



DEVELOPING VALUE-OF-WORK BANDS

Promising Practices

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1. Introduction

An employer or pay equity committee that chooses to use the equal average method for the purpose of comparing compensation is required to create value-of-work bands.

This document offers promising practices to help employers and pay equity committees establish value-of-work bands for all of their job classes.

This document outlines the following key elements:

- [Section 2](#): An overview of value-of-work bands and their purpose.
- [Section 3](#): How to choose a method for creating bands and considerations for selecting the number and range of bands.
- [Section 4](#): How to review job class ranking as it relates to the bands.
- [Section 5](#): An example of band creation.

2. An overview of value-of-work bands and their purpose

Under the Pay Equity Act, a band is defined as a range of values of work that the employer or pay equity committee considers comparable.¹

The objective of creating bands is to group job classes that are of similar value and separate those that are distinctly different. Bands should reflect the natural groupings of jobs whenever possible.

The purpose of creating bands is to ensure comparability. In short, the creation of bands will help the employer or pay equity committee ensure that job classes of similar value are identified and used for the comparison of compensation. Bands created to compare job classes should adequately reflect the state of the workplace and the true value of jobs within each job class.

3. How to choose a method for creating bands and considerations for selecting the number and range of bands

3.1. Determining the number of bands

The Pay Equity Act does not outline any standards for selecting the number of bands to use when comparing job classes. However, some promising practices include:

- The number of bands used for the purpose of comparing compensation is best determined after job evaluation;
- Use your evaluation results and the way the job classes group together to guide you;
- Set the lowest band to include the minimum total score a job class could get in your evaluation system;
- Set the highest band to include the maximum total score a job class could get in your evaluation system;

- The bands should not overlap (i.e., they should have distinct point ranges for each job grouping); and,
- The bands should not be so broad that they include job classes that do not have similar values of work.

3.2. Choosing a range for the bands

As with the number of bands, there is no set standard for establishing the low-end and high-end band boundaries.

In some cases, the natural grouping of job evaluation results is obvious, and the best ranges for band boundaries are clear. In others, the job evaluation results may not be as clear, and the employer or pay equity committee should make decisions concerning the width of the bands based on their particular circumstances.

The width of the bands you create will affect the comparability of the job classes and subsequently the comparison of compensation. For instance, the wider the band, the more job classes will be included within its boundaries and considered comparable. Using broader ranges may decrease compensation adjustments for predominantly female job classes by including predominantly male job classes of lower value as comparators.ⁱⁱ This could hinder organizational efforts to achieve pay equity.

3.3. Choosing a method for building bands

The same method for building bands should be used for the comparison of all predominantly male and all predominantly female job classes in the pay equity plan.

The most common methods for building bands are:

- Equal distance or equal number: Every band has the same point differential. For example, Band 1 would be between 100 and 199 points, Band 2 would be between 200 and 299 points, Band 3 would be between 300 and 399 points, etc.
- Equal percentage increments: Each band is distanced from others using a set percentage. For example, when using a 15% point range, the high-end range of the band is 15% higher than the low-end range of the same band. This would result in bands ranging from 100 to 115 points, 116 to 133 points, 134 to 154 points, etc.
- Progressive increments or geometric scales: With this method, bands get progressively wider. For example, when using an initial 15% point range and a 5% increment, Band 1 would be between 100 and 115 points (15% range), Band 2 would be between 116 and 139 points (20% range), Band 3 would be between 140 and 175 points (25% range), etc.

Regardless of the method you use to establish bands, it is important to ensure that:

- The method is applied in a gender-neutral way, meaning both male and female job classes are treated in the same manner;
- The bands do no overlap; and,
- The job classes within each band are considered to be of comparable value.

4. How to review job class ranking as it relates to the bands

Job classes are positioned in the bands you create based on the results of the job evaluation, which takes into account the four criteria outlined in section 42 of the Pay Equity Act: skill, effort, responsibility and working conditions.

Promising practices when reviewing your job ranking include:

- Review all of the job evaluation results to see if any evaluations stand out as being out of place relative to similar job classes or to less or more complex job classes. If that is the case, you may need to:
 - Revisit the evaluations to ensure no errors were made; and,
 - Review the description of the job class to ensure it reflects its intrinsic value.
- Ask yourself if the hierarchy of the positions makes sense in your organization. For example, in most circumstances, senior management job classes would have a higher value of work than entry-level job classes.
- Ask yourself if the difference in the nature of work of the job classes is reflected in the ranking created by the bands they are assigned to.

5. An example of band creation

See Table 1 for an illustration of the information provided in the following example.

Company X operates in the air transportation industry. Its pay equity committee decides to compare total compensation using the equal average method. To use the equal average method, bands of values of work must be created.

To begin, the pay equity committee decides to determine the number of bands. To do so, they refer to the job evaluation method used in the pay equity plan. They find the lowest possible point rating to be 250 and the highest possible point rating to be 924. This means the bands created will fall within that range. They determine that nine bands will fit nicely in the allocated range of 250 to 924 points while reflecting the natural clustering of job classes in their workplace.

Next, the pay equity committee establishes the range of job values that each of the nine bands will represent (the width of the bands). They decide to use the equal distance method to ensure maximum comparability between the bands. The result is nine bands with a width of 75 points each, with the following values:

- Band 1 = 250 to 324 points.
- Band 2 = 325 to 399 points.
- Band 3 = 400 to 474 points.
- Band 4 = 475 to 549 points.
- Band 5 = 550 to 624 points.
- Band 6 = 625 to 699 points.
- Band 7 = 700 to 774 points.
- Band 8 = 775 to 849 points.
- Band 9 = 850 to 924 points.

The committee then assigns all of the predominantly male and predominantly female job classes covered in the pay equity plan to bands according to their value of work (i.e., the points assigned during the job evaluation stage).

For instance, the pay equity committee finds that Band 4 includes three job classes that have a value of work between 625 and 699 points. Two of these are predominantly female (human resources director and marketing director), and one is predominantly male (controller). All job classes in a band are considered to be of equal or comparable value.

The job classes in every band will then be used for the purpose of comparing compensation. For more information on how to conduct this comparison, see Comparing Compensation – No. 1: The Application of the Equal Average Method, available on the pay equity Publications web page: <https://www.payequitychrc.ca/en/publications>.

Table 1: Company X’s value-of-work bands

Predominantly female job classes

Band	Point range	Job class	Job value (points)	Pay rate (\$/hour)
1	250–324	Accounting clerk	300	18.00
		Part-time accounting clerk	300	18.00
		Administrative assistant	270	16.00
2	325–399	Customer service agent	325	25.00
3	400–474	Flight attendant	470	36.00
4	475–549	Marketing specialist – contract	515	40.00
		Marketing specialist	520	35.00
5	550–624	n/a	n/a	n/a
6	625–699	Human resources director	640	90.00
		Marketing director	650	85.00
7	700–774	n/a	n/a	n/a
8	775–849	Chief marketing officer	770	150.00
9	850–924	n/a	n/a	n/a

Predominantly male job classes

Band	Point range	Job class	Job value (points)	Pay rate (\$/hour)
1	250–324	n/a	n/a	n/a
2	325–399	Sales officer	340	28.00
3	400–474	Maintenance engineer	460	38.00
4	475–549	Sales manager	540	55.00
		Web services specialist	520	42.00
5	550–624	Health and safety manager	580	65.00
6	625–699	Controller	625	90.00
7	700–774	Pilot	700	150.00
8	775–849	Senior vice-president and corporate secretary	800	180.00
9	850–924	Chief executive officer	920	300.00
		Chief financial officer	870	300.00

6. Resources

For more information on the Pay Equity Act, visit the Canadian Human Rights Commission’s website at <https://www.payequitychrc.ca/en>.

For more in-depth information on promising practices for developing value-of-work bands, please explore the following resources:

Armstrong, Michael, et al. (2003). *Job Evaluation: A Guide to Achieving Equal Pay*. London and Sterling: Kogan Page, 220 pp.

Ontario Pay Equity Office. *Banding Points for Pay Equity Purposes*. <https://payequity.gov.on.ca/banding-points/>.

McDermott, P. C. (1990). Pay Equity in Ontario: A Critical Legal Analysis. *Osgoode Hall Law Journal*, 28(2), 381–408. <https://digitalcommons.osgoode.yorku.ca/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1772&context=ohlj>.

Notes

ⁱ See Pay Equity Act section 49(2).

ⁱⁱ McDermott, P. C. (1990). Pay Equity in Ontario: A Critical Legal Analysis. *Osgoode Hall Law Journal*, 28(2), 395–396.