

**A REPORT OF THE  
SECRETARIES OF ADMINISTRATION  
AND FINANCE ON THE**

# **Status and Implications of Comparable Worth**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



## **House Document No. 3**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1985**



# COMMONWEALTH of VIRGINIA

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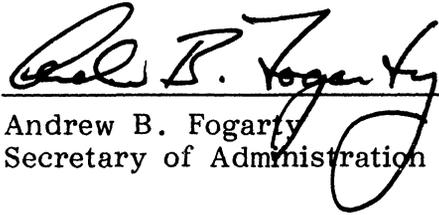
TO: The Honorable Charles S. Robb  
Governor of Virginia

and

The General Assembly of Virginia

As you know, the 1984 General Assembly passed House Joint Resolution 35, requesting that "the Secretaries of Administration and Finance study and recommend what changes and costs might be included in the Commonwealth's job evaluation and classification systems should the Commonwealth adopt the concept of comparable worth at some future date." Enclosed for your review and consideration is the report we have prepared in response to this resolution.

Respectfully submitted,

  
Andrew B. Fogarty  
Secretary of Administration

  
Stuart W. Connock  
Secretary of Finance

## EXECUTIVE SUMMARY

In 1983, the Virginia Commission on the Status of Women published a report at the request of the General Assembly which presented statistics showing inequities in wages paid to working women throughout the country. The Commission's report identified "pay equity" or "comparable worth" as the most expedient approach to eliminating the wage gap between men and women.

In 1984, the General Assembly passed House Joint Resolution 35, requesting that "the Secretaries of Administration and Finance study and recommend what changes and costs might be included in the Commonwealth's job evaluation and classification systems should the Commonwealth adopt the concept of comparable worth at some future date." This report was prepared in response to the resolution.

"Comparable worth" is defined as an approach to salary determination that requires that jobs of equivalent overall value to the employer be paid at the same rate, even if the jobs are dissimilar in nature, and even if they command different salaries in the general labor market. This approach is favored by advocates because it reduces gender-based wage disparities more rapidly than the promotion of affirmative action programs and the enforcement of equal opportunity laws.

The issue of comparable worth is controversial for several reasons. First, there is disagreement on the causes of the wage gap and the best way to close it. Second, parties do not agree on the extent to which prevailing labor market wages should influence women's salaries. Third, the legal status of comparable worth is unclear and unsettled. While most courts have rejected claims based on pure comparable worth arguments, a survey of case law indicates that numerous questions about comparable worth and other legal concepts related to sex discrimination in compensation are not yet resolved.

The comparable worth approach to raising women's wages varies across the country. According to national data, no two state governments are addressing the pay gap issue in the same way. No state appears to be implementing comparable worth as it is theoretically explained--equal pay for work of comparable value regardless of wage rates in the general labor market. However, most states are undertaking reviews of their job evaluation systems to ensure that they are up-to-date, consistently applied, and are free of unlawful wage discrimination. In some of these states, the implementation of a comparable worth approach is viewed as a long-term goal.

As the experiences of other states show, comparable worth can take on different characteristics in each state. The primary determinant of the focus and pace of study efforts appears to be the degree to which legislators explicitly adopt a policy of raising women's wages through a comparable worth approach, and then support that policy with appropriations to rectify wage disparities.

If the Commonwealth adopted the policy of raising the wages of females, it could implement the policy in several ways. A short-term approach could be achieved without any changes in the current job evaluation and market pricing system. In this approach, a one time pay increase could be given to employees in female-dominated classes at or below a specific pay grade. This approach, however, raises questions about compliance with the federal Equal Pay Act and other federal civil rights statutes applying to public employees.

The Commonwealth could take a long-term approach by accelerating the gradual migration of women from low paid female-dominated classes to male-dominated classes that command higher wages.

Virginia could also implement a variation of the comparable worth approach by evaluating all jobs in the classified workforce according to a common set of compensable factors and by basing the wages of female-dominated positions on their internal worth, and not on prevailing wages in the external market. In order to implement this approach, the following changes would have to be made in Virginia's classification and compensation system:

1. The Commonwealth would need to expand the existing policy of equal pay for equal work to include equal pay for dissimilar jobs of equal value. The new policy might need to be formalized through law or through executive order.
2. The Commonwealth would have to convert its present nonquantitative job evaluation system to a quantitative one which is compatible with the comparable worth approach.
3. The Commonwealth would need to rescind or amend Section 2.1-114.6 of the Code of Virginia which establishes as a goal that employees be compensated at a rate comparable to prevailing rates in the private sector.
4. Additional personnel staff and increased training would be necessary to administer the new system.

States that have decided to adopt a comparable worth approach or otherwise overhaul their systems have found that there is a sizeable price tag associated with this commitment. Due to cost considerations, some states have made wage adjustments over a period of several years; others have targeted limited funds to the lowest paid classes, and postponed other increases. Therefore, the potential cost of adopting a comparable worth approach in Virginia is an important consideration for the Commonwealth's officials.

It is not possible, however, to present reliable cost estimates for Virginia at this time. The primary reason is because Virginia's job evaluation system is not designed to provide a single set of compensable factors with weights and scores for all jobs in the classified workforce. Additionally, the cost of comparable worth is predicated on other decisions

that must be made prior to implementation of a study. These decisions include whether or not to decrease or freeze the pay of classes that appear to be overpaid based on the results of job evaluations, what pay values should be assigned to the minimum and maximum ranges of the system, how additional costs will be funded, and what is an appropriate time frame for implementation. It is imperative that these decisions be made, and that an explicit commitment be recorded to address any wage disparities that are identified by a job evaluation, before cost estimates can be made.

While the General Assembly further considers the information presented in this report and deliberates on the propriety of adopting a comparable worth standard at some future date, the following recommendations should be implemented immediately:

1. The Secretary of Administration should take appropriate steps to review and assure that Virginia's classification and compensation system is up-to-date, free of unlawful wage discrimination, and consistently applied.
2. The Secretary of Administration and the Director of the Department of Personnel and Training should review and improve existing training/educational programs and incentives for state employees, and propose new programs that encourage and enhance job mobility within the Commonwealth's workforce.
3. The Secretary of Administration should review existing guidelines and monitoring procedures pursuant to Governor's Executive Order No. 1 (82) to ensure that all qualified applicants are extended equal access to training and promotional opportunities in state government.

## ACKNOWLEDGMENTS

This study was conducted by staff from the Departments of Planning and Budget and Personnel and Training. Principal contributors were Karen Washabau (Project Director), Pat Suarez, and Shelli Wallis (legal intern) from DPB; and Jerry Wilkinson, Eb Giesecke, and Graham Grove from DPT. Leonard Hopkins of the Office of the Attorney General provided assistance and counsel.

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## I. INTRODUCTION

### Background

In 1983, the Virginia General Assembly passed a study resolution (HJR 86) requesting that the Virginia Commission on the Status of Women (the Commission) study "equal pay for equal work for women in Virginia". The Commission's report (House Document 5, 1983) provided general information on pay issues affecting women, one of which was the issue of pay equity. The focus of the Commission's report was the fact that full-time working women in America earn an average of 62 cents for every dollar earned by full-time working men. The report stated that this pay gap was due in part to the concentration of women in low-paying jobs and to long-standing wage discrimination against women. The report concluded that three goals must be achieved in order to eradicate sex-based wage discrimination and narrow (and eventually close) the pay gap:

1. Men and women must receive equal pay for identical work;
2. Women must have equal access to non-traditional jobs; and
3. Women and men must receive equal pay for work of comparable skill, effort and responsibility--work of comparable value.

The Commission recommended that the Commonwealth make a decisive commitment to the principle of equal pay for work of comparable worth and take steps necessary to achieve pay equity.

During the 1984 General Assembly, House Joint Resolution 35 was passed, requesting that "the Secretaries of Administration and Finance study and recommend what changes and costs might be included in the Commonwealth's job evaluation and classification systems should the Commonwealth adopt the concept of comparable worth at some future date." The study was conducted by staff from the Department of Planning and Budget and the Department of Personnel and Training, with assistance and counsel from the Office of the Attorney General. The Commission on the Status of Women was routinely apprised of the study's progress.

### Objectives

In keeping with the language of House Joint Resolution 35, the study has the following objectives:

1. To describe the concept of comparable worth, determine the legal status of comparable worth, and assess the level of activity nationwide;

2. To review Virginia's classification and compensation system and recommend the changes needed if Virginia implemented comparable worth; and
3. To estimate the costs in Virginia if comparable worth were adopted at a future date.

### Definitions

The terms "pay equity" and "comparable worth" are often used interchangeably when referring to the concept of equal pay for work of comparable value. Although any clear semantic distinctions have become blurred over time, the definition of comparable worth in this study is an approach to salary determination that provides equal salaries for dissimilar positions of equal value to the employer based on an assessment of levels of effort, responsibility, skills, and working conditions. A principal goal of advocates of the comparable worth approach is to raise the wages of working women.

Application of a comparable worth approach to compensation systems represents a radical departure from the concept of equal pay for equal work. The federal Equal Pay Act requires that men and women be paid equal wages for performing the same job. The comparable worth approach broadens the issue of work and wage equality to maintain that jobs of equivalent overall value to the employer be paid at the same rate, even if the jobs are dissimilar in nature, and even if they command different salaries in the general labor market.

### Methods

Data gathering methods included a review of national literature related to comparable worth; a review of recent court cases; and personal interviews with federal and state officials and private employers. In addition, structured telephone interviews were conducted with state personnel officials in every state. Follow-up interviews were conducted with personnel officials, legislators, Governors' staff, women's groups and private employers in states that have taken or are about to take action to incorporate a comparable worth approach into their pay policies, and with states that are reexamining their job classification and compensation systems. Visits were made to Minnesota and Iowa, two states where the comparable worth approach has been incorporated into pay policies.

## Organization of the Report

The report is organized into five chapters. This chapter has presented background information and definitions used in this report. Chapter II examines the comparable worth concept and its legal status. Chapter III reviews the most common type of job evaluation systems and Virginia's system. Chapter IV examines national approaches to comparable worth and job evaluation. Chapter V presents implications of comparable worth for Virginia. The appendix provides detailed information to support report findings.

## II. SOCIAL, ECONOMIC, AND LEGAL IMPLICATIONS OF COMPARABLE WORTH

### Overview

In a few years, the concept of comparable worth has evolved from an obscure and little publicized idea to one which has been called "the pay issue of the '80's." Employers and employees hold strong views in support of, or in opposition to the concept as the appropriate approach to narrowing the wage gap between working men and women. An examination of the comparable worth issue leads to several conclusions that cut across the polarized views and underscore the emerging significance of the issue:

- All parties agree that there is a gap between the average wage paid to working women and that paid to working men;
- There is disagreement about the reasons for the wage gap and about ways to close the gap; and
- The legal status of comparable worth is unclear and unsettled.

This chapter covers the issues associated with the concept of comparable worth, and describes the legal environment of comparable worth.

### The Wage Gap: the Catalyst for Comparable Worth

All parties agree that there has historically been a gap between the wages of working men and women. On the average, the full-time annual earnings of women have consistently run at about three-fifths of the full-time annual earnings of men. According to the U.S. Bureau of Labor Statistics, figures for the final quarter of 1983 show that women in the aggregate now earn 66 cents (71 cents in state and local governments) for every dollar earned by men. These figures have not changed significantly over the past forty years. Furthermore, the wage gap between the sexes is significantly greater than that which exists among racial and ethnic groups. There is disagreement on the reasons for the wage gap and on ways to narrow it. This section describes the views of groups that support and oppose the concept of comparable worth as an approach to closing the gap.

Reasons for the Wage Gap: There are many opinions but little agreement about the reasons for the wage gap. Any attempt to evaluate reasons for the gap must first take into account the overall job concentration of males and females. According to research conducted by the National Academy of Sciences, more than 70 percent of men and 54 percent of women work in occupations dominated by members of their own sex.

In contrast with men, who are scattered throughout many job areas, nearly 80 percent of all employed females work in just 25 of 420 occupational categories listed by the U.S. Department of Labor. For example, nearly all secretaries and registered nurses are females, as are 80 percent of all

elementary school teachers and librarians. Further, the greater the number of women in an occupational area, the lower the average compensation for that occupational area. In addition, women are clustered in the lowest paying industries and within the lowest pay grades of the federal government. Overall, job concentration has changed little over the years. While there has been some progress in female mobility into male-dominated fields, there has been almost no movement in the other direction.

Central to the reasons for the concentration of women in certain jobs and the wage gap is the role played by factors related to social conditioning, education, and work experience, versus that played by sex-related discrimination. However, lines between the two sets of factors often cannot be clearly drawn. Figure II-1 presents these factors in summary form.

FIGURE II-1

Reasons for the Wage Gap  
According to Opponents and Proponents  
of Comparable Worth

<u>Factor</u>	<u>Opponents of Comparable Worth</u>	<u>Proponents of Comparable Worth</u>
Education and Training	Men invest more time in education and training for long-term employment.	Education and training have higher payoff outside female-dominated jobs; women with degrees still earn less than men with 8th grade educations.
Seniority	Men remain in work force, gaining more seniority and experience with commensurate pay; women come and go.	Seniority and length of service are not highly significant because women's wages don't increase markedly with experience; career ladders are short.
Labor Market Attachment	Women move in and out of market to meet family responsibilities; women enter the market with expectation of a short stay.	Employers assume women will leave labor market and exclude them from in-service training, promotions and other investments.
Market Factor/Internal Value	All jobs are compensated based on supply and demand and their value to the employer.	External market is distorted by widespread internal promotions and career ladders, and by longstanding sex-based discrimination.
Sex Discrimination	A small part of the wage gap may be created by sex discrimination, which can be remedied by enforcing existing laws.	Sex discrimination perpetuates job concentration, which established laws cannot reach.

As Figure II-1 shows, opponents of comparable worth attribute most of the pay gap to non-discriminatory cultural, educational, and job history factors. The National Academy of Sciences contends that these factors account for about one-half of the wage gap, and has stated that many women enter gender-dominated occupations because of the following:

- socialization which encourages entry into long-established female occupational areas;
- educational preparation which limits opportunities for many occupational fields;
- lack of information about other job possibilities;
- family obligations which discourage travel or overtime (conditions associated with many male-dominated occupations); or
- fear of potential discrimination or poor treatment in non-traditional jobs.

According to the National Foundation for the Study of Equal Employment Policy, women move in and out of the work force more frequently than do men, and therefore have less continuous work experience, loss of seniority, and outdated skills, all of which tend to pull down aggregate wages. In addition, large numbers of women, many with no prior work experience, have entered the labor force in recent years. Between 1947 and 1980, the number of working women rose by 173 percent, compared with a 43 percent increase for men. This trend results in a far greater number of females clustered near the beginning of pay scales and career ladders than men, a factor which may be masking pockets of progress in narrowing the wage gap. The Foundation also concluded that men invest more time in education and training, job hunting, and other income-maximizing activities, because from childhood they anticipate continuous work.

Another view by opponents of comparable worth is that wage scales are a factor of the supply and demand for various skills and abilities in the labor market, and that the depressed wages in female-dominated occupations reflect a lower demand for the skills represented in these jobs, irrespective of sex-related reasons. As the National Academy of Sciences found, however, when economic and demographic factors are controlled for, the wage gap narrows, but does not disappear.

Proponents of comparable worth believe the following practices directed toward female-dominated jobs are leading reasons for the unexplained portion of the pay gap:

- unequal pay for equal work;
- closed promotional opportunities for women;

- job evaluation systems which are biased in favor of male-dominated occupations;
- inappropriate classification of jobs performed by women into lower pay grades; and
- deliberate depression of wage rates for jobs performed by women, based on the results of market surveys or other factors.

Many supporters of comparable worth believe that female-dominated jobs are paid less simply because the jobs are viewed as "women's work", and therefore are inherently of less value in the work place. They contend that the supply and demand argument to support lower wages for female-dominated jobs is flawed because at least one-half of the labor force is in large organizations that generally recruit only for entry level positions. Supporters also point out that many occupations in the public sector, such as prison matrons, social workers, and teachers do not have counterparts in the external market. For these types of positions, supporters believe that depressed wages are not a result of historic bias in the external market, but of discrimination internal to government.

Closing the Wage Gap: Actions most often proposed to reduce pay disparities include enforcing existing anti-discrimination laws, increasing access to higher level jobs, and changing compensation policies. However, proponents and opponents tend to disagree on the best approach.

Critics of comparable worth contend that wage differences can be narrowed by:

- the enforcement of existing policies and laws which address equal opportunity for entrance into higher paying occupations;
- the enforcement of equal pay laws for individuals performing the same or similar work; and
- the assurance of equal access to employers' training programs and career ladders.

Inherent in this approach is the assumption that women should move out of female-dominated jobs if they are not satisfied with the pay. However, supporters of comparable worth disagree with this approach for several reasons:

- women should not be expected to abandon useful, satisfying careers in which they have invested time and training;
- the present tight labor market does not favor massive occupational shifting; and
- occupational shifting would result in further shortages of personnel to fill existing female-dominated jobs.

Supporters propose, instead, that all jobs be paid according to their intrinsic worth, or their value to employers, but without comparisons to the external market. They contend that job evaluation systems which set salaries based on external market rates are actually injecting external wage structures which have been influenced and distorted by longstanding discriminatory practices.

Critics of this approach contend that any job evaluation system which does not consider the prevailing rates of pay for jobs in the market will contribute to overall economic disruption and distortion of the free market system. They theorize that jobs paid higher than the prevailing rate might decrease in number because of reduced demand, eventually resulting in reduced employment for both sexes. They also contend that comparable worth adjustments will reduce the incentive for women to pursue careers in higher paid, male-dominated jobs. Critics are also concerned about the cost of implementing comparable worth. They fear that government will have to increase taxes and decrease services, and that businesses will have to raise costs to the consumer to pay for comparable worth adjustments.

### The Legal Environment Of Comparable Worth

Since 1980, there has been increasing legal activity surrounding sex-based wage discrimination and the concept of comparable worth. In general, the following can be concluded about the legal status of the comparable worth doctrine:

- sex-based wage discrimination for performing equal jobs is prohibited by federal law;
- the doctrine of comparable worth is not specifically spelled out in any federal law;
- despite the increased focus on comparable worth, the Supreme Court has not yet issued a substantive ruling on comparable worth, nor has Congress passed any comparable worth legislation;
- courts have generally refused to make judgements or subjective assessments of the relative worth of jobs; and
- courts have held for plaintiffs on traditional theories of sex discrimination in cases where employers have failed to pay employees on the basis of the organization's job evaluations.

This section summarizes the federal laws that are the basis of the activity, reviews several key court decisions, and raises issues regarding the future of comparable worth in the courts.

Relevant Federal Laws: Wage discrimination on the basis of sex is prohibited by existing federal laws. These laws are designed to assure women equal access to higher paying jobs and the payment of equal wages for the performance of the same work. Specifically, under the Equal Pay Act of 1963 and Title VII of the 1964 Civil Rights Act, women cannot be:

- denied equal pay for equal work;
- discriminated against in initial job assignments on the basis of sex;
- intentionally segregated into "women's" jobs;
- denied the right to apply for any job, particularly higher paying jobs often performed by males;
- denied training, transfers, promotions, or any other job opportunities because of their sex; or
- subjected to job evaluation manipulations that intentionally downgrade women's pay because of their sex.

Whenever an employer is shown to have violated these provisions, back pay and wage adjustments are among the remedies which a court can consider.

Although the Equal Pay Act and Title VII are not new statutes, issues of sex-based wage discrimination have not previously received the attention they are receiving today. The Equal Pay Act of 1963 prohibits sex-based wage discrimination for "equal work on jobs, the performance of which requires equal skill, effort, and responsibility and which are performed under similar working conditions." Title VII of the Civil Rights Act is a broader statute enacted to prohibit a variety of discriminatory practices in the work place. Title VII, as amended, prohibits discrimination on the basis of sex, race, color, national origin or religion with respect to compensation, terms, conditions, or privileges of employment.

The relationship between the Equal Pay Act and Title VII has been murky, contributing to confusion over the applications of the two Acts. In order to clarify the relationship, Congress enacted the Bennett Amendment to Title VII in 1964. This amendment indicates that wage differences based on seniority, merit, productivity, or other factors unrelated to sex which are permissible under the Equal Pay Act are also permissible under Title VII. In actuality, the Bennett Amendment does not shed much light on the relationship between the two Acts. In early "comparable worth" cases, the courts were asked to interpret the interplay among Title VII, the Bennett Amendment, and the Equal Pay Act.

The courts articulated two general views regarding the role of the Bennett Amendment in wage discrimination. Under the broad view, a plaintiff can bring a wage discrimination suit under Title VII without alleging "equal pay for equal work." For instance, a plaintiff might be able to prove intentional, purposeful sex discrimination relating to wages by showing that the employer has paid certain workers less than other workers because of gender, without respect to the similarity of the jobs or any other factor. The narrow view of the Bennett Amendment interpreted the Equal Pay Act as the sole standard for sex-based wage discrimination claims. Under this narrow interpretation, a discrimination claim under Title VII will be successful only if the plaintiff can show that an employer violated the "equal pay for equal work" standard of the Equal Pay Act.

In Gunther v. the County of Washington, the first case heard by the Supreme Court regarding the relationship between the Equal Pay Act and Title VII, the Court adopted the broader interpretation of the Bennett Amendment. Both supporters and opponents of comparable worth recognize that Gunther, without endorsing comparable worth, has established a broader legal foundation on which to base future wage discrimination claims.

Gunther v. County of Washington: In Gunther, the plaintiffs were female guards in the county jail who asserted a Title VII claim alleging unequal pay for work substantially equal to the work of male guards. The plaintiffs claimed the difference in pay was attributable in part to intentional sex discrimination, since the county was paying female guards 70 percent of the pay for male guards despite a county survey determining the worth of the female jobs to be 95 percent of the worth of the male guards.

The District Court held that a sex-based wage discrimination claim brought under Title VII must meet the "equal work standard" of the Equal Pay Act. The District Court failed to find the female guard jobs equal to male guard positions since the responsibilities differed greatly. The Court of Appeals reversed the District Court, holding that allegations of sex-based wage discrimination are not precluded under Title VII merely because the jobs are not equal to higher paying jobs held by members of the opposite sex.

In affirming the Court of Appeals, the U. S. Supreme Court held that a claim for sex-based wage discrimination under Title VII is not barred merely because the equal work standard of the Equal Pay Act is not met. While finding the scope of Title VII broad enough to include claims of intentional sex discrimination in wages, the Supreme Court stressed the narrowness of its decision. The Court stated that its decision did not rest on a theory of comparable worth, but rather was based on the fact that the female guards sought to prove by direct evidence that their wages were depressed because of intentional sex discrimination. To date, the Supreme Court has not recognized a cause of action based on the theory of comparable worth but in Gunther did find a violation of Title VII by relying on empirical proof of intentional discrimination.

AFSCME v. State of Washington: The highly publicized case of AFSCME v. State of Washington has often been described as a decision supporting the comparable worth concept. The trial judge in that case, however, did not impose on the state a comparable worth system of his own design. Rather, he held the state responsible for failing to pay its employees according to the state's own job evaluation studies. Those studies, initially commissioned by the Governor in 1974, concluded that there was a disparity in pay between predominately male and predominately female job classifications. The state's subsequent failure to correct this disparity in full was viewed by the trial judge as intentional sex discrimination. The state currently faces monetary liability of between \$300 and \$850 million.

In the Washington case, the trial judge concluded that the state had acted with discriminatory intent in failing to eliminate the wage disparities indicated by its own study. The District Court judge found that Washington intentionally violated Title VII by: 1) maintaining a compensation system

which discriminated on the basis of sex; 2) failing to rectify identified discrimination in compensation; and 3) continuing to treat some employees less favorably than others because of their sex. The state has appealed the case to the Ninth Circuit Court of Appeals, but it is unlikely that the case will be heard before mid-1985.

Opponents point to a September 1984 decision of the Ninth Circuit as a possible indication of the future of comparable worth. In this case, Spaulding v. University of Washington, the nursing faculty contended that their jobs were comparable to other faculty jobs in architecture, social work, and other distinct disciplines which were paid more by the University. The suit, which was filed under both the Equal Pay Act and Title VII, alleged that the difference in salary was based solely on sex discrimination. The trial court rejected the nurses' claim.

The Ninth Circuit Court of Appeals upheld the trial court, ruling that where a claim of discrimination relies on the comparison of jobs that are not substantially equal, the plaintiffs cannot establish a case simply by showing that there is a difference in pay between the two jobs. The Ninth Circuit further stated that an employer's reliance on the marketplace for setting wages was not discriminatory. With the Spaulding decision, the Ninth Circuit joined the Eighth and Tenth Circuits in rejecting the comparable worth theory as a basis for proving sex-based wage discrimination.

The Future of Comparable Worth in the Courts: Most courts have rejected claims based on pure comparable worth arguments. A survey of the case law, however, indicates that numerous questions about comparable worth and other legal concepts relating to sex discrimination in compensation are not yet resolved. Several trends are evident, however.

First, almost without exception, courts have refused to determine the worth of jobs. Instead, they have relied solely on employers' judgment of worth. It appears that the courts will continue to follow this policy and will not usurp employers' decisions regarding job value.

Second, if an employer conducts a study which determines the worth of jobs and then fails to pay the job incumbents the evaluated worth, it appears the courts may under some conditions hold the employer liable for intentional discrimination under Title VII. In these circumstances, courts do not need to do their own job evaluations or comparisons to find the worth and the costs of remedies, but can simply refer to the employers' own studies.

Third, employers have successfully defended themselves when they could show that their system of determining compensation was fairly and consistently applied to all men and women, and that they had a good business reason for any differences in pay between the sexes. For example, it would be legal to pay a male computer programmer more than a female holding the same position if the male had worked longer in the position.

## Summary

Comparable worth as an approach to closing the pay gap between men and women is an embryonic, yet highly volatile issue. Supporters view comparable worth as the only way to expeditiously raise the historically low wages of the majority of working women. Opponents see the concept as government intervention in the free market system which could lead to economic distortions.

Although neither the Equal Pay Act nor Title VII of the Civil Rights Act address the concept of comparable worth, all parties agree that the Supreme Court's decision in the Gunther case has broadened the legal foundation on which future wage discrimination claims can be based. Proponents and opponents believe the upcoming decision of the Ninth Circuit Court of Appeals in the Washington State case will point to the future of comparable worth. A decision, however, is not expected until late 1985.

### III. JOB CLASSIFICATION AND COMPENSATION IN VIRGINIA

#### Overview

Effective personnel administration in any organization cannot occur without a compensation system that is consistently applied to all employees. In most organizations, compensation is determined by a combination of internal job relationships and external market wages. However, in the comparable worth approach to compensation, the internal relationship of jobs should be the basis on which wages are determined. This means that job evaluation -- which determines internal relationships -- becomes the keystone of implementing comparable worth.

This chapter examines common job evaluation methods, the method most often used to implement a comparable worth approach, and the job evaluation system used in Virginia state government.

#### Types of Job Evaluation Systems

Job evaluation systems serve as valuable tools for managers in both private industry and the public sector. The basic purpose of job evaluation is to organize work behaviors into manageable categories that lead to the development of relationships between jobs and wages.

Most job evaluation techniques do not have as their initial result a wage and salary structure, but rather a ranking of jobs by classification or some other format. Once the jobs are evaluated, they must have prices attached to them within the structure of their ranking.

Four Commonly Used Systems: There are many different kinds of job evaluation systems in use today. Figure III-1 compares the four most commonly used systems: whole job, position classification, factor comparison, and point factor systems. At one end of the spectrum are nonquantitative systems that compare and rank jobs within an organization, commonly known as "whole job" methods (see Figure III-1). At the other extreme are quantitative systems that analyze job content in terms of component factors with point values assigned to each factor. These are often referred to as "point factor" methods.

Common methodologies of these four systems include: 1) a description of each job class, usually through a combination of direct observation and interviews or questionnaires given to persons performing the job and to their supervisors; and 2) development of a hierarchical ranking of all jobs according to their worth. Most systems tend to consider at least four factors when determining worth, though terminology varies widely: skill, effort, responsibility, and working conditions.

Figure III-1

A Comparison of Four Job Evaluation Methods

<u>Non-Quantitative</u>		<u>Quantitative</u>	
<u>Whole Job Method</u>	<u>Position Classification Method</u>	<u>Factor Comparison Method</u>	<u>Point Factor Method</u>
<p><u>Job analysis.</u> A narrative description of the job with the duties, responsibilities, degree of difficulty, and required qualifications clearly brought out.</p>		<p><u>Job analysis.</u> A narrative statement of duties and qualifications. In addition, the job is broken down into the important compensable factors, such as required experience and training, mental effort, and physical effort. The amount to which each factor is present in the job is indicated by a short narrative statement.</p>	
<p><u>Method of Relating Jobs</u></p> <p>Jobs are ranked in order of relative difficulty or value to the organization and grade levels are defined after the jobs have been ranked.</p>	<p><u>Method of Relating Jobs</u></p> <p>Jobs are placed in grade levels or classes which are defined by evaluating and grouping similar jobs. Comparisons are usually made by the use of factors, but without application of points.</p>	<p><u>Method of Relating Jobs</u></p> <p>Jobs are related by factorial comparison. The factors used are assumed to be fundamental to all jobs and of universal application. Point values are set after analysis of key jobs, and the degrees of each factor are set for them. Other jobs are ranked by comparison to the key jobs on each factor.</p>	<p><u>Method of Relating Jobs</u></p> <p>Jobs are related by factorial analysis. A restricted number of fairly specific factors is selected for application. Point values are attached to each level of each factor by a committee of evaluators. The degrees within each factor are expressed by a definition.</p>

System Comparisons: The two major categories of job evaluation methods -- nonquantitative and quantitative -- are different in several respects. First, they differ regarding the directness of the evaluation. That is, a job being evaluated may be compared to some other job (as in the ranking method), or measured against some standard (as in the position classification and point factor methods), with the rating then being compared with those of other jobs. The types of standards used also vary -- some nonquantitative methods rely on class specifications, while quantitative methods use, in addition to specifications, numerically-valued descriptions of factors.

Second, they differ concerning the specificity of evaluation: whether the comparison is made on the basis of the whole job or whether specific factors in jobs are compared. However, factors may be used in nonquantitative, as well as quantitative, systems.

Third, the complexity of the two methods varies. The nonquantitative methods--ranking and position classification--can be implemented by most organizations with a moderate amount of training, although experience is required to compare jobs accurately and objectively. On the other hand, quantitative systems are quite complex and generally require extensive training. For this reason, quantitative methods are being marketed by private consulting firms that have the classification, statistical, and computer expertise to develop (and implement if necessary) this kind of job evaluation system.

Finally, the nonquantitative methods are perceived by some as being highly subjective, leaving classification assignments up to the classifier's judgment. Inversely, most job evaluation specialists believe that the assignment and weighting of points to factors in the quantitative systems makes them just as subjective as nonquantifiable approaches. However, as the National Academy of Sciences pointed out, although all job evaluation methods contain varying degrees of subjectivity, they are still useful tools, because they provide systematic frameworks that can be used to estimate the relative value of jobs within organizations.

Trends in System Selection: As indicated earlier, over forty states have reviewed or are in the process of reviewing their job evaluation systems. While a few state officials said that the reexamination was due to the impending implementation of comparable worth, many other states indicated the action was initiated because their existing systems were old, had been patched up over the years, and needed extensive revision.

A consistent finding was that states that had changed their systems had moved from a nonquantitative to a point factor or other quantitative system. State officials perceived quantitative systems as being more accurate and consistent than their old systems.

## Job Evaluation Modifications for Comparable Worth

The basic tenet of the comparable worth approach to job evaluation is that dissimilar jobs can be compared to determine their relative worth to the employer. Because the focus is on dissimilar jobs, evaluators must use a quantitative system that is able to relate these jobs according to a set of common factors.

Job evaluation systems that are used with the comparable worth approach would include the four basic steps summarized in Figure III-2.

First, a complete and up-to-date description of each job within the organization must be prepared. Second, uniform factors which measure skill, effort, responsibility, and working conditions are selected, subdivided into levels of magnitude and assigned points. Following this step, numerical ratings are assigned to each job according to its match with levels of each compensable factor. Then these numerical ratings are added to create a total score for each job, and finally, jobs are assigned to pay grades based on total scores.

In addition to the use of a quantitative system that compares dissimilar jobs, comparable worth proponents contend that three criteria must be observed in carrying out these steps. First, all jobs in the organization must be evaluated according to the same standards of value, and just one pay scale should be used for all jobs in the organization. Second, compensable factors, such as work conditions and consequence of error, and their weight in determining job worth must be free of sex-related bias. For example, proponents believe that systems which accord more importance to physical strength than to finger dexterity may in fact discriminate against females. Last, in assigning wage rates to jobs, there should be no comparisons with prevailing rates for female-dominated classes in the external market, because these comparisons are believed to inject long-standing practices of wage discrimination.

It is this last modification that represents the most dramatic departure from traditional approaches to job classification and compensation. The requirement assumes that jobs which are not alike can, nevertheless, be measured and assigned equitable values independent of labor market considerations. Comparable worth opponents take issue with this assumption.

## Job Classification and Compensation in Virginia

In order to understand the possible implications of comparable worth in Virginia, it is necessary to examine the state's current classification and compensation system. Virginia's system is administered by the Department of Personnel and Training (DPT). The system covers more than 70,000 positions organized into 2,100 job classes. Virginia uses the position classification methodology to evaluate and classify jobs, and relies on market pricing to set state salaries. This section describes the major characteristics of Virginia's system, including its history, compensation policies, and classification and wage assignment processes.

Figure III-2

## Steps For Implementing Point Systems Commonly Used For Comparable Worth

- (1) Obtain a complete and current job description for each job in the organization.

All Jobs

X \* Z Y  
O @ # \$

- (2) For each job assign numerical ratings to uniform and bias-free factors which measure the elements of skill, effort, responsibility, and working conditions.

Factors	Nurses XXXX	Clerks YYYY	Programmers ####	Equipment Operators OOOO
Experience	70			
Knowledge	100			
Mental Effort	120			
Consequence of Error	130			
Health Hazards	80			
<b>Total</b>	<b>500</b>			

- (3) Add numerical ratings assigned to each job to obtain a total score.

Nurses XXXX = 500 points  
Clerks YYYY = 370 points  
Programmers #### = 500 points  
Equipment Operators OOOO = 370 points

- (4) Use total scores to assign jobs to pay grades.

Nurses	XXXX	500 pts.	\$1500
Programmers	####	500 pts.	\$1500
Clerks	YYYY	370 pts.	\$1250
Equipment Operators	OOOO	370 pts.	\$1250

History of Virginia's System: Systematic job classification and compensation in Virginia state government began with the passage of the 1942 Virginia Personnel Act (VPA). Virginia's first classification plan, developed from a 1937 study by an external consultant, was established in 1943. The plan was based on the position classification approach to job evaluation and slotted 14,400 employees into 461 job classes. The plan has undergone periodic realignment and fine-tuning by DPT over the years, and the nonquantitative approach is still used. A statewide study of all positions occurred in 1947. In 1980, all classes were reviewed to realign internal equity.

Through the years, there have been a number of studies of the personnel system which have included, but not greatly affected, the classification and compensation system. The only externally-directed study focusing exclusively on this area was one initiated by the General Assembly in 1972. This study, which examined the competitiveness of state salaries, realigned the pay assigned for each class and resulted in system-wide salary increases of one to four steps.

Classification and Compensation Policies: The Virginia Personnel Act requires the Governor, as Chief Personnel Officer of the Commonwealth, to establish and maintain a job classification and compensation plan, as well as to establish a set of formal rules for administering the personnel system. Thus, the classification and compensation system is governed by both statutory and administrative regulations.

A major statutory requirement establishes the role of the labor market in setting state pay. Section 2.1-114.6 of the Code of Virginia specifies that:

- it is the goal of the Commonwealth that state employees be paid at a rate comparable to the rate paid private sector employees in Virginia performing similar work;
- fringe benefits be considered as part of the state pay package when determining compensation; and
- an annual review be conducted by DPT to determine salary differences between the public and private sectors in Virginia.

This explicit language leaves little doubt about legislative intent with regard to market pricing of jobs.

Organizations which use the market to establish salaries often make conscious decisions to pay somewhat less, the same as, or more than the market, depending on pay philosophy and resources. While the Code does not articulate a competitive philosophy, state salaries have lagged the market by an average of seven percent in recent years.

A number of the rules established pursuant to the Virginia Personnel Act directly affect compensation practices. These rules address starting pay, general salary adjustments, position abolishment/establishment, qualifications standards, and recall/rehire situations. All of these rules are designed to support the equality of pay relationships established by the classification and compensation plan. Nearly all other state personnel rules, such as those covering merit evaluations, indirectly affect compensation .

While the state grievance procedure specifically excludes grievances relating to classification or compensation, requests can be made to the Director of the Department of Personnel and Training to review classification and compensation decisions.

Virginia's Job Classification System: A primary purpose of job classification in Virginia, as elsewhere, is to build an equitable framework for the establishment of pay. Whether establishing new positions or classes or re-evaluating existing ones, Virginia's application of the method consists of four basic steps, as highlighted in Figure III-3.

First, written position descriptions and other supporting data are collected for each job to be classified. The additional data might include an organization chart showing the placement of the position or supplementary information collected by the job analyst.

Jobs are then grouped according to their similarities, based on allocation factors. Then, class specifications are developed. To allocate jobs, factors are used to compare them against established classes, then other jobs, to produce the most accurate class assignment. Virginia uses six allocation factors:

- supervision given, or the leadership and coordination of the efforts of other employees;
- supervision received, which includes reporting relationships, closeness of supervision and guidelines under which job duties are performed;
- complexity of work, gauged by such characteristics as repetitiveness, variation and stage of problems encountered, and the availability of established procedures;
- scope and effect, which concerns the relationship between the job's purpose and the effect of work products or services on clients, the general public or other agencies;
- consequence of error, in terms of such measures as the health, safety, welfare of others, cost or inconvenience to the state; and
- knowledges, skills and abilities, including the nature and extent of information needed by the agency and its application.

Once established, new job classes are compared with pay rates for other classes and for similar work in the external market. Based on that analysis, they are assigned to pay grades.

In recent years, some aspects of the classification process have been decentralized to a small number of agencies which have the authority to move their positions between established classes and, in addition, may establish new positions in selected job classes. However, most classification and compensation responsibility for state positions is still retained by DPT.

Figure III-3

# STEPS FOR IMPLEMENTING A POSITION CLASSIFICATION SYSTEM

## Grouping Jobs to Identify Classes

- (1) Begin with job descriptions covering all positions within a single occupational group.

Human Services

```

X O * X O * X O * X O
O * X O * X O * X O *
* X O * O X * O X
    
```

- (2) Group jobs by nature of work.

Psychologists

Social Workers

Nurses

```

O O O          * *          X X X
O O O          * * *          X X
O O O          * * *          X X X
O O O          * * *          X X
    
```

- (3) Compare jobs within each group using allocation factors.

Nurses

	Job 1	Job 2	Job 3	Job 4	etc.
Supervision Given					
Supervision Received					
Complexity					
Scope & Effect					
Consequence of Error					
Knowledge, Skills, and Abilities					

- (4) Level groups off and assign descriptive titles. (results in CLASSES)

```

X          Registered Nurse Supervisor
XXX       Registered Nurse
XXXXXX    Licensed Practical Nurse
XXXXXXXXX Nurse Aid
    
```

The state's classification plan organizes jobs into a hierarchy of 2,100 classes. Only 21 percent of all job classes are "generic", that is, used in more than one agency. Examples of generic classes are "clerk-typist B" and "accountant A". In addition, half of the classes have fewer than seven positions assigned and about one-third of the total are single-position classes. The large number of agency-unique and small population classes in the state system creates special problems in achieving internal equity and in conducting external salary comparisons.

While its small classification staff limits the number and scope of studies that can be undertaken, DPT periodically studies segments of its classification plan to update the relationships among jobs. Studies of specific classes, series, or occupational families focus particularly on job areas showing the greatest turnover, competitiveness or technological change. Some of the series and groups studied since 1980 include laboratory specialists, employee relations personnel, data and word processing operators, probation counselors and administrators, physical and occupational therapists, fiscal and accounting staff, and sanitarians. DPT also studies up to 7,000 individual positions annually at the request of agencies. However, a number of the generic classes have not been reviewed recently.

Wage Determination: The pay established for each job class results from a mix of three factors: (1) internal equity with other classes; (2) external competitiveness with the marketplace; and (3) the state's ability to pay. These factors comprise what is sometimes called the compensation triangle.

A sound job classification system, as discussed in the previous section, is essential to internal equity of pay relationships. External market comparisons come about primarily through an annual salary survey conducted by DPT, and to a lesser degree, from surveys available from local industry, professional groups and other jurisdictions.

Annual salary surveys of the private sector have been required since 1974. Two of the more important considerations in the make-up of the survey are: (1) the jobs for which salary comparisons are obtained; and (2) the external organizations from which salary data is requested.

Obtaining salary comparisons for the large number of classes in Virginia would not be possible, so the annual salary survey retrieves data for 51 benchmark classes. According to the 1983 Salary Survey published by DPT, about 50 percent of the state workforce is measured by these classes. Since prices for the remaining classes are interpolated from this data, the major criterion for benchmark classes is that they be representative of the entire system. More specifically, classes surveyed are generally those that are:

- easily recognized and prevalent in other organizations;
- representative of large numbers of state employees;
- representative of the state's major occupational groups; and
- stable in terms of job duties.

The more than 80 employers selected for the annual survey are those which represent a cross-section of size, industry, and geographic area in Virginia. The survey seeks data about entry, average, and maximum pay for each of the benchmark classes, as well as fringe benefits paid by the employer. The median class deviation in real pay is the figure used to determine the state's competitiveness in the market.

The private sector survey does not yield good comparative data for many low population and agency-unique classes, both of which tend to fall at the higher pay levels. Other classes in state government are unique to the public sector, or are otherwise difficult to survey. To obtain more useful pay information about these classes, Virginia uses an expanded list of benchmark classes to collect supplementary data from selected hospitals and medical centers, as well as states and local governments in the fourteen Southeastern states. The supplementary data is not used in determining the state's market position, however.

In 1980, the Commonwealth made significant changes to its pay plan. Prior to the change, the plan contained 211 pay ranges of various entry levels and lengths. In many cases, distinctions in pay among classes of different levels were not meaningful and the unevenness of the plan made it difficult to manage. The new graded pay plan rolled these 211 pay ranges into twenty-three pay grades, each containing eight uniform pay steps, and separated by approximately nine percent in the overall pay range. In the process of conversion, the number of agency-unique classes was reduced by 200 and some classification inequities were remedied. The new plan did not disturb existing relationships in the job classification structure. However, like other state governments, Virginia continues to maintain a high number of unique classes, which some officials believe cannot be reduced substantially without a full-scale job classification study.

### Summary

The purpose of job evaluation is to establish a hierarchy of jobs based on their value to organizations. Job evaluation provides the framework for establishing pay relationships throughout the organization. Most advocates of the comparable worth approach believe that the policy of equal pay for dissimilar jobs of equivalent value can best be implemented through changes in organizations' job evaluation procedures.

Job evaluation systems are generally of four types: whole job ranking, position classification, factor comparison, or point factor. While the four approaches vary in type of analysis and complexity, a major distinction is whether or not they are quantifiable, or use numerical values to distinguish among the worth of jobs. Regardless of the system used, job evaluation always entails some degree of subjectivity.

Two major factors place considerable distance between Virginia's present job evaluation system and the usual approach to comparable worth. First, Virginia uses a nonquantitative position classification method to evaluate positions, rather than the quantitative approach associated with comparable worth. Second, the state is required by law to compare its pay with that for similar jobs in Virginia's private sector, while, in theory, comparable worth prohibits use of external market data. Thus, it appears that a number of preliminary policy changes and subsequent groundwork would be required to convert to a comparable worth approach in the Commonwealth.

## IV. APPROACHES TO JOB EVALUATION AND COMPARABLE WORTH NATIONWIDE

### Overview

Since 1981, initiatives to reassess existing job classification and compensation systems or examine the comparable worth approach to closing the wage gap have been escalating across the country. Much activity is occurring in the public sector, particularly at the state level.

In order to assess the level of activity among the states, initial telephone interviews were conducted with officials in each state. Comprehensive follow-up contacts were made with selected states that had incorporated, or were about to incorporate, comparable worth approaches into their pay practices. Detailed interviews were conducted with state personnel administrators, legislators, Governors' staff, women's groups, and private sector representatives in these states. In addition, selected states engaging in other types of job evaluation studies or system modifications were contacted for additional information about their initiatives. (Summary information on job evaluation or comparable worth initiatives in every state is presented in the Appendix.)

### Summary of Other States

Summary information on each state's activity as of September 15, 1984, is presented in figure IV-I. Many of these initiatives have been undertaken since mid-1984, and it is likely that this information will change by the end of 1984. To date, Minnesota is the only state that has implemented a comparable worth approach to state pay practices. Most states are in the process of either reevaluating their own job evaluation systems or examining the implications of adopting a comparable worth approach to wage determination. Several states are not currently involved in any formal review of their own systems or the concept of comparable worth. The following sections provide general information on these categories of activity, and detailed information on selected states.

The Study Phase: During the course of this review, all state governments were contacted to determine their reasons for undertaking or not undertaking studies of their own systems or the concept of comparable worth. Those states in the study phase presented the following reasons for initiating activity:

- 1) The classification and compensation systems were in such disarray and so outdated that personnel officials recognized the need to conduct a job evaluation study;
- 2) Legislation was passed mandating a study;
- 3) An executive order signed by the Governor created a study commission to study compensation policies, sex bias, and/or comparable worth issues in the current classification and compensation systems; or
- 4) Employee groups requested that a study be conducted.

Figure IV-1  
**STATUS OF ACTIVITY NATIONWIDE**  
 September 1, 1984

STATE	NUMBER CLASSIFIED EMPLOYEES	NUMBER JOB CLASSES	EQUAL PAY LAW (EQUAL PAY FOR:)	ORIGIN OF STUDY ACTIVITY	STUDY CONDUCTED BY	OFFICIAL ACTION <sup>1</sup>
<b>IMPLEMENTATION PHASE—SALARIES REFLECT COMPARABLE WORTH</b>						
Minnesota	29,000	1,800	Comparable Worth	Women's Commis. Legis. Audit Commis.	Consultant	Bill
<b>STATES NEARING IMPLEMENTATION PHASE</b>						
Connecticut	40,000	2,600	Equal Work	Unions, Legis., Women's Commis.	Consultant	Bill
Idaho	19,000	810	Comparable Worth	Governor and Legislature	State Personnel and Consultant	Bill
Oregon	38,000	1,200	Comparable Worth	Unions	State Personnel and Consultant	Bill
Washington	51,000	3,200	Comparable Worth	Governor	Consultant	Bill
<b>STATES IMPLEMENTING QUANTITATIVE JOB EVALUATION SYSTEMS</b>						
Arkansas	30,000	2,000				None
Delaware	11,000	950	Equal Work	Legis. Resolution		Resolution
Idaho	8,100	1,100	Internal Equity	State Personnel	Consultant	Bill
Kentucky	30,000	1,300	Equal Work	Governor's Task Force		None
Louisiana	68,000	2,400	Equal Work	Governor	State Personnel and Consultant	Bill
Maine	13,000	1,200	Comp. Value	Unions	State Personnel	None
New Jersey	66,000	3,000	Equal Work	Governor's Executive Order	State Personnel	E.O. and Bill <sup>2</sup>
North Dakota	10,500	950	Equal Work	Personnel Director	State Personnel	None
Ohio	55,624	1,680	Equal Work	Governor	State Personnel and Consultant	Bill
Oklahoma	27,500	1,100	Equal Work	State Personnel Board	Consultant	None
Pennsylvania	98,000	2,800	Equal Work			Bill
Tennessee	40,000	1,350	Equal Work	State Personnel	State Personnel	Bill
Utah	12,000	2,000	Equal Work			None
Vermont	6,300	1,000	Equal Work	Union	State Personnel	Bill <sup>*</sup>

## STATES STUDYING JOB EVALUATION SYSTEMS

<b>aska</b>	13,000	1,200	Work of Comparable Character	Personnel Director	State Personnel	None
<b>California</b>	111,000			Legis. Resolution	State Personnel	Bill
<b>Indiana</b>	32,000	1,400	Equal Work	Legislative Inquiry	State Personnel	Bill*
<b>Kansas</b>	30,000	1,200		Legislative Inquiry	State Personnel	E.O.
<b>Maryland</b>	52,000	3,200	Comparable Work	Commis. on Status of Women	State Personnel	Bill*
<b>Massachusetts</b>	60,000	1,750	Comparable Work	Legis. Commis.	Legis. Commis. and State Personnel	
<b>Michigan</b>	60,000	1,600	Equal Work	Dept. of Labor	Dept. of Labor	None
<b>Montana</b>	13,000	1,500		Legislators	State Personnel and Consultant	Bill
<b>Nevada</b>	9,500	1,100	Equal Work	Legislature	Consultant State Personnel	Bill
<b>New Mexico</b>	15,000	898	No Discrm. in Employment Compensation	Governor	State Personnel and Consultant	Bill
<b>New York</b>	180,000	6,000		Unions in Bargaining	Consultants	Bill
<b>North Carolina</b>	48,000	3,000	Equal Work	Commis. on Status of Women	Consultant	Bill
<b>Rhode Island</b>	16,000	1,250	Equal Work	Legis. Commis.	Special Legis. Commis.	Resolution
<b>West Virginia</b>	21,000	800	Equal Work	Legislators	State Personnel	Resolution
<b>Wisconsin</b>	42,000	1,700	Equal Work	Governor's Executive Order	State Personnel	E.O.

## STATES PROPOSING VARIOUS ACTIVITIES

<b>Arizona</b>	18,000	1,400	Equal Work	Manager, Classif. and Compensation	State Personnel	Bill*
<b>Hawaii</b>	18,000	1,500	Equal Work	Legislature	Study Commission	Bill*
<b>Mississippi</b>	24,000	1,600	Equal Work	Director, Classif. and Compensation	State Personnel	None
<b>Missouri</b>	26,679	1,200	Equal Work	State Personnel	State Personnel	Bill*
<b>North Carolina</b>	48,000	2,200	Equal Work	Assistant Division Dir. of Personnel	State Personnel	None

### STATES WITH NO CURRENT ACTIVITY

<b>Alabama</b>	28,000	1,250	Equal Work	None
<b>Colorado</b>	16,000	1,500	Equal Work	Bill*
<b>Florida</b>	95,000	2,000	Equal Work	Bill*
<b>Georgia</b>	47,000	1,470	Equal Work	None
<b>Illinois<sup>o</sup></b>	60,000	1,500	Equal Work	Bill*
<b>Nebraska</b>	12,000	1,200	Equal Work	Bill*
<b>New Hampshire</b>	10,000	1,450	Equal Work	Bill*
<b>South Dakota</b>	12,000	720	Equal Work	None
<b>Texas</b>	100,000	1,200	Equal Work	None
<b>Wyoming</b>	6,000	1,500	Equal Work	None

✓ State is also studying comparable worth or sex-based wage discrimination.

• State has legislation proposed which would amend human rights law to provide for comparable worth but no study is proposed or underway.

<sup>o</sup> Illinois conducted a pilot study, but results were rejected by legislature. Legislation requesting a complete comparable worth study died in committee.

<sup>1</sup> Action since 1982.

\* Bill died or was defeated.

E.O. = Executive Order

Note: Official action addresses legislation which includes conducting a study, setting up a committee, implementing a new job evaluation system, and changing law.

There are four general types of study efforts: job evaluation studies, fact-finding investigations, pilot studies, and literature surveys. The most common type of study is the job evaluation study, which generally involves reviewing and revising all position descriptions, determining factors and subfactors by which to assess job worth, assigning weights and values to the factors, and determining compensation on the basis of the values assigned to each job and wages paid in the labor market. North Carolina, Louisiana, Oregon, and Connecticut are illustrative of states undertaking this type of study.

A fact-finding investigation is the collection of data which defines the issues, determines the level of activity nationally or regionally, and assesses the ramifications of adopting new job evaluation systems based on comparable worth. Virginia and Nevada are among states currently conducting fact-finding reports. A pilot study, like that conducted in Illinois, consists of applying a quantitative job evaluation system to a sample of jobs which represent the work force. There are a few states, such as Mississippi, which are conducting literature surveys to identify the social, economic, and legal issues of comparable worth.

The Implementation Phase: Minnesota is the only state that has implemented a comparable worth approach in its pay practices--that is, by paying equal wages to jobs of the same value, with rates of pay for female-dominated classes determined internally, and not by comparisons with wages paid to these classes in the external labor market. The states of Connecticut, Iowa, Oregon, and Washington are nearing the implementation phase of comparable worth approaches, although the approaches they finally adopt may not be identical to Minnesota's approach.

There are a number of states that are evaluating jobs based on quantitative systems, but that still rely to some extent on surveys of the labor market to determine wage rates. In states that changed from non-quantitative to quantitative systems, the catalyst for change was the state personnel agency's belief that the old classification system needed to be substantially overhauled or replaced. Several of these states (Arkansas, Delaware, Idaho, Maine, New Jersey, Ohio, and Pennsylvania) have been operating under quantitative systems since the mid-1970's. In these states, comparable worth was not a consideration in implementing the new systems.

No Formal Activity: Several states have not undertaken any formal study activity or system modification. Officials indicated several reasons for inaction: 1) comparable worth is not an issue that has been raised publicly; 2) the present classification and compensation systems are viewed as being effective and up-to-date; and 3) the state fears litigation based on any study's results.

Activity in the South: No Southern states are currently making comparable worth adjustments in women's wages. States are either studying comparable worth, are implementing new job evaluation systems, or are taking no action at the present time. The neighboring states of West Virginia and North Carolina are farthest along in their study efforts.

West Virginia passed a comprehensive resolution establishing a policy to achieve "an equitable relationship" in pay based on the comparability of the value of work performed by males and females. The resolution calls for the adoption of a quantitative job evaluation system and a determination of costs and methods of implementation. The resolution was drafted by legislators and the women's commission. At present, a task force has met several times to lay the groundwork for the study and to hire a consultant, but no funds have been appropriated for the study, and no target dates have been established.

North Carolina passed legislation in June which appropriates \$650,000 to develop a new classification and compensation system which will incorporate the external market in setting wage rates. The legislation originated from a multi-year study of the pay equity issue conducted by the Council on the Status of Women and on an internal study done by the state personnel agency. The agency's study focused on the extent to which measurable factors account for pay differences by race and sex. At last report, North Carolina was developing a request for proposal (RFP) to hire a consultant. The RFP asks the consultant to offer more than one pay option for consideration.

Delaware, Oklahoma, Arkansas, Tennessee, and Kentucky have recently implemented systems that compare dissimilar jobs through point values, but allow the general market to determine wages. Louisiana is nearing implementation of such a system. There are four southern states which are not currently taking any action to change their method of job evaluation. These states are Texas, Georgia, Alabama, and Florida.

#### Approaches in Selected States

In order to determine the potential implications of comparable worth for Virginia, detailed review was undertaken of nineteen states that had made progress in actually implementing comparable worth approaches or in reviewing or restructuring existing job classification systems to incorporate more equitable pay practices. The areas examined included the genesis of states' efforts, the design, scope, and conduct of studies, the methods for determining wage rates, the costs of implementing new systems, and progress in implementing study results.

Following a detailed overview of activities in four states, information from all nineteen states is summarized.

Case Studies of Approaches to Comparable Worth : This section presents information on Washington, Minnesota, Iowa, and North Carolina. These states represent four different approaches to addressing the comparable worth issue. In Washington, Minnesota, and Iowa, many state employees are unionized and collectively bargain wages. It is not possible to isolate the impact of negotiated agreements on the scope and amount of comparable worth adjustments. These states were selected for in-depth review, however, because they have the most extensive experience with comparable worth approaches. North Carolina is a non-union state with a government workforce similar to Virginia's in population and class size. It is also the only southern state with an appropriation to conduct a job evaluation study that may incorporate a comparable worth approach. As the following information shows, each state's approach is unique, reflecting the political, social, and economic characteristics of the state.

Washington  
(36,000 employees, 3000 classes)

Genesis of Activity: In 1974, the Governor requested a job evaluation study at the urging of the American Federation of State, County, and Municipal Employees (AFSCME). The study showed a disparity in pay between male-dominated and female-dominated jobs valued equally. Later studies confirmed and updated this information, and proposed a method for computing the "value" of dissimilar jobs. Funds were budgeted by the outgoing Governor to address wage disparities, but were removed by the new Governor.

In 1983, AFSCME filed suit (AFSCME v. the State of Washington) that job classes that were at least 70% female were underpaid because of female dominance in the job. In 1983, the U.S. District Court found the state guilty of discrimination because of its failure to pay employees on the basis of study results. After the suit was filed, the legislature passed a comparable worth implementation law to eliminate pay disparities by 1994. In 1983, \$1.5 million was appropriated to provide \$100 per year to 9,000 affected employees.

Purpose: The original study was to review 50 predominantly male classes, and 62 female classes to determine the degree to which pay disparities exist. The compensable factors to be evaluated were knowledge and skills, mental demands, accountability, and working conditions.

Administration: An outside consultant conducted the study. The State Department of Personnel is administering the old position classification system until the legislature appropriates funds for a quantitative system.

Compensation: Salaries may be adjusted to a comparable worth line or to the male average pay line.

Costs: The original study cost \$25,000 in 1974; the cost estimates for implementation range from \$300 million to \$850 million depending on the formula the court develops to determine comparable worth and back pay. Washington anticipates tax increases to pay for these court-ordered adjustments.

Progress to Date: A quantitative job evaluation system has not been implemented; pending legislation would mandate such a system; upon full implementation, 24,600 employees would receive salary increases through comparable worth adjustments.

The District Court decision has been appealed to the Ninth Circuit Court, but no decision is expected before mid-1985.

## Minnesota

(34,000 employees, 1800 classes)

Genesis of Activity: In October 1981, a task force was established by the legislative Advisory Council on the Economic Status of Women to study pay practices for male and female employees in the state. On the task force were members of the legislature, representatives of the Department of Employee Relations, union representatives and members of the public. Using a quantitative job evaluation system, the study documented pay disparities between male-dominated and female-dominated job classes and recommended that the legislature appropriate funds to eliminate the disparities.

Purpose of the Law: In 1982, the legislature changed the personnel law covering state employees to 1) establish a policy to provide "equitable compensation relationships between male-dominated, female-dominated, and balanced classes" of employees in the executive branch; and 2) establish a procedure for making comparability adjustments.

Methodology for Implementing Comparable Worth: Points were assigned to nearly all classes with more than 10 incumbents. Factors considered were know-how, problem-solving, accountability, and working conditions. On July 1, 1983, the salary for each female-dominated class was raised to the lowest salary for a male-dominated class with the same number of points.

Administration: In January of odd-numbered years, the Commissioner of Employee Relations submits to the legislature a list of female-dominated classes which are paid less than male-dominated classes with the same number of points. Also submitted is an estimate of the cost of full salary equalization. The Legislative Commission on Employee Relations recommends the amount to be appropriated for comparability adjustments to the legislature's money committees. Appropriated funds are assigned to the different collective bargaining units proportional to the total cost of pay equity for the persons in the job classes represented by that unit. The actual distribution of salary increases is negotiated through the collective bargaining process.

Costs: Total costs are estimated at \$42 million. Approximately \$21 million in adjustments was effective on July 1, 1983. An additional \$21 million is anticipated to raise the salary of female-dominated classes to the highest salary for a male job with the same or fewer points.

Progress to Date: On July 1, 1983, approximately 151 job classes including 8,225 employees received comparable worth increases. All of the clerical workers will receive an average of an additional \$1,601 over the biennium; half of the health care employees will receive raises averaging \$1,630 over the biennium. On July 1, 1984, a law was passed which requires each local government in the state to develop a job evaluation system that incorporates a comparable worth approach by 1987.

Iowa

(19,000 merit system employees, 810 classes)

Genesis of Activity: In 1983, the Iowa legislature authorized a study of all classified employees within the merit system. In late 1983, a consultant was hired to conduct the study under the supervision of a steering committee comprised of legislators, the Governor's staff, and members of the general public. The study was completed in May 1984.

Purpose: To establish a job evaluation system based on the comparable worth of jobs, with particular attention to those jobs filled predominantly by women and predominantly by men.

Design and Scope: The study sampled 4,500 jobs that represented all jobs in the merit system. Detailed job description questionnaires were completed by all incumbents, and then assigned to evaluation committees for review. All jobs were rated on thirteen factors including knowledge, problem solving, judgment, job complexity, scope and effect of the job, and the working environment.

Administration: The new evaluation system was designed by a consultant. Jobs were actually rated by committees of state employees. After the original study was completed, members of the steering committee and the consultant changed the weights for some factors and the point values for some classes.

Compensation: The points derived from the study were the basis for slotting job classes into the existing pay grade structure.

Costs: The cost of the consultant's study was \$125,000. Estimates for raising the salaries of more than 10,000 male and female employees range between \$30-\$50 million over a period of several years.

Progress to Date: The first phase of implementation will be in March 1985, at a cost of \$10 million. In recent months, officials have raised questions about the validity of the new system. Concerns relate primarily to compaction and compression of some salary levels that occurred and the inversion of hierarchical pay relationships of some classes. Because of these concerns, officials will take three steps in the coming months: 1) Proceed with the first phase of implementation in March 1985, using a \$10 million appropriation; 2) thereafter temporarily discontinue further adjustments to salaries based on comparable worth; and 3) authorize a new study to determine the degree to which comparable worth has been achieved. Salary adjustments resulting from the new study will not occur until January, 1986.

North Carolina  
(65,000 employees, 3000 classes)

Genesis of Activity: In 1980, the Office of State Personnel released a report that showed a salary advantage for white males over other employee groups in the state. In 1983, the Governor's Council on the Status of Women and the Governor's Conference on Women and the Economy issued reports that presented information on pay disparities for North Carolina's female employees. The 1984 General Assembly appropriated \$650,000 to develop an equitable job evaluation and pay system for the classified workforce.

Purpose: To develop a system that is objective, equitable within and across all occupational groups, competitive, understood by all levels of personnel, and easily administered by trained staff in the Office of State Personnel.

Design and Scope: The study will be tailored to the unique needs of the state; will establish the comparable worth of state jobs on the basis of a quantitative system to replace the current nonquantitative system; will have factors that can be applied to all classes and positions, can be weighted according to their compensable worth to the state, and are widely accepted by employees to be bias-free; will require new job descriptions and class specifications based on employee questionnaires and in-depth interviews; and will reduce the number of classes through horizontal and vertical consolidation and the elimination of single position classes.

Administration: An outside consultant will conduct the study. A Pay Equity Advisory Committee comprised of fourteen legislators will oversee the conduct of the study. The Office of State Budget and Management will provide staff for the Committee.

Compensation: Although the 1983 studies recommended a system that did not consider the external market for determining women's wages, the study resolution requires that the external market be given equal weight with all other factors in determining wages.

Costs: \$650,000 was appropriated for the consultant's study.

Progress to Date: The Pay Equity Advisory Committee is now reviewing consultants' proposals, with a contract award to be made by December 15, 1984.

As the experiences of these states show, comparable worth can take on different characteristics in each state. The primary determinant of the focus and pace of study efforts appears to be the degree to which legislators explicitly adopt a policy of raising women's wages through a comparable worth approach, and then support that policy with appropriations to rectify wage disparities.

Other distinguishing features of states' efforts, regardless of whether comparable worth is the objective, include:

- the level of involvement in the study process of executive and legislative officials, personnel professionals, employee groups, and private employers;
- the degree to which outside consultants are involved in the conduct of the study;
- whether the consultant provides advice and technical assistance to state officials, or conducts the study autonomously;
- the involvement of unions in wage determination;
- whether the focus of the study is all jobs or only female-dominated jobs;
- the extent to which the external market is used in setting wages; and
- the number of years projected for achieving wage adjustments.

Approaches to Enhance Job Mobility: Several states have developed programs to encourage and enhance the mobility of women from female-dominated into male-dominated jobs. In some states, these programs are adjuncts to comparable worth wage adjustments.

Minnesota is considering a program that would reimburse employees' tuition in courses that are not directly related to their existing jobs, but would qualify them for higher paid jobs.

Michigan has implemented a "bridge class" program that establishes trainee positions targeted to women who have reached the top of the pay scale. Participants go to entry level positions in new job areas and gain on-the-job experience without a reduction in pay.

Ohio runs a pre-apprenticeship program for women. The program develops pilot projects in non-traditional job areas. A current initiative is with the state's Department of Transportation.

Several states have proposed cross-training for women in non-traditional positions, and a review of their efforts to recruit females into male-dominated classes.

### Results of Other States' Experiences

Officials in the follow-up states indicated areas where alternative actions might have improved their study efforts. Most suggestions for improvement centered on preliminary activities, the logistics and methodologies of conducting studies, and the assignment of responsibilities for administering the new systems.

A major change in the approach to employee classification and compensation is a serious step for a state government to take, regardless of whether or not the goal is a comparable worth approach. Officials in other states stressed the need for careful examination of the possible implications of a comparable worth approach by a broad-based task force or steering group. Officials suggested that these groups focus on such issues as:

- the integrity of the state's existing job evaluation system;
- the existence of possible wage disparities within the state;
- the social and economic implications of raising women's wages within state government;
- the extent to which male and female wages will reflect prevailing market rates;
- whether to make retroactive as well as prospective salary adjustments;
- the estimated costs of correcting disparities;
- the method of financing the costs of wage adjustments; and
- the timeframe for making wage adjustments.

Minnesota officials point to the planning phase as a major reason for the relative success of their implementation. After examining their existing system and recognizing wage disparities, Minnesota legislators decided that raising the wages of the state's lowest paid women would be in the best interest of the state. They further committed to appropriate the funds needed to rectify disparities over a period of several years.

Similar deliberations by a broad-based task force occurred in North Carolina prior to the decision to conduct a wide-ranging job evaluation study. A key decision made during the planning period was that wages in the external market would be weighted equally with all other factors in determining salaries.

In another unique approach, New Mexico decided to grant a one-time increase in the wages of the lowest paid female classes without relying on the results of job evaluation.

The primary danger in not undertaking broad-based planning is the potential for litigation if a study of male and female salaries is conducted but wage disparities are not corrected. The current litigation in Washington state underscores this danger. Even an internally-conducted pilot study can lead to litigation if the study's recommendations are not implemented. This was the case in Illinois, where nurses filed an EEOC charge based on the state's failure to act on a pilot study's results.

Study Logistics and Design: Officials in other states cite the design of any job evaluation study as an important factor in the successful implementation of a comparable worth approach. They recommend that states consider who will conduct the study; what the study requirements and timeframe will be; and whether study results will be mandatory or advisory.

Most states have hired external consultants to conduct job evaluation studies because internal staff resources are insufficient. While officials generally support hiring consultants, they indicate that active involvement by state staff is necessary throughout the study. In Minnesota, state classification specialists actually evaluated each job under the consultant's guidance. In North Carolina, the state budget office will monitor the consultant's performance.

When state officials, and especially state personnel professionals, are not closely involved in the study design and conduct, acceptance of the final product may be imperiled. For example, it appears that some of the concerns that have arisen from the Iowa study might have been prevented if classification staff had had greater involvement in the study's conduct.

It is also important for state officials to give detailed specifications about study requirements, and to be involved in the selection of compensable factors and weights. Also, time frames need to be long enough to permit adequate training of classification staff and the incumbents of positions to be evaluated.

Several states specified in RFPs that consultant reports would be advisory and not automatically adopted. This approach may still bind the state to adjusting wages based on the study unless the state can show that the study was methodologically flawed or improperly conducted.

System Administration: Officials stress the need to educate employers and employees on the rationale for and characteristics of the new system as soon as it is developed. They also indicate that day-to-day administration should be the responsibility of the state personnel agency. In Minnesota, the State Office of Employee Relations has a separate comparable worth unit. Since the passage of Minnesota's law requiring all local governments to implement comparable worth by 1987, a new section has been established to provide training and technical assistance to local governments.

Finally, officials emphasize the need for flexibility in any classification or compensation system. Minnesota's comparable worth law, for example, permits the state to pay prevailing market rates for jobs that are difficult to recruit and retain; it also requires that traditional hierarchical relationships between managers and subordinates be reflected in wage levels.

### Summary

Recently, there has been an increase in the activity of states to update and improve job evaluation systems or include a comparable worth approach in compensation practices. While most states are currently involved in studies of their existing systems, each state's approach is unique, reflecting the

social, economic, and political environment of the state. Most studies have been initiated by the legislature or the Governor to address questions about internal equity or pay disparities. These efforts have led to an increased national awareness of the importance of evaluation systems that are up-to-date, internally equitable, and consistently applied. Most states emphasized the importance of sound study design, and the continual close involvement of state officials in the conduct of the study to ensure the validity and usefulness of results.

The handful of states that have implemented policies to raise the wages of female-dominated classes have used a variety of approaches to determine adjustments. Minnesota has already adopted the most traditional approach--that of conducting a quantitative job evaluation system and then raising the pay of female-dominated classes to that of male-dominated classes with the same point values. Iowa also based pay adjustments on the results of a quantitative system, but targeted initial increases to the lowest paid classes. New Mexico did not directly apply any job evaluation system as a basis for salary adjustments, but, instead, earmarked funds for raises to specific female-dominated classes with compressed pay ranges. Several states have initiated programs to enhance the job mobility of women into male-dominated jobs.

## V. THE IMPLICATIONS OF COMPARABLE WORTH IN VIRGINIA

### Overview

House Joint Resolution 35 calls for a description of the changes that would be needed in Virginia's job evaluation system and the costs that would likely ensue if the Commonwealth implemented comparable worth in the future.

As this report has illustrated, the comparable worth approach to narrowing the pay gap by raising women's wages varies across the country. According to national data, no two state governments are addressing the pay gap issue in the same way.

No state appears to be implementing comparable worth as it is theoretically explained -- equal pay for work of comparable value, with no consideration of wage rates in the general labor market. However, most state are undertaking reviews of their job evaluation systems to ensure that they are up-to-date, consistently applied, and free of unlawful wage discrimination. In a few of these states, the incorporation of a comparable worth approach is viewed as a long-term goal.

Because each state has adopted a unique approach to reassessing job evaluation systems and, in some cases, closing the pay gap, it is not possible to draw a precise blueprint of changes and associated costs if Virginia were to implement a comparable worth approach. Instead, this chapter presents a broad framework of implications for Virginia in terms of changes and costs.

### Changes Needed for a Comparable Worth Approach

If the Commonwealth adopted the policy of raising the wages of females, it could implement this policy in several ways. A short-term approach similar to that used in New Mexico could be accomplished without any changes in the current job evaluation and market pricing system. In this approach, a one-time pay increase is given to employees in female-dominated classes at or below a specific pay grade. This approach, however, raises questions about compliance with the federal Equal Pay Act and other federal civil rights statutes applying to public employees.

The Commonwealth could also take a long-term approach to raising wages by accelerating the gradual migration of women from female-dominated classes into male-dominated or balanced classes that command higher wages. A number of states have initiated programs such as special trainee positions targeted at low level professional classes; formal cross-training in male-dominated jobs; pre-apprenticeship programs for women; and tuition reimbursement for training in new skill areas.

The remainder of this section presents the changes that would be needed if Virginia implemented a variation of the theoretical approach to comparable worth. This would involve evaluating all jobs in the classified workforce according

to a common set of compensable factors and by basing the wages of female-dominated classes on their internal worth, and not on prevailing wage rates in the general labor market.

1. Before comparable worth could be implemented in the classified workforce, the Commonwealth would need to expand the existing policy of equal pay for equal work to include equal pay for dissimilar jobs of comparable value. The new policy would need to be formalized by legislation or by executive order.

Virginia's pay policy historically has been "equal pay for equal work." While state employees are not covered by the state's equal pay law, they are covered by the federal Equal Pay Act. Moreover, this equal pay policy is encompassed by Governor's Executive Order No. 1 (82), the Title and Purpose of the Virginia Personnel Act, and various compensation materials published by the Department of Personnel and Training. As emphasized throughout this report, the equal pay for equal work policy applies to pay comparisons of positions which are equal or substantially similar in skill, effort, and responsibility. This policy would have to be modified substantially.

2. The Commonwealth would have to convert its present nonquantitative system to one which is quantitative.

For dissimilar jobs to be equated, the system would need the capability of applying numerical scores or ratings to uniform compensable factors. The most crucial aspect of the conversion would be the development of bias-free compensable factors, that are agreed to by management and employees. Given the size of the classified workforce and the number of job classifications, this conversion would require significant time and resources.

3. The Commonwealth would need to rescind or amend Section 2.1-114.6, Code of Virginia, which establishes as a goal of the Commonwealth compensation at a rate comparable to rates in the private sector.

In addition to changing the law, the state could no longer use external salary data to determine pay for all state employees. One policy variation consistent with comparable worth, however, would enable the state to pay female-dominated or mixed jobs comparable in value to male-dominated positions the prevailing market wages for the male-dominated jobs. If comparable worth were implemented in Virginia and this male-dominated benchmarking policy was adopted, the benchmarks currently used by the state for external comparisons would need to be modified substantially.

4. A comparable worth approach would be more complex to administer than the system presently used, necessitating additional staff and increased training.

More frequent updating would be required with a quantitative system because of the use of points. In addition, a committee approach would be required in assigning points to classes in order to maximize objectivity. Therefore, involved state staff and employees would need considerable training and time away from their regular duties to assure proper implementation and maintenance of the system.

## Estimating the Costs of Comparable Worth in Virginia

States which have decided to adopt a comparable worth approach or otherwise overhaul their job evaluation systems have found that there is a sizeable price tag associated with this commitment. Due to cost considerations, some states have made wage adjustments over a period of several years; others have targeted limited funds to the lowest paid classes, and postponed other increases. Therefore, the potential cost of adopting a comparable worth approach in Virginia is an important consideration of Virginia officials. However, it is not possible to present reliable cost estimates for Virginia. The primary reason is because Virginia's job evaluation system is not designed to provide a single set of compensable factors with weights and scores for all jobs in the workforce.

Normally, in computing the costs of comparable worth, states apply a process which takes into consideration the following factors: 1) the total points assigned to each class as the result of a job evaluation study; 2) the pay gap determined to exist after computing points and existing pay for both female-dominated and male-dominated classes; and 3) the number of employees in female-dominated classes that will receive pay increases. These studies are complex and time-consuming, frequently requiring one or two years for completion.

Additionally, the cost of comparable worth is predicated on other decisions which must be made prior to implementation of a study. These decisions include whether or not to decrease or freeze the pay of classes which appear to be overpaid after the assignment of point values; what pay values should be assigned to the minimum and maximum point scores in the system (this determines the extent of the overall pay range); and what is an appropriate time period for system implementation. Virginia is not at the stage where these decisions can be made. Therefore, estimates of costs can best be obtained by reviewing cost experiences of states which have actually implemented or plan to implement a comparable worth approach.

As information from other states shows, costs of implementation range from \$42 million in Minnesota, to approximately \$30 million for merit system employees in Iowa. These states have respective workforces of 29,000 and 19,000 -- both considerably smaller than Virginia's workforce of 70,000. It is important to note, however, that both states collectively bargain wages, which further distinguishes their compensation systems from Virginia's. In the case of Washington, cost estimates for retrospective and prospective pay range from \$300 to \$850 million. In Washington's 1983-85 budget, annual appropriations for comparable worth adjustments are \$128.0 million, about 15% of the annual payroll. Because Washington may be required to make adjustments based on a court-determined formula, it is inappropriate to assume any cost similarities for Virginia.

In summary, a gap in the average salaries of working men and women exists in nearly all public and private sector organizations which have been examined. However, the comparable worth approach remains a debatable means of reducing the pay gap, and to date is the approach of just a handful of state governments. If implemented in Virginia state government, a number of changes in policies and procedures directly or indirectly related to job classification and compensation would be required, at a cost which cannot be determined at this time.

### Recommendations

While the General Assembly considers the information presented in this report, and deliberates on the propriety of adopting a comparable worth approach at some future date, the following recommendations which are designed to ensure the fairness of the present system should be implemented immediately:

1. The Secretary of Administration should take appropriate steps to review and assure that Virginia's classification and compensation system is up-to-date, free of unlawful wage discrimination, and consistently applied.

2. The Secretary of Administration and the Director of the Department of Personnel and Training should review existing training/educational programs and incentives for state employees, and propose new programs that encourage and enhance job mobility within the Commonwealth's workforce.

3. The Secretary of Administration should review existing guidelines and monitoring procedures pursuant to the Governor's Executive Order No. 1 (82) to ensure that all qualified applicants are extended equal access to training and promotional opportunities in state government.

**Appendix**

**Summaries of Compensation  
Activities in Other States**

**(Summaries of Iowa, Minnesota, North Carolina,  
and Washington are found in Chapter IV.)**

ALABAMA (28,000 Classified Employees, 1250 Job Classes, Not Unionized))

PRESENT SYSTEM: Alabama has a job evaluation system with features of both whole job and position classification. The external market is used to some extent to set pay, with the legislature approving pay structure increases. In 1982, a classification and pay survey was conducted resulting in changes to the pay plan, but not the classification system.

LEGISLATION: None

ALASKA (13,000 Classified Employees, 1200 Job Classes, Unionized)

PRESENT SYSTEM: Alaska uses a whole job classification system to evaluate jobs. Salaries are aligned internally to recruit and retain employees, and are collectively bargained. External market surveys are conducted but have little impact.

STUDY ACTIVITY: \$500 thousand was allocated in the 1983-84 budget to study Alaska's classification system. The focus of the study is not comparable worth, but updating the system and validating classifications.

LEGISLATION: None

COMMENTS: Public health nurses, who claim they're doing work comparable to that of physician's assistant, but not receiving equal pay, filed suit in 1977 based on sex discrimination. A decision in the case is expected by the end of 1984.

ARIZONA: (18,000 Classified Employees, 1400 Job Classes, Not Unionized)

PRESENT SYSTEM: Arizona uses the whole job approach to evaluate jobs except for executive positions, covered under a point factor system. To establish wages, two salary surveys are conducted, using key benchmark positions

STUDY ACTIVITY: A proposed study will hire consultant to devise a methodology and evaluate clerical positions. Methodology may be applied to other classes in the future.

LEGISLATION: None

ARKANSAS: (30,000 Classified Employees, 2000 Job Classes, Not Unionized)

PRESENT SYSTEM: Arkansas uses a point factor system developed internally in 1973. Supervisory and non-supervisory positions are evaluated against different factors than professional and managerial positions. The market is used to set salaries, with a recommendation made to the legislature for pay plan increases. A pay-for-performance evaluation system and pay plan will be implemented in 1985.

LEGISLATION: None

COMMENTS: A Title VII sex discrimination claim against the state involves a claim of pay discrimination associated with a female-dominated pay grade.

CALIFORNIA: (111,000 Classified Employees, Unionized)

PRESENT SYSTEM: California uses a position classification system. Recent legislation requires the Department of Personnel Administration to submit an annual report which focuses on pay systems in other states, and compares California classes to similar classes in these studies. Salaries are collectively bargained through 20 units, with comparable worth a factor in negotiating salaries.

STUDY ACTIVITY: A Pay Equity Commission is studying comparable worth in state employment.

LEGISLATION: Resolution passed establishing comparable worth task force but with no language to take action on any findings or adopt comparable worth. \$77 million is proposed for comparable worth adjustments, apart from salary appropriations. Comparable worth bill which would affect private sector also proposed.

COLORADO: (16,000 Classified Employees, 1500 Job Classes, Unionized)

PRESENT SYSTEM: Colorado uses a position classification system for all positions but managers, which are classified by factor ranking. A classification study conducted in 1972, with an update in 1975, cost \$10 million. The system is now updated every 5 years. Colorado is a prevailing rate employer. Salaries are not collectively bargained.

LEGISLATION: Recent bills proposing a comparable worth law and study were not enacted.

CONNECTICUT: (40,000 Classified Employees, 2600 Job Classes, Unionized)

PRESENT SYSTEM: Connecticut adopted a point factor system following a 1979 pilot study, with formal job evaluation study conducted from 1980-83. Connecticut will phase in salary adjustments through collective bargaining, with internal equity bargained the first year, and comparable worth the second. Connecticut will not compare ratings across bargaining units.

LEGISLATION: 1979 legislation mandated pilot study of male and female dominant classes. 1980 legislation mandated formal job evaluation and set aside \$240,000 for study.

COMMENTS: Connecticut State Employees Association filed suit based on pilot study. Case still pending.

DELAWARE: (11,000 Classified Employees, 950 Job Classes, Unionized)

PRESENT SYSTEM: Delaware uses a 10 year old point factor system which measures all jobs by the same factors, and collectively bargains only terms and conditions of employment. Governor recommends salary increases based on available funds; individual bargaining units then lobby the legislature for increases. The external market is not used to set salaries, but market surveys are done for jobs with high turnover.

STUDY ACTIVITY: Internal comparable worth survey will define issues in Delaware government, establish parameters, guidelines, and standards, and design and construct a valid procedure of classification. No money has been appropriated.

LEGISLATION: House Joint Resolution 23 passed in 1984, mandating comparable worth survey.

COMMENTS: EEOC has filed a pay equity suit on behalf of Delaware Nurses Association.

FLORIDA: (95,000 Classified Employees, 2000 Job Classes, Unionized)

PRESENT SYSTEM: Florida uses a position classification system to evaluate jobs. The state has special pay ranges for law enforcement and nursing, but assesses pay for other positions through biennial salary survey. Florida collectively bargains for salaries through seven bargaining units.

OTHER ACTIVITY: The Florida Commission on the Status of Women is pursuing public hearings regarding pay issues.

LEGISLATION: A bill requesting \$275,000 for a comparable worth study failed in the last legislative session.

GEORGIA: (41,000 Classified Employees, 1,470 Job Classes, Not Unionized)

PRESENT SYSTEM: Georgia uses a position classification system and an integrated salary scale. The integrated pay grades differentiate type of work and external market factors. Salary increases are across-the-board in the form of percentage or flat amount increases.

STUDY ACTIVITY: In 1975, Georgia conducted a comparable worth study with the intent of installing new classification system. The results of the study were unpopular and not adopted. Full implementation would have cost \$83 million. Study did result in across-the-board increase plus further adjustments of \$3 million.

LEGISLATION: None; "comparable" language in employment compensation law expunged last year.

HAWAII: (18,000 Classified Employees, 1500 Job Classes, Unionized)

PRESENT SYSTEM: Hawaii presently uses a position description system to evaluate jobs. There is a separate salary schedule negotiated for each of 12 bargaining units. The union has a strong legislative influence.

STUDY ACTIVITY: Legislature has appointed commission to study comparable worth and prepare report by end of 1986. Study will focus on improvements to the system, and will address collective bargaining.

LEGISLATION: Bill for comparable worth law was amended to request for study.

IDAHO: (8100 Classified Employees, 1100 Job Classes, Not Unionized)

PRESENT SYSTEM: Point factor job evaluation system was implemented in 1976-77. Costs to implement system, funded from allocations for cost-of-living increases, were \$13 million. State statute requires pay equity. Focus is on internal equity with same points assigned same pay grade. Idaho benchmarks points rather than jobs to external market, and red-circles jobs beyond the appropriate range.

LEGISLATION: 1975 legislation implemented point factor system, and set forth policy of internal equity and consistency with prevailing rates.

ILLINOIS: (60,000 Classified Employees, 50,000 Covered by Contract, Unionized)

PRESENT SYSTEM: In 1969 Illinois overhauled the classification system and implemented a whole class ranking system using factors from federal civil service system. No points are applied in this system, but benchmarks are used, and jobs are assigned based upon comparison with other occupations. The state collectively bargains salaries, using market comparisons.

STUDY ACTIVITY: Pilot study of 12 male and 12 female dominated classes was recently conducted using a point factor methodology. The study focused on internal equity, with no consideration of the external market.

LEGISLATION: Legislation mandated pilot study to assess discrimination in pay. Bill requesting \$400,000 for total comparable worth study did not pass.

COMMENTS: Illinois Nurses' Association is now suing state based on results of pilot study.

INDIANA: (32,000 Classified Employees, 1400 Job Classes, Some Unionization)

PRESENT SYSTEM: Indiana uses a benchmark factor classification system. The pay range is set by the legislature, not the external market. There is no collective bargaining.

STUDY ACTIVITY: Personnel Department proposed an internal study of compensation program by a Governor's Task Force. Comparable worth is one of nine issues to be addressed. Other issues include consistency with market rates, sex bias in classification; and merit increases. Report to be submitted to legislature in January 1985.

LEGISLATION: Two or three bills mandating comparable worth have failed.

KANSAS: (30,000 Classified Employees, 1200 Job Classes, Not Unionized)

PRESENT SYSTEM: Kansas uses a position classification system to evaluate jobs. The external market is used to some extent to set pay, with adjustments made relative to key benchmark classes.

STUDY ACTIVITY: January 1984 executive order established commission to evaluate basis of employee compensation. Study will look at basis for setting pay and other job evaluation systems but not comparable worth. Recommendations will be made by December, 1984.

LEGISLATION: None

KENTUCKY: (30,000 Classified Employees, 1300 Job Classes, Not Unionized)

PRESENT SYSTEM: Kentucky uses an internally developed point factor system. Pay is established based on points, internal equity and external market. In 1982, \$12 million was appropriated to get employees to minimum of new pay grades. In 1983, \$1 million was divided among those still below the new minimums. Annual increments, but no structural changes are planned for 1984 and 1985.

LEGISLATION: None

LOUISIANA: (68,000 Classified Employees, 2400 Classes, Not Unionized)

PRESENT SYSTEM: Louisiana has been using a position classification system where discrete jobs, not classes, are the focus. Internal equity has been a problem.

STUDY ACTIVITY: State has developed, but not implemented, new point factor system. Louisiana will benchmark to the external market by using midpoint of salary ranges. Benchmarks were designated after pay structure was developed so market won't influence factor weights. New pay scale has 50% range for each pay grade, 30 grade levels, and 5.8% between levels, and has significant fiscal impact.

LEGISLATION: Resolutions passed regarding different systems which might be used. No other legislation.

MAINE: (13,000 Classified Employees, 1200 Classifications, Unionized)

PRESENT SYSTEM: Maine implemented a point factor system in 1974. Salaries are collectively bargained.

STUDY ACTIVITY: A comparable worth study is underway as a result of 1982 contract negotiations. The study will encompass only those employees represented by unions which negotiated for it. The study will focus on whether the point factor system adversely affects women and whether the system is equitably administered. The study report is due January 1985.

LEGISLATION: Commission for Women proposed legislation for comparable worth study in 1978 which was withdrawn due to union opposition. The unions then introduced legislation which would have allowed negotiation of pay rates attached to classifications. This bill was vetoed by Governor.

MARYLAND: (52,000 Classified Employees, 3200 Classifications, Unionized)

PRESENT SYSTEM: Maryland presently uses a whole job classification system. Pay structure generally lags the market. Only state police collectively bargain salaries. The Governor appointed Commission on Compensation and Personnel Policies to conduct in-depth study of system in 1979. Commission recommended factor ranking system and policies to deal with problems in recruitment, retainment, and affirmative action. Recommendations were not adopted.

STUDY ACTIVITY: Maryland will conduct a two year study to explore alternatives to the existing whole job system and the proposed factor ranking system. The study will include a revamping of Maryland's compensation system to achieve both internal equity and external competitiveness.

LEGISLATION: A joint resolution was passed supporting the study.

MASSACHUSETTS: (60,000 Classified Employees, 1750 Job Classes, Unionized)

PRESENT SYSTEM: Massachusetts has a position classification system which requires traditional job analysis using job specifications. The state collectively bargains salaries, but not classifications. The external market is used in setting salary ranges.

STUDY ACTIVITY: Massachusetts is conducting a comprehensive study which will result in a new classification system. The study will include statewide public hearings, and will encompass sex-segregation, pay inequities, compensable factors, and comparable worth, with \$75,000 appropriated for study costs. Massachusetts will implement study findings through collective bargaining.

LEGISLATION: None

MICHIGAN: (60,000 Classified Employees, 1500-1800 Job Classes, Unionized)

PRESENT SYSTEM: In the mid 1970s Michigan converted to a benchmark factor ranking system which uses benchmark levels based on skills required in the job. Jobs are compared to benchmark positions established to represent standard. Points are applied to six compensable factors adapted to fit job families. Michigan collectively bargains salaries. External market is used as an indicator of competitiveness and internal relationships.

STUDY ACTIVITY: A 1982 pilot classification study noted problems with internal equity. Internal comparable worth investigation now in process. Task force will recommend strategies to remedy identified problems, with solutions implemented through collective bargaining.

LEGISLATION: None

COMMENTS: Affirmative action initiatives include early retirement incentives to free administrative positions for qualified females and a bridge class system which enables training at no loss in pay for higher level jobs. Employees Association sued state in 1982 based on results of study. Another suit recently filed by Association because of state's delay in taking further action.

MISSISSIPPI: (24,000 Classified Employees, 1600 Job Classes, Not Unionized)

PRESENT SYSTEM: Mississippi uses a whole job classification system. Salaries are negotiated between agencies and new employees. The compensation plan has no ranges or grades, only steps which begin at minimum wage and increase by .5% to state's pay ceiling. Prevailing external wages for jobs are extrapolated to steps in the chart.

LEGISLATION: None

COMMENTS: Mississippi is surveying comparable worth literature and identifying issues.

MISSOURI: (26,679 Classified Employees, 1200 Job Classes, Unionized)

PRESENT SYSTEM: Except for clerical positions which are evaluated with a point factor system, Missouri has a position classification system which ranks jobs. Salaries are not collectively bargained. External salary surveys are conducted to assess competitiveness, but state pay is not consistent with the market.

LEGISLATION: None

STUDY ACTIVITY: Missouri will conduct a comprehensive study which will look at compensation system in relation to the external market.

MONTANA: (13,000 Classified Employees, 1500 Job Classes, Unionized)

PRESENT SYSTEM: Montana uses a position classification system to evaluate jobs. Salaries are collectively bargained with salary surveys available for reference. Seventy collective bargaining units are locked into one pay plan. Montana maintains parity among collective bargaining units since the unit bargaining for the highest salary in each grade basically determines the salaries for similar positions in that grade.

STUDY ACTIVITY: Montana will conduct a comprehensive job evaluation study using a point factor benchmark approach. An internally developed pay plan will be based on points assigned to jobs. The study will first establish job worth through points and then test comparable worth. Cost estimates for implementation will be based on study results.

LEGISLATION: Legislature passed a comparable worth bill in 1983 which requires classification and pay systems providing comparable worth.

NEBRASKA: (12,000 Classified Employees, 1200 Job Classes, Unionized)

PRESENT SYSTEM: Nebraska has a whole job ranking system which uses job descriptions to place jobs in classes. Points and factors are not used. The external market is used to set salaries for job families. There is no collective bargaining.

LEGISLATION: In 1979 the legislature passed a bill which requests an annual statistical report of sex domination in jobs and classes. Last year a bill proposing a study of all classes did not pass.

NEVADA: (9500 Classified Employees, 1100 Job Classes, Not Unionized)

PRESENT SYSTEM: Nevada uses a whole job comparison system. Surveys of the external market are used to recommend cost-of-living increases. Salary adjustments are recommended for specific classes to maintain internal and external consistency.

STUDY ACTIVITY: Study of technical and clerical positions using point factor system was disregarded by legislature because of impact. In 1982, legislature mandated a feasibility study of investigating comparable worth. Current study will look at issues and methodologies, employee demographics, potential costs, and effect on classification system. Report due to legislature in January 1985.

LEGISLATION: Bill mandating feasibility study of comparable worth passed in 1982.

NEW HAMPSHIRE: (10,000 Classified Employees, 1450 Job Classes, Unionized)

PRESENT SYSTEM: New Hampshire uses a point attribute system recommended by a consultant in 1952. Nine attributes (factors) relating to skill, effort, responsibility, and working conditions are used to evaluate jobs. Salaries are collectively bargained, with the external market used to set pay grades.

LEGISLATION: Bills in legislature to study comparable worth have all been defeated in committee.

NEW JERSEY: (66,000 Classified Employees, 3000 Job Classes, Unionized)

PRESENT SYSTEM: New Jersey has used a point factor job evaluation system since 1970. Points correspond to salary ranges, which aren't influenced by the external market. Salary ranges were established when system was implemented and adjustments are made through cost-of-living increases. Salaries are collectively bargained.

STUDY ACTIVITY: Governor's Executive Order created a Task Force to study comparable worth issue and whether state policies are discriminatory. Task Force will identify problem areas and look at the application of New Jersey's system.

LEGISLATION: New bill calls for periodic reports by Civil Service Commission, corrective action, and union participation on task force membership.

NEW MEXICO: (15,000 Classified Employees 898 Job Classes, Some Unionization)

PRESENT SYSTEM: New Mexico uses whole job ranking. In 1980, the system was reviewed, inequities were found and legislature was requested to study. Instead, legislature appropriated \$3.2 million to 23 low-paid female-dominant classes, in response to a policy decision to have two pay steps between classification series. New Mexico maintains pay parity with the market. Wages are not collectively bargained.

STUDY ACTIVITY: New Mexico is now developing a point factor system to provide more objective and timely job evaluation; allow for better recruiting and reclassification of inflated positions; and decrease pay disparity. To set pay, male dominant classes will be benchmarked to external market. The cost of implementing the new package is about \$20 million.

LEGISLATION: 1981 bill appropriated \$3.2 million for pay adjustments for 3000 employees.

NEW YORK: (180,000 Classified Employees, 6000 Job Classes, Unionized)

PRESENT SYSTEM: New York has a position comparison system. Salaries are collectively bargained, with the external market used for recruiting purposes only.

STUDY ACTIVITY: A negotiated comparable worth study will look at underpayment in female and minority dominant classes in 3 bargaining units. Male jobs will be benchmarked to the external market, with female dominant jobs paid according to male benchmarks. An additional study of New York's entire classification and compensation system will include a comparable worth component. New York has set aside \$1 million to conduct the studies.

LEGISLATION: Legislation has been proposed to implement results of study.

COMMENTS: Nassau County and New York City are being sued by AFSCME on the basis of comparable worth.

NORTH DAKOTA: (10,500-11,000 Classified Employees, 950 Job Classes, Not Unionized)

PRESENT SYSTEM: A point factor system adapted in 1982 from Idaho's, resulted from a decision to increase consistency of classification. North Dakota uses the external market as a guide for pay setting. The state is now attempting to address comparable worth problems through analysis of differences in average salary between male and female classes.

LEGISLATION: None

OHIO: (55,624 Classified Employees, 1680 Job Classes, Unionized)

PRESENT SYSTEM: Ohio uses a point factor system set up 12 years ago. The external market was considered when establishing the system, and current market surveys provide data to substantiate recruitment/retention problems. Salaries will be bargained beginning in 1984.

STUDY ACTIVITY: In 1983, Governor directed Bureau of Employment Services to do pay equity study. Preliminary report found jobs with same points assigned are paid the same, but that women earn only 87% of what men earn. Follow-up study is to look at sex bias in design of evaluation system, with particular attention given point values.

LEGISLATION: None

COMMENTS: Affirmative action initiatives include pilot projects to train and place women in non-traditional jobs; Governor's Executive Order requires construction contractors to use federal guidelines regarding numbers of women and minorities hired.

OKLAHOMA: (27,500 Classified Employees, 1100 Job Classes, Not Unionized)

PRESENT SYSTEM: Oklahoma uses a point factor system based on comparable worth and adopted in 1981. External market comparisons are made for point levels, rather than classes. State then evaluates internal equity by regression analysis. Oklahoma is competitive at entry pay level. Reclassification and pay increases cost \$90 million in 1981 and \$60 million in 1982.

LEGISLATION: The Legislature appropriated the funds to convert to the point factor system in 1981 after the personnel department documented problems in retaining employees.

OREGON: (38,000 Classified Employees, 1200 Job Classes, Unionized)

PRESENT SYSTEM: Oregon has a position classification system and uses specifications to allocate jobs. Collective bargaining through 12 units uses external market data to determine pay. Oregon generally pays the going rate for jobs.

STUDY ACTIVITY: Oregon is establishing a point factor job evaluation system. Classification study and implementation will be done in-house, after training from consultant. New system will provide for internal equity consistent with the comparable worth approach. Resulting plan will be implemented through collective bargaining.

LEGISLATION: 1981 proposal was defeated. 1983 bill proposing comparable worth study and task force passed almost unanimously. Bill was very specific as to scope of study and responsibilities of task force with \$355,000 appropriated.

PENNSYLVANIA: (98,000 Classified Employees, 2800 Job Classes, Unionized)

PRESENT SYSTEM: Pennsylvania uses a point factor system to evaluate jobs. Once a position is evaluated, it is compared with class specifications to find the proper class. Each level of work has pay range already assigned. Pennsylvania collectively bargains salaries, with market data used only for market-sensitive positions.

LEGISLATION: A bill which would have amended the Human Rights Law to include comparable worth failed. The bill would have required both public and private employers to pay by comparable worth standards.

COMMENTS: Proposed alternatives for women have included state-funded day care, advanced training, and cross-training in non-traditional jobs.

RHODE ISLAND (16,000 Classified Employees, 1,250 Job Classes, Unionized)

PRESENT SYSTEM: Rhode Island has a position classification system dating back to the 1940's. Salaries are collectively bargained.

LEGISLATION: Joint Resolution set up a special legislative commission to study comparable worth and pay equity.

SOUTH CAROLINA (48,000 Classified Employees, 2,200 Job Classes, Not Unionized)

PRESENT SYSTEM: South Carolina has a position classification system and surveys the external market to assess competitiveness and determine appropriate salary increases. South Carolina is not unionized, but the State Employee Association is active, with a strong lobbyist.

STUDY ACTIVITY: The Department of Personnel is developing a position paper consisting of a review of other states' activities in the comparable worth arena.

LEGISLATION: None.

SOUTH DAKOTA (12,000 Classified Employees, 720 Job Classes, Some Unionization)

PRESENT SYSTEM: South Dakota uses a job audit classification system which compares the duties of jobs with class specifications to classify positions. Only transportation employees are unionized, with collective bargaining soon to be implemented. The external market is a factor in setting salaries, along with internal comparisons of comparability within class series.

LEGISLATION: None.

TENNESSEE (40,000 Classified Employees, 1,350 Job Classes, Not Unionized)

PRESENT SYSTEM: Tennessee recently changed to an internally-developed point factor system to increase internal equity of classification. The system will be implemented over three years. Cost of implementation for this year is \$120 million, which includes a cost-of-living increase for 40,000 employees. The external market is used to assess competitiveness and set salaries.

LEGISLATION: The legislature appropriated funds to implement the point factor system.

TEXAS (100,000 Employees, 1,200 Job Classes, Not Unionized)

PRESENT SYSTEM: The merit system covers 15,000 employees in 9 agencies, with the other 85,000 employees in 210 agencies which have decentralized personnel operations. Each agency does its own job classification. The Merit System recommends salary levels/adjustments to legislature, which adopts final plan. The external market is not used to set wages.

LEGISLATION: None.

UTAH (12,000 Classified Employees, 2,000 Job Classes, Not Unionized)

PRESENT SYSTEM: Utah uses a point rating system in which positions are evaluated, then assigned points and a pay grade. Jobs are ranked against each other, with internal relationships considered. Utah conducts biannual salary surveys, pays the market rate, and makes adjustments to the pay plan through cost-of-living increases. In 1965, Utah adopted a statewide merit system which bases salary increases on performance.

LEGISLATION: None.

VERMONT (6,300 Classified Employees, 1,000 Job Classes, Unionized)

PRESENT SYSTEM: Vermont has had a point factor system since the late 1960's. Positions are allocated by match with compensable factors. Vermont collectively bargains salaries, and the external market is not considered.

STUDY ACTIVITY: Vermont will do a classification study with concurrent attention to comparable worth. Study is a comprehensive review of class allocation and alignment, for which legislature appropriated \$240,000.

OTHER ACTIVITY: Commission on Status of Women held hearings on economic issues, including pay equity, and published a report in 1983.

LEGISLATION: Legislature authorized the collective bargaining agreement which included a classification study with comparable worth as a component.

WEST VIRGINIA (21,000 Classified Employees, 800 Job Classes)

PRESENT SYSTEM: West Virginia uses a position classification system. Although employees belong to unions, West Virginia doesn't recognize them and there is no collective bargaining.

STUDY ACTIVITY: West Virginia will develop a point factor job evaluation system. Consultants will train in-house personnel. A two-year study will identify male and female dominant classes, identify problems, review all classifications, and do internal comparisons. The study will not consider market factors. The report to the legislature is due February 1985.

LEGISLATION: Resolution was passed in 1984 Session setting up task force and establishing policy that the state achieve comparable worth.

WISCONSIN: (42,000 Classified Employees, 1,700 Job Classes, Unionized)

PRESENT SYSTEM: Wisconsin uses a whole job (position) classification system. Collective bargaining does not cover assignment of job to classes and pay grades, although salary increases are bargained. The external market is considered in salaries and grades.

STUDY ACTIVITY: 1984 Executive Order established comparable worth task force to study issue. Study will identify compensable factors, methods of measurement, then do a regression analysis using factors to assess current compensation, factors being compensated, and sex-bias in system.

LEGISLATION: None.

COMMENTS: ASFCME filed a suit in 1979 based on legislative intent to adopt comparable worth.

WYOMING (6,000 Classified Employees, 1,500 Job Classes, Not Unionized)

PRESENT SYSTEM: Wyoming has had a position classification system since 1977. Internal alignment is checked by comparing jobs with each other. External salary surveys are conducted annually and state pays within top half of survey salary averages. Pay plan has 85 salary ranges of 10 steps each.

LEGISLATION: None.



