY OFFICE
BUREAU DE L'ÉQUITÉ SALARIALE

5C_1_Intro <Narrator>
In this video, we will explain the proportional value comparison method.

5C_2_ExplainProportionalValue_1
<Lucien> What is the proportional value method?

5C_2_ExplainProportionalValue_2
<Haifa> With the proportional value method, we look at multiple male job classes together to determine if our female job classes are paid equitably. We select a group of three or more male job classes so that together they can represent the overall compensation pattern or practices we have in our company.

5C_2_ExplainProportionalValue_3
<Lucien> Whoa! We have to do this even though we just used the job-to-job method?

5C_2_ExplainProportionalValue_4
<Haifa> Yes. We were able to find a male comparator for 6 of our female job classes using the job-to-job method but we need to use the proportional value method for the remaining 2 female job classes.

5C_2_ExplainProportionalValue_5
The idea behind the proportional value method is that we use a minimum of three male job classes to extrapolate the overall compensation pattern of our company.

5C_2_ExplainProportionalValue_6
"Compensation pattern" means the relationship between the point value and the job rate. This is assessed using a statistical method called regression analysis.

5C_2_ExplainProportionalValue_7
<Lucien> Whoa again! We don't have the expertise, time, or money to do statistics.

5C_2_ExplainProportionalValue_8
<Haifa> Don't worry, Lucien – it's not nearly as intimidating as it sounds. The Toolkit does all the calculations for us. All we have to do is select the male job classes we will be using.

5C_2_ExplainProportionalValue_9
<Lucien> How do we choose "representative" male job classes?

5C_2_ExplainProportionalValue_10
<Haifa> We can select any male job classes to represent our compensation practices but should remove any outliers. An outlier is a job class that is paid much higher or much

lower for their job value relative to other jobs in the organization, or a job class that is paid an anomalous rate. It looks like we don't have any outliers, so we can select all the male job classes as "representative".

5C_2_ExplainProportionalValue_11
<Lucien> Okay, so what happens after we select all the male job classes?

5C_2_ExplainProportionalValue_10
<Haifa> We can select any male job classes to represent our compensation practices but should remove any outliers. An outlier is a job class that is paid much higher or much lower for their job value relative to other jobs in the organization, or a job class that is paid an anomalous rate. It looks like we don't have any outliers, so we can select all the male job classes as "representative".

5C_2_ExplainProportionalValue_11
<Lucien> Okay, so what happens after we select all the male job classes?

5C_2_ExplainProportionalValue_12
<Haifa> The toolkit calculates what our female job classes should be paid relative to our male job classes.

5C_2_ExplainProportionalValue_13
Imagine a graph where our male job classes are placed based on their point value from Step 3 and their job rate from Step 4. A line of best fit is then drawn. The female job classes that do not have direct comparators from the job-to-job comparison are then also placed on the graph. If the female job classes fall below the line, then they are owed adjustments to bring them up to the line. If they are above the line, they are not owed adjustments. The toolkit does not show a graph but this is a visual example of what is happening in the background.

5C_2_ExplainProportionalValue_14
<Lucien> This is very helpful to understand, especially since it's clear that we needed to use both the job-to-job and the proportional value methods to make comparisons.

5C_3_Conclusion_1
<Lucien> And … it looks like we do have some pay inequities after all. I'm not thrilled to find out that we haven't been as fair as we thought we were, but it's better to know and fix the problem while it's still small.

5C_3_Conclusion_2
<Haifa> Yes and because we found discrepancies in pay, we now go to step 6 to calculate adjustments. Let's go!

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