

Australian Standard[®]

**Gender-inclusive job evaluation and
grading**



This Australian Standard® was prepared by Committee MB-020, Gender-inclusive Job Evaluation and Grading. It was approved on behalf of the Council of Standards Australia on 19 April 2012.

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- Australian Chamber of Commerce and Industry
 - Australian Council of Trade Unions
 - Australian Human Resources Institute
 - Australian Industry Group
 - Australian Public Service Commission
 - Employer of Choice for Women
 - Equal Opportunity for Women in the Workplace Agency
 - Finance Sector Union of Australia
 - Hay Group
 - Mercer (Australia)
 - University of New South Wales
-

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PREFACE

This Standard was prepared by Standards Australia Committee MB-020, Gender-inclusive Job Evaluation and Grading. It builds on the Standards New Zealand Standard, NZS 8007:2006, *Gender-inclusive Job Evaluation*. Most areas of the New Zealand Standard have been further developed and coverage extended to job grading.

The objective of this Standard is to provide requirements, information and recommendations to assist with the design and implementation of fair and transparent job evaluation processes and gradings frameworks, as well as auditing those processes for gender inclusiveness.

This Standard was developed through the collaboration of a wide range of parties with specific skills and interests in job evaluation and grading. Representatives of job evaluation providers and practitioners, equity advisors, human resources management practitioners, employer groups, and unions from the public and private sectors contributed to this Standard. The Standard takes account of research, jurisprudence and guidance developed in Australia, New Zealand and other countries, especially the United Kingdom and Canada.

Use of the Standard is voluntary, and it is hoped that ultimately all job evaluation projects, and the development of grading structures, including audits of these processes, will meet the Standard's requirements. Large-scale projects are likely to meet the requirements of the Standard in different ways from smaller projects. Guidance has been provided on various ways of meeting the Standard's requirements.

While this is a voluntary Standard, those who do claim to meet the Standard are advised to provide evidence of how they meet its requirements. The Equal Opportunity for Women in the Workplace Agency, and the Australian Human Resources Institute (to its members) will be able to provide advice and assistance in applying this Standard. Other organizations, including some of those represented on Committee MB-020 that developed this Standard, may also be able to give advice and assistance.

This Standard is presented in four sections. Section 1 provides introductory material, and the mandatory parts of the Standard are included in Sections 2, 3, and 4.

Parts 2, 3, and 4 have an Overview of each issue covered, the Outcome expected of applying the Standard, Requirements, and Guidance.

The term 'informative' has been used in this Standard to define the application of the appendices to which it applies. An 'informative' appendix is only for information and guidance.

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FOREWORD

Job evaluation is a key human resource process that can support the development of fair, equitable and defensible internal gradings and the subsequent development of fair remuneration systems. Job evaluation has a wide range of applications in human resource management. Although job evaluation schemes do not directly determine the rates of pay, they have a significant role in establishing job and career structures and in remuneration setting.

Gender bias can occur in any of the processes involved in describing, analysing and evaluating jobs, and in grading jobs, particularly if the processes are affected by assumptions about the nature and value of work in occupations mainly held by women or men*. While values and assumptions are to some extent an integral part of job evaluation and grading, measures to identify and address their gender impact reduce reliance on assumptions and make the values involved explicit. Gender bias is common and very often unintended and unconscious. The key to mitigating the risks of incorporating gender bias in job evaluation and grading processes is to be aware of the risks and ways of managing them.

A job evaluation project provides an opportunity to review the existing ranking of individual jobs or groups of jobs and may result in changes to the existing hierarchy of jobs. Where one gender largely occupies a specific job or group of jobs, care must be taken to ensure that any analysis of jobs is unaffected by the gender of those occupying the positions or the position's current rankings in the structure.

Planning and preparation for job evaluation projects is critical. The Standard outlines key tasks that need to be completed to ensure that all relevant information is included and all participants will support the project's gender equity objectives.

The participants in job evaluation and grading processes will vary from project to project. The Standard refers to a range of likely participants and their roles, including Steering Groups, committees, reference panels, and job evaluation practitioners. Where large-scale or new job evaluations are conducted, job evaluation groups or committees, or reference panels, with representative membership, are recommended.

In selecting a job evaluation scheme, it is important to ensure that it meets the Standard's requirements for suitability and gender-inclusiveness of factors and procedures. Jobs selected as benchmarks must represent a broad selection of the work performed.

It is crucial to ensure that data gatherers and job analysts are effectively trained and consistent methods are used in the collection of job information in order to avoid gender bias.

Collecting data from multiple sources and involving job holders in the job evaluation process can further reduce the risk of gender bias in gathering job information and describing and analysing jobs. The Standard sets out how jobs that have not been evaluated can be inserted in the hierarchy of jobs consistently with the Standard's requirements.

Grading provides a way of grouping jobs for remuneration and other purposes. The Standard provides requirements for ensuring job groupings, grade boundaries and grade levels do not incorporate gender bias.

* This overview of sources of gender bias in job evaluation and grading is based on a range of research and case law, especially the sources referenced in Appendix E.

Gender-biased job evaluations are generally the outcome of a lack of understanding or appreciation of the nature of particular types of work. When job evaluators are from diverse backgrounds (e.g. different population groups, job types, job levels, work locations) and/or have perspectives that recognize and value diversity in work, it is more likely that assumptions about the jobs examined will be identified and challenged.

Assumptions and sources of gender bias are more clearly identified and addressed when all participants (job evaluation practitioners, committee members and any other key people in the process) are appropriately trained or briefed on gender bias issues as described in this Standard.

Examples of gender bias

There can be a tendency for jobs in higher levels of organizational hierarchies automatically to be scored higher on all factors, and jobs in lower levels automatically to be scored lower on all factors. This can inflate differences in job size. Changing scores and/or weighting to improve alignment with a preconceived job rank can also reproduce an existing job hierarchy.

Gender bias can occur where the factors included do not comprehensively analyse all aspects of all job types and levels of skills. Some job evaluation schemes may not work well to analyse certain types of work, especially where the nature of the responsibilities and/or the skills used in the work are not well described and the skill levels are not well defined. If too few factors are used some aspects of the job may not be covered. Particular care should be taken that all elements of jobs are identified in relation to job holders who may be least able to articulate and claim the value of their work (e.g. holders of jobs in lower organizational levels).

Gender bias can occur where the wording of factors, factor levels definitions, or guidelines, implies assumptions about the gender of job holders or about characteristics of job holders that are often associated with a particular gender. Using strongly gendered tasks or job examples in job evaluation guidelines may mean that stereotypes rather than job content influence the evaluation. Some job titles (e.g. fireman, secretary) can contribute to assumptions about the gender of the job holder and about the nature and value of work.

The definitions of factor levels can indirectly result in gender bias. For example, specifying knowledge levels solely in terms of academic qualifications may disadvantage women, where women have lower levels and/or different types of qualifications, although they may have as much job-relevant knowledge as those with formal qualifications*.

Similarly, defining levels according to length of service can disadvantage women, who tend to have fewer years of experience but may still have equivalent ability to do the job, perhaps developed through unpaid or voluntary work. It is important to consider where further experience contributes additional job value, and if so, how much.

Gender bias can also occur where factor levels are not clearly and systematically defined and graduated. Where factors have many levels and those jobs perceived as 'higher' are consistently awarded the highest levels in all factors, the points difference between the 'higher' and the 'lower' jobs may be inaccurately inflated.

* While there have been significant increases in women's educational qualifications, women still do have overall lower levels of educational qualifications than men. See Australian Bureau of Statistics, *Education and Work*, 6227, Australia, May 2010. For analysis of indirect discrimination cases involving requirements for education qualifications, and for specific periods of experience, see Rosemary Hunter, *Indirect Discrimination in the Workplace*, The Federation Press, 1992. See also Neil Rees, Katherine Lindsay and Simon Rice, *Australian Anti-discrimination Law*, The Federation Press, 2008.

Clearly defining and differentiating the factors of the job evaluation scheme can help avoid counting a sub-factor twice. For example, some evaluation methods designed mainly for manufacturing jobs include a *qualifications* sub-factor called *ability to handle heavy equipment* and an *effort* sub-factor called *moving heavy objects*. If the same factor is counted twice, jobs whose requirements are rated particularly highly in this regard will be overvalued compared to other jobs.

Where the factors and weights used in evaluating all the jobs in an organization are not the same, jobs cannot be evaluated and ranked on a consistent basis. Gender bias can occur where different job evaluation schemes are used for different groups of job holders—e.g. using different schemes for manual and non-manual jobs; or using a different scheme for senior managers. Sex discrimination issues have been found to be especially likely in jobs on either side of the boundary between schemes.

Where information about significant features of jobs is inadequate, important aspects of the work can be overlooked, leading to over- or under-evaluation of the work.

Job evaluation examines the role, not the person performing it. Including names or current remuneration information in the job description may lead to evaluations influenced by assumptions about the job or job holder rather than to an analysis of job information according to the factors and levels. Similarly, while organization charts can provide valuable information about the context of jobs, it is important that they do not predetermine the job evaluation outcomes including rank order of jobs.

Gender bias can occur where the selection of jobs to be evaluated is not representative of the full range of jobs (e.g. excluding jobs held by part-timers or casuals, who are more likely to be women*); or where female-dominated jobs are not included (perhaps because the numbers employed in them are small). Gender bias can also occur if the jobs selected for evaluation do not take account of jobs with highly specific features.

Gender bias can occur in job evaluation where the weightings assigned to factors, factor levels and/or factor groups unjustifiably favour occupations mainly held by women or men. Scoring and weighting need to be based on clear principles rather than set according to existing job hierarchies. Transparency about weightings enables examination of their bases.

Gender issues can arise from the approach used to develop the grading(s) (whether a single grading structure or career or job family structures are used), the number and width of grades, where grade boundaries are drawn, and the basis of progression within grades. The grade structure and boundaries affect the rewards and opportunities for progression and can exacerbate the effects of existing occupational segmentation by gender in the workforce.

Extended time-based incremental scales can disadvantage women because women tend to have briefer and more interrupted job tenure. In broadbanded grade structures, women can be persistently and cumulatively disadvantaged over time where starting position is based on previous grade or level, which have tended to be higher for men and/or progression is not based on transparent criteria related to job demands and performance.

Analytical and non-analytical job evaluation

The Standard applies to and has been designed for analytical job evaluation. International case law suggests that non-analytical job evaluation approaches are unlikely to meet legal requirements regarding equal pay for work of equal value. This is because a sound assessment of work value cannot be made without appropriate recognition of the contribution of each element to the overall job value.

* Australian Bureau of Statistics, *Employee Earnings, Benefits and Trade Union Membership*, 6310, Australia, May 2010.

The requirements and guidance the Standard provides are relevant to analytical job evaluation, whether or not points are allocated to the factors the scheme uses in evaluating jobs. The sources of risks of gender bias and the approaches to mitigating them are common to both points-based schemes and analytical schemes not using points.

In analytical schemes, the defined individual factors (or elements) that make up a job are analysed within a structured framework. This enables a clear and consistent evaluation of jobs. Jobs are examined by reference to criteria, factors or elements. The two main analytical methods are factor and points-factor comparison methods. The factor comparison method compares jobs based on a predetermined set of job factors rather than the job as a whole. The points-factor method uses job-scale comparisons based on breaking jobs down into factors or key elements. Using numerical scales, points are allocated to a job for each factor according to the degree to which it is present in the job.

Analytic factor analysis may be carried out comparing jobs to grade definitions on a factor-by-factor basis without using points scores for the factors. The defining feature of analytic job analysis is that jobs are analysed by factors and factor-by-factor comparisons are made between jobs and the jobs that define job levels for organization and/or pay structures.

In points-factor job evaluation, jobs are analysed according to key factors that all contribute in varying degrees to overall job size. Each factor is scored according to the level the factor is present in the job, and overall job size is the total of factor scores.

In Australia, analytic factor analysis of jobs is sometimes conducted using position classification or work level standards, role profiles, or other position or classification and grading definitions and levels. Those job analyses sometimes are incorporated in industrial awards or agreements while in some other awards descriptors are largely confined to job titles.

In non-analytical methods whole jobs are examined and compared and placed in rank order overall or within a grade structure. The jobs are not broken down and analysed by their factors or elements. Using this method can lead to inadequate recognition of some aspects of a job and the job's value being based on an overall impression rather than on a factor-by-factor analysis. Grading decisions are more likely to be arbitrary and less likely to be equitable.

The two main non-analytical methods are job ranking and job matching. Job ranking compares whole jobs and does not assess separately different aspects of the jobs. Job ranking determines the position of jobs in a hierarchy by placing them in rank according to perceived relative size. Job matching compares whole jobs to a scale, usually a grade definition. Jobs are allotted to grades by comparing the whole job description with the grade definition. The grade definition may attempt to take account of discernible differences in skill, competence or responsibility and may refer to specific criteria, such as level of decision making, knowledge, equipment used, and education and training required to do the work.

Gender bias may occur at any stage of a job evaluation or grading project, and those involved should ensure that the processes are planned and monitored throughout in order to minimize the potential for such bias. Schemes must be assessed to ensure they do not contain inherently biased processes, criteria or values about the nature of jobs. Incorporating effective review processes will further promote transparency in job evaluation and grading.

STANDARDS AUSTRALIA

Australian Standard
Gender-inclusive job evaluation and grading

SECTION 1 SCOPE AND GENERAL

1.1 SCOPE

This Standard specifies requirements for gender-inclusive job evaluation and grading. The Standard applies both to new job evaluation and grading projects, and to review and improvement of existing job evaluation and grading processes.

NOTE: For checklists and examples of gender bias job evaluation, see Appendix C.

1.2 INCLUSIONS AND EXCLUSIONS

General information, requirements and guidance to support and promote gender equity in relation to job evaluation and grading frameworks are included in the scope of this Standard. The Standard covers analytical job evaluation and analytical job grading, whether or not job factors or elements are allocated points scores.

The Standard does not cover remuneration systems, performance pay, or other remuneration components including bonuses, or allowances.

Performance systems and processes including systems to monitor the implementation of this Standard are beyond its scope.

Factors that lead to other types of bias, e.g. bias on the basis of ethnicity or cultural differences are beyond the scope of this Standard.

It is anticipated that the users of this Standard will be providers of job evaluation and gradings services and systems, human resource management practitioners, equity experts, employers, employer representatives and employee representatives including unions.

Figure 1 shows the areas of human resources management that are related to job evaluation and grading, with areas within the scope of the Standard shaded darker and areas outside the scope of the Standard lighter.

Figure 2 sets out the job evaluation and grading processes covered in this Standard.

NOTE: Appendix A shows the most relevant sections for particular likely uses of this Standard.