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# **Study of Wage Equity in Public Employee Bargaining Units 1 and 10**

## **Volume One: Background, Findings, and Recommendations**

A Report to the Governor and the Legislature  
of the State of Hawaii

Conducted by

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Submitted by

The Auditor  
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***Hubbard & Revo-Cohen, Inc.***

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## Foreword

During its 1994 Regular Session, the Hawaii State Legislature through Senate Concurrent Resolution No. 202 requested the State Auditor to retain a consultant to determine whether sex-based wage inequities exist among job classes in public employee bargaining units 1 and 10. If inequities were found, the consultant was also to determine the contributing factors and recommend changes to achieve fairness in job evaluation.

Through a request for proposal process, the Auditor selected Hubbard & Revo-Cohen, Inc., an independent human resources consulting firm specializing in wage equity, to conduct the study. The study was directed by Lynne Revo-Cohen, founding principal of Hubbard & Revo-Cohen, Inc. Other study team members included Lynda Ames, Ph.D., who served as Senior Analyst, and Tina Jackson and Ken Long, who served as senior consultants.

Our report is in two volumes. Volume One contains background material, our findings and recommendations, responses of the affected agencies to a preliminary draft of the report, and our comments on the agencies' responses. Volume Two contains our technical appendices.

This study is part of a continuing effort by the State of Hawaii to assure fairness in its pay system for public employees. Wage equity is a very complex subject, heavily impacted by evolving societal norms in how we measure, value, and reward work. Employers face continuing challenges in modernizing their compensation systems so that the values on which they are based are explicit, comprehensive, and gender-neutral. While our findings are different from those of a previous study published in 1987, it must be noted that there have been considerable advances in the "state-of-the-art" in the wage equity field over the past eight years and this study deals with entirely different bargaining units.

The project team would like to express its appreciation for the cooperation extended to us by officials and staff of the Hawaii Department of Human Resources Development, the Hawaii Judiciary, the counties of Kauai, Honolulu, Maui, and Hawaii, United Public Workers (UPW) Local 646, and others whom we contacted during the course of the study.

Lynne Revo-Cohen  
Project Director  
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April 1995

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# Volume One

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# Chapter 1

## Introduction and Background

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Wage equity has been an issue in Hawaii for some time. In 1986, the Hawaii State Legislature mandated a study of pay equity in public employee bargaining units 3, 4, 9, and 13 (white collar professional and nonprofessional employees). The study, conducted by Arthur Young & Company, identified some jobs as either underpaid or overpaid but reported no gender bias in wages in those bargaining units.

In Senate Concurrent Resolution No. 202 of the Regular Session of 1994, the Legislature requested the State Auditor to retain a consultant to investigate and recommend measures to eliminate sex-based wage inequities among job classes in bargaining unit 1 (nonsupervisory employees in blue collar positions) and bargaining unit 10 (“nonprofessional” institutional health and corrections workers). The purpose of the study was to determine whether pay inequity exists in job classes dominated by one sex, to determine what factors or conditions contribute to any inequities, and to recommend changes in law or practice that could optimally achieve fairness in job evaluations.

S.C.R. No. 202 said that state and county government have a basic responsibility to ensure wage equity among public employees and that qualified organizations should periodically review civil service employee salary schedules.

The Auditor engaged the services of Hubbard & Revo-Cohen, Inc. to conduct this study. We are an independent consulting firm that provides services in human resources management to a variety of organizations. Our principal expertise is in the area of pay equity. Immediately prior to this study, we had conducted a gender-neutrality audit of the proposed Canadian federal job evaluation system on behalf of that country’s auditor general.

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### Organizational and Statutory Background

S.C.R. No. 202 asked for a study of civil service employee bargaining units 1 and 10 in Hawaii’s state government, including the Judiciary, and the four county governments of Honolulu, Hawaii, Maui, and Kauai.

For the state executive branch, the Department of Human Resources Development administers the civil service system. The administrative director of the courts administers the personnel system of the Judiciary, and each of the four counties administers its own personnel system.

The principal statutes governing the personnel systems are: (1) Chapter 76, Hawaii Revised Statutes, the Civil Service Law, which establishes the basic civil service system for the State and the counties; (2) Chapter 77, HRS, the Compensation Law, which provides the framework for the compensation of state and county employees; and (3) Chapter 89, HRS, the Collective Bargaining in Public Employment law, which establishes collective bargaining for state and county employees.

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## **Background on Equity in Wage Setting**

The basic principle of wage equity is that the content of a job should determine its pay; the gender of a job's typical incumbent should not influence pay in any way.

The process of setting relative wages for jobs involves three major steps. Bias can be introduced during any of these steps:

- Describing the jobs;
- Evaluating the job content;
- Setting the salary or pricing.

### ***Describing the jobs***

In modern wage-setting practices, employers use formal "position descriptions" to describe the duties and responsibilities of individual positions and the knowledge, skills, and abilities required. "Class specifications" describe the common requirements for a group of positions that are sufficiently similar to be classified into a job title or class, such as Carpenter. These classifications may be further grouped into a series, such as Carpenter I, Carpenter II, and Carpenter III.

Job descriptions and specifications can influence wage equity in three ways: consistency of description; inclusivity of job content described; and accuracy.

To foster equity, job descriptions must be consistent in their level of detail. Jobs described in more detail appear "at face value" to have more weight. This means that jobs performed primarily by women should be described in as much detail as jobs performed primarily by men and vice versa. A pattern of under-describing jobs dominated by one gender may indicate gender bias.

Job descriptions must also be inclusive of the details of work that women and men typically perform. They should include specific requirements typical for the job. For example, the physical requirement for heavy lifting is typical for a laborer job and the physical requirement for fine finger dexterity is typical for a key punch operator job. Both types of physical requirements should be included. Failure to be inclusive can create bias against jobs dominated by one gender.

Accuracy is also a key to gender-neutrality. Accuracy requires that the job incumbent play a primary role in generating the job description—the incumbent knows the details of the job better than anyone else.

Accuracy also requires that job descriptions be reviewed regularly to reflect actual duties and contemporary understandings of the worth of jobs rather than the understandings of a generation ago.

### ***Evaluating the job content***

To evaluate job content is to set “value” on the skills, responsibilities, efforts, and working conditions of the job. To guard against bias, the evaluation should be done by a team well versed on issues of job evaluation and gender bias, comprised of both men and women, and knowledgeable of all levels of the organization. The objective of job evaluation systems is to fairly and objectively rate all jobs using the same “yardstick,” thereby producing an objective ranking of jobs according to their value to the organization.

Quantitative evaluation methods that explicitly set values—the detailed listing of what job content will be compensable—are useful. These job evaluation systems follow a common methodology. The first step is to choose “compensable factors” (features defined as legitimate bases for pay differentials). Within each factor, levels of increasing “worth” are defined and assigned increasing points. The evaluation team rates each job on each factor and assigns levels with corresponding points. The team then totals the points to create the job worth score. This explicit scaling of compensable elements helps ensure consistency of evaluation and allows different jobs to be compared in a consistent, quantitative manner.

### ***Setting salary***

Finally, actual salaries must be attached to jobs. To meet standards of wage equity, jobs that are comparable in job content must be paid comparably. Gender predominance must not be a consideration in setting salaries, either implicitly or explicitly.

Different methods exist for attaching salaries to jobs. Employers concerned about equity within the organization may compute a dollar-for-worth ratio (using a point-factor job evaluation system) and pay all jobs strictly according to evaluated worth. Internal equity is achieved when all jobs with similar points receive similar pay, and the difference in points serves as the basis for differences in pay. Other employers base wages on a system of benchmarking, tying wages to benchmark jobs that in turn are tied to market rates. Employers often negotiate actual wages with employee unions.

To achieve gender-neutrality, a wage setting system must meet all of the above criteria for job description, job evaluation, and pricing. Failure to meet any of the criteria would result in lower wages for certain job titles based on gender predominance.

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## Wage Setting Process in Hawaii

In Hawaii, the process of setting wages for public employees has three main elements. First, individual positions are classified into similar jobs. Second, the jobs are priced, that is assigned appropriate wage grades. Classification and pricing decisions are coordinated and agreed to among the jurisdictions (state and counties) and may be appealed by job incumbents. Third, actual wages in dollar amounts are attached to grades in each bargaining unit through collective bargaining. The market affects the wage setting process only through shortage differentials.

### Classification

A position is a set of specific duties occupied by a single job incumbent. Each position is somewhat different from every other one. However, many positions are similar in essence and may be usefully classified as the same job.

Classification is the sorting of individual positions into similar jobs (also known as job titles or job classes). Classification occurs when a new position is created or when a position's duties are changed and it no longer fits its existing classification. In the previous example of Carpenter I, Carpenter II, and Carpenter III, each job title is a distinct classification, with different skills, responsibilities, and wages that increase through the series.

In Hawaii, analysts begin by gathering information about the job content of the position in question. In most instances, analysts first solicit information from the supervisor, who drafts a formal position description. Because supervisors assign the work, they are considered to be in the best position to draft the description. However, in practice the job incumbent sometimes prepares the first draft.

The analyst may then verify the information by observing the incumbent's work in the field and speaking with the supervisor and the incumbent. Both the supervisor and the incumbent sign the final position description. The analyst then decides which classification best fits the position's duties by comparing the position description with narrative class specifications that are maintained for each class.

In making this determination, the analyst considers nine factors of job content: (1) *Knowledge and Skills Required*; (2) *Supervisory Controls*;

(3) *Guidelines*; (4) *Complexity*; (5) *Personal Contacts*; (6) *Physical Demands*; (7) *Work Environment*; (8) *Supervisory Skills*; and (9) *Managerial Responsibilities*. No quantitative weight is given to the factors.

### **Civil Service Commissions**

Employees can appeal the classification of their positions internally and recommend a more appropriate class. Final appeals of classification decisions go to the Civil Service Commission in each jurisdiction. After hearing from both employees and personnel officials, the commission renders a binding decision, which may include adjustments in the classification.

### **Pricing**

After each position is classified with other like positions, the classes are arranged in a hierarchy and assigned salary (wage) grades. Jobs deemed to be of comparable worth are grouped together into grades that will have the same wages attached to them. This is called pricing, although the actual dollar amount is not established through this process.

In making decisions on relative worth, the same nine factors applied in classification are used, again in a non-quantitative way. The intent is to map the classes onto the legislated salary grade structure under Chapter 77, HRS, in a manner that maintains internal alignment of job worth as measured by the factors.

Classes are compared with each other to determine their relative worth and then are priced accordingly. Thus, a class may be priced at grade four. A class deemed worth more according to the factors (for example, the job requires higher levels of skills or responsibilities or has more adverse working conditions) will be priced at a higher grade. This process maintains the internal alignment of classes—higher worth jobs are at higher grades. Of course, all individual positions within a classification have the same salary grade, and will be paid within the same established range.

The grade usually contains a range of pay, known as steps. Typically, individual incumbents are first paid at step one and receive higher steps with longevity. Bargaining unit 10 has a series of steps within the grades. Bargaining unit 1 has no steps within the grades; all incumbents in a grade are paid at the same rate, regardless of longevity.

The biennial Conference of Personnel Directors reviews pricing recommendations by the jurisdictions to determine whether adjustments to the salary ranges of existing classes should be made and to review the assignment of new classes to salary ranges. In order to ensure a level of consistency, the Conference uses benchmark classes which serve as

reference points against which appropriate classes are related and priced. All the jurisdictions do not have identical classes—considerable overlap exists. Pricing policies are recommended by the conference, but adopted only after review and approval by the Public Employees Compensation Appeals Board.

### **Public Employees Compensation Appeals Board**

The Public Employees Compensation Appeals Board (PECAB) takes recommendations from the Conference of Personnel Directors for pricing policy changes and hears appeals from employees about the assignment of salary grades. As with the Civil Service Commission, decisions of PECAB are binding on all of the jurisdictions. After hearing recommendations from the Conference of Personnel Directors and hearing any appeals, PECAB submits the compensation plan to the Legislature for approval.

### ***Collective bargaining of actual wages***

Most state and county employees in Hawaii are represented by unions in a collective bargaining process. By legislation, there are 13 bargaining units covering all employees except senior management and employees exempt from collective bargaining. Also by legislation, matters of classification and pricing are *not* subject to collective bargaining.

However, unions and employers do set dollar amounts to the various pay grades and steps within grades on a cross-jurisdictional basis through negotiations. The United Public Workers (UPW) Local 646 represents both bargaining units 1 and 10.

The collective bargaining process can result in the same (or different) percentage differences between adjacent grades. Unions can negotiate across-the-board increases or increases for specific grades only. Unions may also bargain on the percentage of benefits paid by the employer. For bargaining unit 1 (nonsupervisory blue collar workers), UPW negotiated to abolish steps (different salaries) within grades, so that all workers in each class now earn the same wages.

### ***Market considerations***

In the public sector of Hawaii, actual dollar amounts are attached to salary grades only through the collective bargaining process. There is no formal process for considering market wages in wage decisions. The personnel departments in the jurisdictions use market surveys in analyzing classification and pricing problems, but these data are not systematically part of attaching wages to grades.

However, the market does impinge on the wages set for various jobs. The jurisdictions may identify a job class which they are having difficulty filling. In such a case, shortage differentials are added to the

entry-level wage in order to attract qualified applicants for vacant positions. The premise behind shortage differentials is that the market supply of applicants is low, and the price paid (or demand) must be increased to increase supply. Short supply for specific employers may be generated by a wage that is too low; applicants go elsewhere. Increasing the starting wage will lure applicants to that employer.

Ideally, shortage differentials would last only a short time, and be removed when the shortage in the labor supply is corrected — when supply goes up, demand (or the wage) goes down. However, a number of classes have had shortage differentials attached to them for years. In other words, the shortage differentials for these jobs have acted as “de facto” pricing changes which appear to be permanent, rather than temporary adjustments to accommodate supply and demand problems.

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## **Objectives of the Study**

Our study had the following objectives:

1. To determine whether pay inequity exists among specific public employee job classes in bargaining units 1 and 10 that are dominated by one sex;
2. To determine what factors contribute to any inequities; and
3. To determine what changes in law or practice could best achieve fairness in job evaluation.

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## **Scope of the Study**

This study is of nonsupervisory blue-collar positions and “nonprofessional” institutional, health, and correctional worker positions. The collective bargaining units, jurisdictions, and number of classes and employees covered in this study are as follows:

Jurisdiction	Bargaining Unit 1:		Bargaining Unit 10:	
	Nonsupervisory Blue Collar		“Nonprofessional” Hospital and Correctional	
	No. of Classes	No. of Employees	No. of Classes	No. of Employees
State Executive Branch	151	4,396	29	2,075
State Judiciary	13	52	4	30
Honolulu County	223	2,464	13	177
Hawaii County	116	358	0	0
Maui County	87	458	0	0
Kauai County	100	314	0	0
Totals	690	8,042	46	2,282

This study examined how wages are set for jobs (job titles or classes) and whether patterns of inequities exist. It was not intended to identify and correct individual instances of discrimination.

## Methodology

We conducted two sets of analyses. First, we reviewed procedures and legislation governing the process of establishing wages for public employees in Hawaii. Second, we analyzed the content of a sample of jobs in bargaining units 1 and 10 and used statistical analyses to determine if wages were affected by the gender predominance of those jobs. Volume Two of this report contains technical appendices describing in detail our methodology for sampling, job evaluation, and statistical analysis.

We met with officials of the state Department of Human Resources Development, the Judiciary, the four counties, United Public Workers Local 646 (which represents bargaining units 1 and 10), and the Hawaii Civil Rights Commission.

We reviewed how wages are set and how the various levels of government coordinate their practices. We also analyzed relevant legislation and written procedures.

### *Analysis of wage equity*

To assess wage equity in bargaining units 1 and 10, we used two gender-neutral job evaluation systems. The two job evaluation systems meet the criteria of gender-neutrality. The first is the federal Factor Evaluation System (FES), which we modified to achieve state-of-the-art standards

for gender equity. We call this the Modified FES. The second is our own Diagnostic System, which we used as a check to provide balance and enhance validity.

### Modified FES

The Modified FES uses ten compensable factors, each with ten levels of increasing worth. The factors are assigned different points depending on the relative importance of the factor. The factors, weights, and maximum points are:

Factors	Weight	Points
1) Knowledge Required	25%	1000
2) Interpersonal Contacts	15%	600
3) Mental Work	10%	400
4) Independence of Action	10%	400
5) Physical/Sensory Demands	5%	200
6) Responsibility for Assets, Information, Programs, and People	10%	400
7) Impact	10%	400
8) Work Pressures	5%	200
9) Environment	5%	200
10) Hazards	5%	200
Total	100%	4000

### Diagnostic System

The Diagnostic System uses thirteen compensable factors, each delineated into five or six levels. The factor descriptions and point assignments differ from the Modified FES. The factors, weights, and maximum points possible in each are as follows:

Factors	Weight	Points
1) Skills and Knowledge Required	15%	750
2) Interpersonal Skills	5%	250
3) Complexity	10%	500
4) Licensure and Continuing Education Requirements	5%	250
5) Physical Demands	5%	250
6) Sensory Demands	5%	250
7) Emotional Demands	5%	250
8) Material Resources and Information	10%	500
9) Programs, Policies, Finances	15%	750
10) Direct Public Service	10%	500

11) Work of Others	5%	250
12) Environment	5%	250
13) Hazards	5%	250
Total	100%	5000

We took a sample of 50 jobs from bargaining units 1 and 10 for evaluation under the two systems. The sample included all female-dominated jobs with more than 10 incumbents and male-dominated (along with gender-mixed) jobs covering the range of salary grades and major job types. Jobs with 70 percent or more incumbents of one gender were considered gender-dominated.

Our job sample included mainly jobs in the state executive branch and the counties. Therefore, the wage patterns identified in this report do not include the Judiciary, primarily because of the small sample size. However, we did include the Judiciary in our discussion of possible problems and desirable improvements in the wage-setting process.

An experienced two-member team—a male and a female—evaluated the 50 jobs using both the Modified FES and Diagnostic System. They examined class specifications and position descriptions. In cases where job content information had not been updated in several decades, the evaluation team supplemented job documentation with their own knowledge of similar jobs in other public jurisdictions, for example when making determinations about the technological requirements of a given job.

Based on the points given to each job, we determined whether significant pay differences existed between male- and female-dominated jobs with similar points (equivalent worth). We used salary data provided by the Department of Human Resources Development in September 1994.

We used regression analysis to map out patterns of inequitable pay for jobs of equal worth but dominated by different genders. Regression analysis allowed us to measure the effect of gender on wages after job worth was taken into account. We also performed comparator group analysis, a more direct comparison between female-dominated jobs and male-dominated jobs. In this approach, we examined groupings of jobs of approximately equal value (similar total evaluation points).

Volume Two of our report contains appendices with the following information:

- criteria for sample selection;
- evaluation process;

- Modified FES System and weights;
- Diagnostic System and weights;
- details of job evaluation ratings;
- jobs sorted by worth points and pay; and
- technical discussion of regression and comparator group analysis.

Our work was performed from September 1994 through March 1995.



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# Chapter 2

## Findings and Recommendations

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This chapter presents the results of our analysis of wage equity in bargaining units 1 and 10. It also identifies some factors that may hinder wage equity in public employment in Hawaii. We believe that a job evaluation system based on quantitative factors is needed. In addition, the class specifications and position descriptions need to be updated and comparisons made across bargaining units.

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### Summary of Findings

1. A pattern of wage inequities exists in bargaining units 1 and 10. Female-dominated jobs tend to be undervalued and underpaid compared with male-dominated jobs.
2. Factors that may contribute to the inequities include Hawaii's narrative approach to job evaluation, no comparisons across bargaining units, and outdated position descriptions and class specifications.

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### Wage Inequities Exist in Bargaining Units 1 and 10

In the 50 jobs we sampled from bargaining units 1 and 10, we found that female-dominated jobs tend to be undervalued and underpaid when compared to comparable male-dominated jobs. This finding was confirmed consistently in our job evaluations and in four different types of analysis: (1) comparator group analysis of Modified FES results, (2) comparator group analysis of Diagnostic System results, (3) regression analysis of Modified FES results, and (4) regression analysis of Diagnostic System results.

Certain female-dominated job classes in both bargaining units are consistently underpaid relative to male-dominated classes with similar evaluations. Examples of undervalued job classes were found within food service, nursing, paramedical assistant, and occupational therapy assistant occupations. These job classes are associated with work traditionally performed by women.

The following is a summary of our job evaluations, analysis, and results. The appendices in Volume Two of this report describe our work in more detail.

### *Job evaluations reveal a pattern of inequities*

We analyzed the content of a representative sample of 50 jobs from the two bargaining units and rated their worth on the two gender-neutral job

evaluation systems: the Modified FES and the Diagnostic System. The Modified FES ranks jobs on ten compensable factors at ten levels within each factor, with a possible total score of 4,000 points. The Diagnostic System ranks jobs on thirteen compensable factors at five or six levels within each factor, with a possible total score of 5,000 points. We then lined up each job's point worth, current wages, and gender predominance. A pattern of inequities began to emerge. The following are just two examples.

### **Example 1: Licensed Practical Nurse III and Adult Corrections Officer V**

The Licensed Practical Nurse (LPN) III job (which is female-dominated) and the Adult Corrections Officer (ACO) V job (which is male-dominated) illustrate comparable worth without equitable pay. On the Modified FES, the LPN job was rated slightly higher in worth than the ACO job. On the Diagnostic System, the reverse was true. The differences in ratings were sufficiently small that the jobs may be considered comparable. Yet the ACO job pays \$3,102 a month while the LPN job pays \$2,413 a month.

The Modified FES resulted in a total score of 2,512 points for the LPN job and 2,398 points for the ACO job (see Exhibit 2.1). The two jobs had equivalent rankings for *Interpersonal Contacts*, *Mental Work*, *Independence of Action*, *Physical/Sensory Demands*, and *Hazards*. Both jobs require communicating effectively in emergencies, analyzing and evaluating problems, making decisions independently, meeting high sensory demands (walking, watching, and monitoring), and facing serious hazards with a potential for injury and bodily harm.

The LPN job had higher ratings for other factors: *Knowledge Required* because the job requires a license and more specialized experience than the ACO job, and *Responsibility for Assets* because the LPN has some budgeting and purchasing duties which the ACO does not. The LPN job also scored slightly higher on *Impact* because an error could directly result in someone's death. The ACO job, however, scored higher for *Work Pressure* and *Environment* because the job requires constant vigilance in an environment where physical violence may occur.

Using the Diagnostic System, the ACO V job scored higher at 4,205 points than the LPN III job at 4,010 (see Exhibit 2.2). In the Diagnostic System, the two jobs were comparable in *Skills and Knowledge Required*. The jobs were also comparable for *Material Resources and Information*—both maintain equipment, machinery, written reports, and other material resources. In addition, the *Environment* scores were similar because the ACO V job is exposed to violence and the LPN III job is exposed to illnesses from blood or excrement. The jobs were equivalent for their responsibility for the *Work of Others*.

**Exhibit 2.1****Modified FES Ratings of Adult Corrections Officer (ACO) V (\$3,102/mo)  
and Licensed Practical Nurse (LPN) III (\$2,413/mo)**

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Knowledge Required:</u>				
ACO requires high school degree and 3 years of specialized experience. LPN III requires high school degree, LPN license, work experience in clinics and medical/surgical wards, and one year experience as LPN II.	6	522	7	614
<u>Interpersonal Contacts:</u>				
High levels of interpersonal skill, requires ability to communicate effectively and quickly in emergencies.	6	313	6	313
<u>Mental Work:</u>				
Ability to analyze, evaluate, and synthesize problems.	6	209	6	209
<u>Independence of Action:</u>				
Independent judgment of action, ability to make decisions independently, relying on written guidelines and procedures.	7	246	7	246
<u>Physical/Sensory Demands:</u>				
High sensory demands. ACO must inspect all security equipment, gates, doors, windows, locking devices, vehicles, and communications systems. LPN monitors patients and collects data. Both jobs require some walking and physical exertion.	7	145	7	145
<u>Responsibility for Assets, Information, Programs, &amp; People:</u>				
Substantial responsibility for ensuring physical well-being of people and safety of physical environment. Additionally, LPN has some responsibility for budgets and purchasing.	5	209	6	246

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Impact:</u>				
Errors have significant impact. In both jobs, errors have the potential for serious bodily injury or health hazard. LPN's impact is slightly higher because error could directly result in death.	6	209	7	246
<u>Work Pressure:</u>				
Stressful work pressures. ACO must remain <i>constantly</i> vigilant and guarded. LPN's stressors are slightly lower and include timely response to emergency situations and vigilance in working with mentally ill patients.	7	145	6	123
<u>Environment:</u>				
Environments have adverse working conditions. ACO must remain constantly vigilant in environment where physical violence may occur. LPN must remain vigilant because of exposure to human blood, urine, and/or excrement.	9	200	8	170
<u>Hazards:</u>				
Range of serious hazards and the potential for injury and bodily harm because of direct access to inmates or ill patients.	9	200	9	200
<b>Total points</b>		<b>2398</b>		<b>2512</b>

**Exhibit 2.2**  
**Diagnostic System Ratings of ACO V (\$3,102/mo) and LPN III (\$2,413/mo)**

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Skills &amp; Knowledge Required:</u>				
ACO requires high school degree and 3 years of specialized experience. LPN III requires high school degree, LPN license, work experience in clinics and medical/surgical wards, and one year of experience as an LPN II.	5	650	5	650
<u>Interpersonal Skills:</u>				
High levels of interpersonal skill required. Ability to communicate effectively and quickly in emergency situations. Demands for interpersonal contacts for ACO are higher because inmates are often hostile or volatile. LPN's contacts are typically sensitive, require careful listening, and are often technical in nature.	5	250	4	200
<u>Complexity:</u>				
Ability to analyze, evaluate, and synthesize varied problems and activities. Jobs are similar in complexity, but ACO job requires response to difficult and unpredictable emergencies.	5	500	4	390
<u>Licensure &amp; Continuing Education Requirements:</u>				
Both jobs require formal skill updating. LPN requires license.	4	185	5	250
<u>Physical Demands:</u>				
Jobs have different physical demands. ACO requires significant physical exertion. LPN requires moderate effort, for example to frequently lift people.	4	200	3	150
<u>Sensory Demands:</u>				
High sensory demands and require attention to details. Sensory demands for ACO are slightly higher, requiring sustained concentration and continuous attention to details and activities of many inmates. LPN requires simultaneous attention on patients and monitors.	5	250	4	200
<u>Emotional Demands:</u>				
Emotional energy required. LPN job demands considerable emotional energy to work with people in physical and psychological pain. ACO requires moderate energy to serve and at times counsel people in distress.	4	200	5	250

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Material Resources &amp; Information:</u>				
Responsibility for maintaining the safety of equipment, machinery, written reports, and other material resources within a physical site.	4	500	4	500
<u>Programs, Policies, &amp; Information:</u>				
Limited responsibility for developing, monitoring, or administering programs or policies. ACO may interpret policies for implementation. LPN ensures that files and work orders are properly maintained and provides operational support.	3	450	2	350
<u>Direct Public Service:</u>				
Direct service to members of the public provided. LPN's responsibility is more long-term and involves both assessing and delivering services. For example, the LPN monitors a patient's condition, makes recommendations to a treatment team, and provides hands-on service. ACO delivers service, including some short-term counseling, to inmates.	5	400	6	500
<u>Work of Others:</u>				
Supervisory requirements and responsibility for assigning, directing, and evaluating the work of others.	3	120	3	120
<u>Environment:</u>				
Environments have adverse working conditions. ACO is regularly exposed to the threat of physical violence; the LPN is exposed to the threat of illness because of human blood, urine, and or excrement from patients in the work environment.	5	250	5	250
<u>Hazards:</u>				
Range of serious hazards and potential for injury and bodily harm because of direct access to inmates or ill patients. ACO is slightly higher because of comparability to patrol-policing. LPN faces significant hazards, such as working with contaminated needles.	5	250	4	200
<b>Total Points</b>		<b>4205</b>		<b>4010</b>

However, the Diagnostic System gave the LPN III job more points for the factors of *Direct Public Service*, *Emotional Demands*, and *Licensure and Continuing Education Requirements*. The ACO V job scored higher in *Physical Demands*, *Sensory Demands*, *Interpersonal Skills*, *Complexity*, and *Hazards*. The presence of possibly hostile and volatile inmates requires that ACOs sustain continuous concentration and attention to details.

### **Example 2: Licensed Wastewater Treatment Operator I and Paramedical Assistant III**

The Wastewater Treatment Plant Operator I job (which is male-dominated) and the Paramedical Assistant III job (female-dominated) provide another example of wage inequity. The Modified FES gave almost identical scores of 1,896 points to the plant operator job and 1,899 points to the paramedical assistant job. Yet the plant operator job pays \$2,329 per month, significantly higher than the \$2,053 for the paramedical assistant job. The Diagnostic System resulted in even more glaring inequity since the paramedical assistant job scored much higher at 3,570 points than the plant operator job at 2,605 points.

#### ***Other analyses confirm the problem***

We rated all 50 jobs in our sample using both the Modified FES and the Diagnostic System. Exhibits 2.3 and 2.4 show the results of the evaluations, the existing pay for each job, and whether the job is dominated by women, men, or neither (mixed). The two exhibits also show the results of the comparator group analysis from both the Modified FES and the Diagnostic System in terms of the difference in average pay for female-dominated and male-dominated jobs for each comparator group and for all comparator groups. In comparator group analyses, we grouped jobs into four groups that had roughly equivalent evaluation points.

#### **Comparator group analysis**

We made a “comparator group analysis” of the results of the Modified FES and Diagnostic System to identify more concretely the differences in pay among male- and female-dominated jobs with similar evaluation points. The analysis compared salaries for male- and female-dominated jobs within four groups with different point ranges. These comparator groups are shown in Exhibit 2.3 for the Modified FES and Exhibit 2.4 for the Diagnostic System.

The results showed that in every comparator group, female-dominated jobs are paid less, on average, than comparable male-dominated jobs. Specifically, the difference in pay is \$356 a month less with the Modified FES ratings and \$351 a month less with the Diagnostic System ratings.

For example, comparator group 1 in the Modified FES includes jobs ranging from Laundry Helper to Forestry Worker II. In this comparator group, the average pay of male-dominated jobs is \$1,810, the average of female-dominated jobs is \$1,730. Average pay of male-dominated jobs exceeds female-dominated jobs by \$80. In comparator group 2, which includes the jobs from Vector Control Worker II to Adult Corrections Recruit, the average pay for male-dominated jobs is greater than the average pay for female-dominated jobs by \$221. In Modified FES comparator group 3, which includes the jobs from Paramedical Assistant IV to Youth Corrections IV, the average pay for male-dominated jobs is \$432 more.

Using the Diagnostic System, comparator group 1 starts with the Laundry Helper job and ends with the General Laborer II job. In this group, the average pay for male-dominated jobs is \$76 more than the average pay for female-dominated jobs. In comparator group 2, Landfill Attendant to Paramedical Assistant I, average pay for the male-dominated jobs is \$186 more. In comparator group 3, which includes Electrician II to Paramedical Assistant IV, the average pay for male-dominated jobs is \$457 more.

The comparator group analysis shows that women do not get the same dollars for the same evaluation points.

### **Regression analysis**

We also used regression analysis to determine the effect of gender on wages. The regression analysis confirmed our finding that women's jobs are, on average, paid less than men's jobs of comparable worth.

The regression analysis showed clearly that in bargaining unit 10, female-dominated jobs are, on average, paid less than equivalent male-dominated jobs of comparable worth. Female-dominance had a statistically significant negative effect on wages. Female-dominated jobs averaged \$367 less a month with Modified FES ratings and \$346 less with the Diagnostic System ratings.

Regression analysis also showed that "women's work" is underpaid, though only very slightly, in bargaining unit 1. The inequity is primarily due to higher pay for male-dominated trade jobs compared with female-dominated non-trade jobs. The difference, however, is not statistically significant. This is partly because the small number of female-dominated jobs in the bargaining unit is not enough to produce a large (and therefore, statistically significant) effect. The gender effect is also minimized somewhat by the presence of some male-dominated unskilled jobs that are low-paid in comparison to the male-dominated skilled trades jobs in bargaining unit 1.

**Exhibit 2.3**  
**Modified FES Ratings and Comparator Group Analysis of All Jobs Sampled**

Job Title	Points	Monthly Pay			Male/Female Difference in Pay
		Mixed	Male- Dominated	Female- Dominated	
<u>Comparator Group 1:</u>					
Laundry Helper	1157	\$1679			
Cafet Helper	1195			\$1679	
Kitchen Helper	1226	\$1679			
Groundskpr I	1243		\$1679		
Food Serv Dr	1268			\$1729	
Carpet Clr I	1276		\$1799		
Janitor II	1303	\$1679			
Genl Lab I	1342		\$1679		
Light Truck Dr	1346		\$1799		
Groundskpr II	1391		\$1781		
Refuse Coll	1391		\$1949		
Warehs Wkr	1410		\$1799		
Dietary Aide	1413			\$1729	
Janitor III	1420			\$1781	
Genl Lab II	1445		\$1729		
Park Caretk II	1470		\$1799		
Cook I	1511	\$1873			
Heavy Tr Dr I	1512		\$2029		
Forest Wkr II	1521		\$1873		
<b>Average</b>		<b>\$1728</b>	<b>\$1810</b>	<b>\$1730</b>	<b>\$80</b>
<u>Comparator Group 2:</u>					
Vect Ctr Wkr II	1554		\$1834		
Landfill Att	1562		\$1873		
Equip Op II	1580		\$1949		
School Baker	1593			\$1949	
Sch Cook II	1593			\$1949	
Elect Helper	1601		\$1873		
Bldg Maint I	1614		\$2243		
Para Med Ast I	1630	\$1767			
Laundry Wkr II	1635		\$1834		
Painter II	1676		\$2380		
Auto Mech II	1743		\$2470		
Bldg Maint II	1779		\$2380		
Elect I	1784		\$2329		
Para Med Ast II	1877			\$1896	
WstWtr Tr Op I	1896		\$2329		
Para Med Ast III	1899			\$2053	
Elect II	1935		\$2470		
Adult Corr Rec	1941		\$2413		
<b>Average</b>		<b>\$1767</b>	<b>\$2183</b>	<b>\$1962</b>	<b>\$221</b>
<u>Comparator Group 3:</u>					
Para Med Ast IV	2060	\$2222			
Occ Ther Ast II	2061			\$2222	
LPN I	2062			\$2053	

Job Title	Points	Mixed	Monthly Pay		Male/Female Difference in Pay
			Male-Dominated	Female-Dominated	
Youth Corr III	2077		\$2512		
Rsp Thr Tech IV	2130	\$2618			
EMT	2141		\$2413		
Adult Corr III	2172		\$2618		
Adult Corr IV	2204		\$2850		
Juven Det Wk	2247	\$2413			
LPN II	2277			\$2222	
Youth Corr IV	2297	\$2731			
<b>Average</b>		<b>\$2496</b>	<b>\$2598</b>	<b>\$2166</b>	<b>\$432</b>
<u>Comparator Group 4:</u>					
Adult Corr V	2398		\$3102		
LPN III	2512			\$2413	
<b>Average</b>		<b>N/A</b>	<b>\$3102</b>	<b>\$2413</b>	<b>\$689</b>
<b>Overall Average</b>			<b>\$2423</b>	<b>\$2065</b>	<b>\$356</b>

**Exhibit 2.4**  
**Diagnostic System Ratings and Comparator Group Analysis of All Jobs Sampled**

Job Title	Points	Mixed	Monthly Pay		Male/Female Difference in Pay
			Male-Dominated	Female-Dominated	
<u>Comparator Group 1:</u>					
Laundry Helper	1360	\$1679			
Cafet Helper	1565			\$1679	
Kitchen Helper	1615	\$1679			
Janitor II	1720	\$1679			
Genl Lab I	1760		\$1679		
Carpet Clr I	1770		\$1799		
Food Serv Dr	1775			\$1729	
Refuse Coll	1810		\$1949		
Groundskpr I	1820		\$1679		
Elect Helper	1820		\$1873		
Dietary Aide	1875			\$1729	
Cook I	1930	\$1873			
Warehs Wkr	1970		\$1799		
Light Truck Dr	2070		\$1799		
Genl Lab II	2075		\$1729		
<b>Average</b>		<b>\$1728</b>	<b>\$1788</b>	<b>\$1712</b>	<b>\$76</b>

Job Title	Points	Monthly Pay			Male/Female Difference in Pay
		Mixed	Male- Dominated	Female- Dominated	
<b>Comparator Group 2:</b>					
Landfill Att	2170		\$1873		
Janitor III	2190			\$1781	
Vect Ctr Wkr II	2290		\$1834		
Groundskpr II	2300		\$1781		
Bldg Maint I	2340		\$2243		
Laundry Wkr II	2345		\$1834		
Forest Wkr II	2385		\$1873		
Painter II	2395		\$2380		
School Baker	2405			\$1949	
Equip Op II	2430		\$1949		
Park Caretk II	2440		\$1799		
Sch Cook II	2470			\$1949	
Elect I	2505		\$2329		
Auto Mech II	2555		\$2470		
Heavy Tr Dr I	2590		\$2029		
WstWtr Tr Op I	2605		\$2329		
Bldg Maint II	2655		\$2380		
Para Med Ast I	2675	\$1767			
<b>Average</b>		<b>\$1767</b>	<b>\$2079</b>	<b>\$1893</b>	<b>\$186</b>
<b>Comparator Group 3:</b>					
Elect II	2980		\$2470		
Para Med Ast II	3105			\$1896	
Adult Corr Rec	3200		\$2413		
LPN I	3280			\$2053	
Juven Det Wk	3415	\$2413			
Youth Corr III	3425		\$2512		
Occ Ther Ast II	3530			\$2222	
Rsp Thr Tech IV	3530	\$2618			
LPN II	3535			\$2222	
Para Med Ast III	3570			\$2053	
Youth Corr IV	3625	\$2731			
EMT	3645		\$2413		
Adult Corr III	3665		\$2618		
Adult Corr IV	3765		\$2850		
Para Med Ast IV	3795	\$2222			
<b>Average</b>		<b>\$2496</b>	<b>\$2546</b>	<b>\$2089</b>	<b>\$457</b>
<b>Comparator Group 4:</b>					
LPN III	4010			\$2413	
Adult Corr V	4205		\$3102		
<b>Average</b>		<b>N/A</b>	<b>\$3102</b>	<b>\$2413</b>	<b>\$689</b>
<b>Overall Average</b>			<b>\$2378</b>	<b>\$2027</b>	<b>\$351</b>

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## Several Factors May Cause Wage Inequity in Hawaii

Wage inequities that we identified probably have many causes. We did not establish clear cause and effect relationships, but the following are possible contributors: Hawaii's narrative approach to job evaluation, lack of comparisons across bargaining units, and out-of-date class specifications and position descriptions.

Hawaii uses a narrative non-quantitative classification and compensation system for public employment. The system has been in use for many years and no longer meets current standards for gender-neutrality.

Job evaluation systems were originally developed and refined around the time of World War II. At the time, it was expected and legal that women would be paid less than men for doing the same work.

It was not until the 1970s that state and local governments were held to federal anti-discrimination legislation enacted in the 1960s. However, procedures and methods used by employers to classify jobs and set wages had often not been redesigned to accommodate new values of gender equity. These older practices contained bias against jobs done predominantly by women.

Over the last two decades, much work has been done to identify how certain common practices discriminate against jobs held mostly by women. This work has resulted in the development of gender-neutral job evaluation systems, such as the two quantitative point-factor systems we used for this study. Such systems can be very effective in achieving and maintaining equity.

### ***Hawaii's narrative approach lacks consistency, inclusivity, and quantitative measures***

Hawaii lacks a consistent, gender-neutral, quantitative system for job evaluation, classification, and compensation. Instead, it uses a narrative approach. These weaknesses render the system too subjective.

This non-quantitative system does not lend itself to measuring jobs in a precise, explicit, and consistent way. It does not define varying levels of job content and does not assign points or weights to factors to differentiate value among jobs. Furthermore, the system itself excludes several factors that we consider fundamental to government jobs, such as *Direct Public Service* and *Sensory Demands*.

### **Inconsistent evaluations**

The current classification system is based on a whole-job comparison that has no explicit levels, weights, or points. After reading and analyzing specifications and the position description, a personnel specialist makes a match based on how well the specification fits the

overall job. In doing this, the specialist considers nine factors of job content: (1) *Knowledge and Skills Required*; (2) *Supervisory Controls*; (3) *Guidelines*; (4) *Complexity*; (5) *Personal Contacts*; (6) *Physical Demands*; (7) *Work Environment*; (8) *Supervisory Skills*; and (9) *Managerial Responsibilities*. No quantitative weight is given to the factors, and the position need not match the class specifications on each of the nine factors. Instead, specialists make the classification decision on a whole-job level. Specialists prepare detailed narrative comparisons with the best-fitting class and with the classes above and below it.

The benefits of the whole-job, narrative system are many: great detail can be included in making classification and pricing decisions, and narratives are easy to read and understand. Skilled specialists can make valid decisions with this methodology with much flexibility.

However, certain dangers are inherent in this subjective narrative, whole-job system. *Consistency* in evaluation is difficult to maintain with a non-quantitative system—the flip side of flexibility. In Hawaii’s non-quantitative system, no levels are defined for each factor. Each specialist decides which skills, for example, are more worthy than others. No definitions are made of varying levels of job content and no points are assigned to factors to differentiate value among jobs. Different specialists may make different decisions, and the same specialist may make different decisions regarding different comparisons. The different decisions may not be readily apparent in narrative reports, and thus may never be noticed.

For wage equity and gender neutrality, consistency of evaluation is critical. Inconsistency across comparisons may be related to the gender predominance of the jobs. This could result in serious gender bias in decisions on pricing.

### **Non-inclusive evaluations**

Consistency alone, however, is not sufficient. *Inclusivity* is also necessary. Consistent valuing of skills in jobs means, for example, valuing the master’s degree required for an administrator in the same way as the master’s degree required for a nurse practitioner. Work characteristics differentially associated with female-dominated work must be valued equitably. The nine factors used in Hawaii’s classification system are not inclusive.

For example, the LPN III and Corrections Officer V have similar requirements for *Hazards* and for *Public Service*, similar overall levels of worth, but dissimilar wages. It appears that these elements of job content were not valued in the same way for the two jobs.

Narratives make specific decisions about pricing harder to justify, precisely because of such inherent imprecision. Though specialists' recommendations may be sound and valid, the narrative system does not make that validity readily apparent. Thus, decisions based on the narrative approach may be more subject to challenge than those based on a well-designed quantitative system.

In contrast, gender-neutral systems such as the Modified FES and the Diagnostic System used in this study include a wide range of factors to measure the full scope of government jobs in a gender-neutral way. For example, the Modified FES includes many of the standard factors associated with job evaluation (such as *Knowledge Required*, *Interpersonal Contacts*, *Mental Work*, etc.). Additionally, the system gives credit to the effort required for *Sensory Demands*, the responsibility for the health and well-being of people, and stressors and pressures in the work environment, such as uncontrollable deadlines, competing time demands, and rotating shifts. These pressures are associated with a wide range of government jobs, particularly those in health care.

To ensure neutrality, gender-neutral systems explicitly measure the full range of duties and responsibilities associated with government jobs, those associated with both traditionally male and traditionally female jobs. For example, the Diagnostic System includes several state-of-the-art factors, such as *Direct Public Service* and *Emotional Demands*.

Hawaii's current non-quantitative system includes the traditional factors associated with most job evaluation systems such as *Knowledge and Skills*, *Complexity*, *Personal Contacts*, *Physical Demands*, and *Work Environment*. However, the system fails to recognize certain aspects of job content, some of which are particularly relevant to traditionally female jobs.

First, the non-quantitative system fails to recognize the requirement for licensure. This penalizes the jobs in the health care professions that have requirements for licensing beyond the minimum skill and knowledge required at hiring.

Second, the non-quantitative system fails to recognize the requirement for *Emotional Demands*. This factor measures the emotional effort required to perform the job and expend emotional effort, for example to clients or the general public. This factor measures a unique aspect of jobs responsible for human care, including corrections, juvenile detention, nursing, and other health care jobs.

Third, the non-quantitative system fails to recognize the requirement for *Sensory Demands*. This factor measures the nature, intensity, and duration of sensory attention required to perform the job. Sensory

demands include visual concentration, hand-eye coordination, auditory concentration, and use of smell and touch. These demands are characteristic of a wide range of jobs, both traditionally male- and female-job classes.

Fourth, while the non-quantitative system has responsibility factors, *Supervisory Skills* and *Managerial Responsibilities*, both factors primarily measure responsibilities held by employees at the supervisory level and above. The non-quantitative system fails to measure direct service, and responsibility for resources and information, both of which are critical to government jobs at many levels.

Job evaluation must be inclusive, as well as consistent. Hawaii's nine factors do not give explicit credit for responsibility for human welfare, direct public service, or emotional demands, characteristics typical of many female-dominated jobs. These elements of job content are, on the other hand, explicitly credited in both the job evaluation systems we used for this analysis. Recall, for example, that health care jobs (female-dominated) require high levels of these factors, while trade jobs (male-dominated) do not. Not crediting such elements results in gender-biased wages.

The State's Conference of Personnel Directors—which includes personnel directors from the executive branch, Judiciary, and the counties—should establish a labor/management oversight committee to oversee the development of a quantitative gender-neutral evaluation system for public employees in Hawaii.

***Lack of cross-bargaining-unit comparisons presents a problem***

Public sector employers in Hawaii do not analyze wage equity across bargaining units. Pay equity may be disrupted by differential bargaining strengths and by inconsistent valuation across job families. Without a process to assure consistent pay practices across job families, gender-based pay inequities are likely.

Hawaii law has created 13 bargaining units covering all government employees except senior management and employees in confidential positions. Also by legislation, matters of classification and pricing are not subject to collective bargaining.

Pay inequity could result, however, when unions and employers set dollar amounts to the various pay grades and steps within grades on a cross-jurisdictional basis through union negotiations. Unions can negotiate across the board increases or increases for specific grades only. Unions may also bargain on the percentage of benefits paid by the employer. The United Public Workers (UPW), Local 646 represents both bargaining units 1 and 10. For bargaining unit 1 (nonsupervisory

blue collar workers), UPW negotiated to abolish steps (i.e., different salaries) within grades, so that all workers in each class now earn the same wages.

Equity is achieved (or not) on a systemic basis and should be assessed on a systemic basis. However, in Hawaii, collective bargaining practices effectively prevent cross-bargaining unit comparisons. This may create an environment in which the types of inequities found in this study are likely to occur. It may well be that much inequity exists between and across bargaining units, even if it does not exist within any one of the units.

For example, stereotypical female-dominated jobs include secretarial and all levels of nursing jobs, while stereotypical male-dominated jobs include trade jobs. In Hawaii's system, wages for secretaries and nurses would never be compared with those for trade jobs, though such comparisons would be directly relevant to assessing and redressing gender-based inequities. In our findings, female-dominated health care jobs were indeed underpaid relative to male-dominated trade jobs.

The bargaining strength of different unions may also affect wage equity. Historically, unions representing male-dominated trade jobs have been very successful in bargaining for higher wages, while those representing female-dominated clerical jobs have not. Even if the differences in bargaining strength have diminished in recent times, historical patterns of pay may still play a role in generating gender inequity.

Because Hawaii's legislation is explicit about separating bargaining units, no analysis of cross-unit equity has been done. Since a systemic analysis is the only way to assess equity, a study of one or two bargaining units (such as the present analysis or Arthur Young & Company's 1986 study) cannot come close to fully assessing pay equity in Hawaii. Studies limited to certain bargaining units may identify and correct some inequities, but more serious inequities may remain.

***Position descriptions and class specifications are out of date***

The state Department of Human Resources Development and its counterparts at the county level do not routinely update the classification and compensation documents. Over time, the actual duties of positions change and more is learned about eliminating gender bias. Therefore, position descriptions and class specifications should be audited routinely every few years to assure currency and gender-neutrality. Periodic analyses and updating are critical to maintaining accuracy, consistency, and equity across the civil service.

The failure to adequately update job documentation may contribute to inequities in civil service jobs. Some of the job descriptions and class specifications used in making classification and pricing decisions are

more than thirty years old. This means they were written before the 1963 Equal Pay Act, before the 1964 Civil Rights Act, and before issues of gender neutrality were even thought of, much less developed and refined.

The Department of Human Resources Development and its county counterparts do not have sufficient training in gender neutrality issues and say they lack adequate resources to routinely maintain the classification and compensation systems. The personnel directors and staff we spoke with were aware of the need and unanimous in wanting to conduct regular, routine audits of classes and positions, but said they lacked the staff to do so. We believe that they could redirect their use of resources to develop innovative and cost effective approaches to achieving a more equitable and effective classification system.<sup>1</sup>

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## Recommendations

1. We recommend that the Conference of Personnel Directors establish a labor-management oversight committee of representatives from the State, including the Judiciary, and the four counties to oversee the development and implementation of a quantitative, point-factor job evaluation system that is tailored to the full complement of jobs in the Hawaii public service. Compensable factors should be explicit, comprehensive, relevant to Hawaii, and gender-neutral.
2. The State's public employers should develop a procedure that encourages comparisons across bargaining units so that consistency of job worth can be established and maintained over time.
3. The Department of Human Resources Development, the Judiciary, and the four counties should routinely maintain the classification and compensation system, auditing and updating their position descriptions and class specifications on a regular basis. They should consider developing innovative and cost effective approaches to improving job classification and fostering wage equity.



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## Notes

### Chapter 1

1. The Hawaii State Auditor, who retained our firm to conduct this study, requested that we include the following note concerning possible improvements in the job classification system:

State Auditor's Note—As we pointed out in our recent *Audit of the Process of Staffing State Programs*, Report No. 94-23, the State's classification system has its basis in civil service law that requires the Department of Human Resources Development to classify all positions through "adequate job evaluation." However, the law does not specify how "adequate job evaluation" is to be conducted.

In that report, we called for improving the job classification system by reducing the number of job classes—now 1,800—to help reduce the time and backlogs involved in classifying state positions. We suggested this be done through broad-banding, which makes classification simpler and ties salary more closely to performance. We made a similar suggestion in our recent *Audit of the Judiciary's Management of Its Resources*, Report No. 95-1.

Broad-banding has the following key features:

- Few grade levels and titles;
- Wide salary ranges based upon market pricing and pay equity;
- Career tracks for managerial and technical employees; and
- Skill- and knowledge-based pay for nonmanagerial employees.

We also suggested reconsidering the use of narrative job descriptions and moving instead to an automated classification system. One such system, used by the U.S. Navy, reportedly can generate generic position descriptions in a matter of minutes by answering computer-generated questions. The position description is used with a "Factor Evaluation Format" that establishes an appropriate grade for the position description based on nine factors.

Broad-banding and automated job descriptions might foster wage equity by facilitating the auditing and updating of position descriptions and class specifications in the State, the counties, and the Judiciary. If using broad-banding, it would be important to be vigilant to ensure that pay equity is in fact achieved.



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## Responses of the Affected Agencies and Comments on Agency Responses

On January 30, 1995, the State Auditor transmitted a draft of this report to the Department of Human Resources Development (DHRD), United Public Workers Local 646 (UPW), the Judiciary, the City and County of Honolulu, and the counties of Hawaii, Maui, and Kauai. After DHRD and Honolulu raised technical and other questions, the draft report was expanded by the addition of the technical appendices.

The Auditor transmitted the revised draft of the report to all of the above parties on March 14, 1995. A copy of the transmittal letter to DHRD is included as Attachment 1. Similar letters were sent to the other parties. DHRD's response is included as Attachment 2. The UPW stood by its response to the earlier draft; its comments are included as Attachment 3 (note that UPW's reference to page 25 of our draft now applies to page 29 of our report). Honolulu's response is included as Attachment 4. The Judiciary and the counties of Kauai, Maui, and Hawaii did not submit responses.

In their comments, both DHRD and Honolulu question the objectivity and soundness of our work. Our response to DHRD's extensive comments is included as Attachment 5. It serves also to respond to Honolulu's key criticisms.

The UPW responded that another recommendation should be added to our report: DHRD needs to be ordered to correct the inequities pointed out by our study.

STATE OF HAWAII  
OFFICE OF THE AUDITOR  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917



MARION M. HIGA  
State Auditor

(808) 587-0800  
FAX: (808) 587-0830

March 14, 1995

**COPY**

The Honorable James Takushi, Director  
Department of Human Resources Development  
Keelikolani Building  
830 Punchbowl Street  
Honolulu, Hawaii 96813

Dear Mr. Takushi:

Enclosed are three copies, numbered 6 to 8 of the revised draft report, *Study of Wage Equity in Public Employee Bargaining Units 1 and 10*. This draft is in two volumes. Volume One replaces the previous draft that were transmitted to you on January 30, 1995. Volume Two contains additional technical material. Together, the two volumes are designed to address technical and other questions raised concerning the previous draft.

We ask that you telephone us by Thursday, March 16, 1995, on whether or not you intend to comment on the recommendations. If you wish your comments to be included in the report, please submit them no later than Thursday, March 23, 1995.

The City and County of Honolulu; Counties of Hawaii, Maui, and Kauai; Judiciary; United Public Workers; Governor; and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

A handwritten signature in cursive script, reading "Marion M. Higa".

Marion M. Higa  
State Auditor

Enclosures

BENJAMIN J. CAYETANO  
GOVERNOR OF HAWAII



JAMES H. TAKUSHI  
DIRECTOR

DEPUTY DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT  
830 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5081

March 23, 1995

Ms. Marion M. Higa  
State Auditor  
State of Hawaii  
465 S. King St., Room 500  
Honolulu, Hawaii 96813

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MAR 23 3 37 PM '95  
OFF. OF THE AUDITOR  
STATE OF HAWAII

Dear Ms. Higa:

Thank you for allowing us to review and comment on the draft report, *Study of Wage Equity in Public Employee Bargaining Units 1 and 10*. I am transmitting with this letter our staff analysis of the report, which has my endorsement.

The length of our comments is indicative, both of the highly technical nature of the field of compensation and job evaluation, and of the many disagreements we have with your consultant on their methodology and their findings.

We do not agree with your consultant's conclusion that sex-based wage inequities exist in Bargaining Units 1 and 10, nor do we agree that their analysis supports such a conclusion. We have found their report to be both inaccurate and biased. In the attachment to this letter, my staff has tried to describe our concerns in as much detail as time has allowed us.

I hope your will find our comments useful. Please do not hesitate to call me if you have any questions.

Sincerely,

James H. Takushi

Attachment

March 22, 1995

**TO:** James H. Takushi, Director  
Department of Human Resources Development

**FROM:** Diana H. Kaapu, Chief   
Classification and Compensation Review Division

**SUBJECT:** Study of Wage Equity in Bargaining Units 1 and 10,  
conducted by Hubbard & Revo-Cohen

It is unfortunate that the consultant has allowed a predisposition to find sex-based inequity to bias this report, rather than to conduct, and present, a factual, objective, assessment. Because wages and equity are such important issues to employees and their representatives, as well as the employer, we believe it essential to be explicit in demonstrating this bias so that the casual reader of the report does not assume it reflects an objective assessment.

The biases in the report are pervasive. They are summarized here and discussed in detail, with our comments, in our appendices.

#### **Inaccuracies and biases in the consultant's narrative report**

For example, the consultant states in the narrative report (Volume 1), in bold type:

***"Wage inequities exist in Bargaining Units 1 and 10***

*In the 50 jobs we sampled from bargaining units 1 and 10, we found that female-dominated jobs tend to be undervalued and underpaid when compared to comparable male-dominated jobs. This finding was confirmed consistently in our job evaluations and in four different types of analysis."*

However, the wage inequity finding was **not** confirmed in the four analyses. In fact, the consultant's technical appendix acknowledges that the regression analyses showed that the 'inequity' was not statistically significant and states "there is no apparent pattern which differs according to gender." (These issues are discussed further in our Appendices.)

The inaccuracies, innuendoes and biases in the narrative report are too extensive to discuss in this summary response. We have therefore prepared a detailed response to each incorrect or suspect statement. Those statements and our response are contained in Appendix I.

### **Inaccuracies and biases in the consultant's technical methodology and appendices**

Our review indicates that there are substantial problems with the technical portion of the study. Those technical inadequacies are found in all parts of the study including:

- biased rating instruments
- questionable ratings of the classes
- inadequate analysis and statistical treatment of the data
- reported conclusions which conflict with the data and/or are unsupported by the data

Within the limited time available to prepare this response, we have attempted to identify and describe these inadequacies. They are discussed in Appendices II, III, and IV.

In order to illustrate these inadequacies, I would like to present in this summary one common sense example that clearly indicates that the job evaluation process used by the consultant is flawed.

On page 23 , the consultant reports that the class Para-Medical Assistant I (PMA I) should, based on their ratings, be paid more than the class Electrician I.

The facts about these two classes are shown on the next page:

Title	Para-Medical Asst I	Electrician I
Summary of Role	Entry level hospital aide	Fully qualified electrician
Qualifications Required	No requirements	Licensure as an electrician, and 4 years of work experience or equivalent (e.g., completion of apprenticeship)
Duties & Responsibilities	Provides personal care (e.g., bathing) to those who are not 'sick' (i.e., residents in a home for the elderly or the mentally retarded). May receive training in more responsible work.	Independently performs skilled electrical work in the installation and repair of electrical systems and equipment.

While all would agree that a measure of compassion is valuable in the PMA (hospital aide), it is clear that from a common sense point of view (as well as the pay equity principles of paying for skill, effort and responsibility) that the Electrician should be paid more. However, the consultant's evaluation system has determined that the PMA I should be paid more. Further, because the female-dominated PMA I is paid less, the consultant concludes that the State's system discriminates against women.

This type of bias is demonstrated in more detail in our Appendix III which, using the example in the consultant's own report of a comparison between an Adult Corrections Officer V and a Licensed Practical Nurse III, provides more accurate and unbiased information.

Flaws in the job evaluation methodology used by the consultant, which appear to have contributed to these unusual results are discussed in Appendix II.

## State commitment to pay equity

The State has a long commitment to pay equity. Equal pay for **comparable** jobs has been the policy governing civil service compensation for 50 years. (This policy goes far beyond the subsequently enacted and more limited Federal legislation calling for equal pay for both sexes performing the same job).

This policy was reinforced in 1961, when the legislature enacted Act 188 to mandate interjurisdictional biennial reviews by the directors of civil service in the various jurisdictions and to establish the Public Employees Compensation Appeals Board (PECAB). That Board has met over a dozen times since its establishment, heard hundreds of appeals from employees and their representatives, and authorized pay adjustments costing millions of dollars to provide employees with equitable pay.

Our long-term commitment to equal pay has resulted in significant differences, from the national norm, in pay for women's work. Traditional female dominated occupations such as Social Worker, Registered Professional Nurse, etc. were brought into alignment with male dominated occupations a decade before the phrase 'comparable worth' was heard elsewhere.

Today, our nurses and secretaries (cited in this report as well as frequently mentioned in national literature) are better paid than many other state occupations. For example, our nurse has a job rate of \$46,848 while other professionals, including male dominated occupations at the same pay grade, are paid from \$30,084 to 41,208. This example clearly demonstrates that the State does **not** discriminate against women. (It also illustrates the impact of the states collective bargaining law which permits different bargaining units to negotiate separately for wages, hours and working conditions).

It is also worth remembering that the fundamental equity of our job evaluation methods was tested in an earlier study, also conducted under the aegis of the Legislative Auditor, which found no pattern of sex-based wage discrimination.

## Summary and Conclusion

Many different job evaluation systems exist and all will produce somewhat different results.

Our review indicates that the results obtained in this study are not credible, given the substantial technical flaws identified.

It is indeed unfortunate that affected employees, who are unlikely to read the report or be able to judge the validity of the study or its findings, will no doubt hear that 'the state is biased and that females are underpaid.' We would expect agitation for higher wages to result. We can also expect employee dissatisfaction and a belief that they are being discriminated against if those higher wages are not forthcoming.

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Table IV - 1 t-test analysis (BU 1 and 10)

## **Inaccuracies and Biases in the Consultant's Report**

Numerous statements in the narrative report are either inaccurate or misleading. Each of those statements is shown below in italic type, followed by our comments.

### Page

#### **2 *Describing the jobs***

*To foster equity, job descriptions must be consistent in their level of detail. Jobs described in more detail appear "at face value" to have more weight.*

#### **DHRD Comment**

To an inexperienced individual, longer job descriptions may appear to reflect more difficult work. Experienced job analysts, however, judge the value of a job by its content rather than the length of the description.

Nevertheless, it is pertinent to note that of the state classes selected by the consultant for this study there was no material difference in length of either position description or class specification based on gender dominance. In fact, the longest class specification is of the female dominated School Baker.

#### **3 *Evaluating the job content***

*To guard against bias, the evaluation should be done by a team...comprised of both men and women...*

#### **DHRD Comment**

This statement inaccurately presumes all men and all women are consistently biased and is highly sex-stereotyping. An objective system, applied by experienced analysts should result in fair assessments regardless of the analyst's gender.

**3 Setting salary**

Failure to meet any of the criteria [level of detail, accuracy, currency, etc.] would result in lower wages for certain job titles based on gender predominance.

**DHRD Comment**

This is an irresponsible and absurd statement. Lack of currency, for example, will not "lower wages... based on gender predominance." (emphasis added)

**4 *Wage setting process in Hawaii***

*Classification and pricing decisions are coordinated and agreed to among the jurisdictions (state and counties) and may be appealed by job incumbents.*

**DHRD Comment**

Classification decisions are **not** coordinated or agreed to among the jurisdictions, although the pricing of classes does involve interjurisdictional coordination and agreement.

**4 *Classification***

**5** *Thus, every second year the Conference of Personnel directors meets to discuss proposed new classifications. Justifications and specifications for the new class are presented to the conference for approval and verification. A majority vote decides and all are bound by the decision.*

**DHRD Comment**

New classes are **not** handled biennially, as stated, nor are the class specifications subject to interjurisdictional vote and agreement.

Instead, each jurisdiction establishes, independently, classes to accommodate its jobs on an as needed basis. The proposed pricing of any such class is circulated to all other jurisdictions for majority agreement prior to finalization.

**5 Civil Service Commission**

*Final appeals of classification decisions go to the state Civil Service Commission, which is interjurisdictional.*

**DHRD Comment**

The State and counties have their own commissions. **None** are interjurisdictional.

**5 Pricing**

*The biennial Conference of Personnel Directors reviews all pricing decisions to assure they are reasonable and correct.*

**DHRD Comment**

The biennial review is not limited to new classes which are handled on an on-going basis, as noted above. Instead, the biennial review covers the pricing of those classes identified by the jurisdictions as warranting review.

The report fails to mention that, by statute, the Conference uses benchmarks (a recognized technique) as anchor points to ensure consistency in pricing.

**6 Market considerations**

*7 Ideally, shortage differentials would last only a short time, and be removed when the shortage in the labor supply is corrected. However, a number of classes have had shortage differentials attached to them for years. In other words, the shortage differentials for these jobs*

*have acted as "de facto" pricing changes which appear to be permanent, rather than temporary adjustments to accommodate supply and demand problems.*

**DHRD Comment**

It should be noted that all shortage rates are reviewed annually and adjusted, if warranted. The report implies that a long term shortage differential is suspect. However, since the consultant recommends mandatory equivalency of salaries based on job worth (internal alignment), some sort of differential is appropriate when labor shortages continue and/or salary schedule rates lag behind those in the market to the extent that State positions cannot be filled. Since changing the pay grade to reflect market conditions is precluded both by the consultant's recommended approach and the State's policy of internal alignment, an alternative method of providing a competitive and workable hiring rate must be used for as long as it is needed.

7 *The Conference of Personnel Directors must approve the differential.*

**DHRD Comment**

The Conference does not approve shortage declarations nor shortage differentials. Each jurisdiction may set the rates independently.

## 8 *Methodology*

### *Analysis of wage equity*

*...we used two gender-neutral job evaluation systems.*

#### **DHRD Comment**

Our review of these two job evaluation instruments indicates a disturbing lack of gender neutrality. They appear designed, especially, the Diagnostic System, to favor traditional female jobs.

Both systems consist of some gender neutral factors, which is proper. However, both also contain factors associated with female occupations. These factors which would give preference to female occupations are not balanced by any factors associated with male occupations. Because of the serious consequences of this bias, this issue is discussed further in Appendix II, Job Evaluation Instruments and displayed visually on Table II - 3.

Although the two systems appear different, there is little fundamental difference. Our statistical analysis indicates a correlation of .96 between the two. Thus, from a technical point of view, the sample classes have only been studied once, not twice.

## 9 *Modified FES and Diagnostic System*

#### **DHRD Comment**

Analysis of these instruments is contained in Appendix II, Job Evaluation Instruments.

10 *In cases where job content information had not been updated in several decades, the evaluation team supplemented job documentation with their own knowledge of similar jobs in other public jurisdictions, for example when making determinations about the technological requirements of a given job.*

## **DHRD Comment**

To interject personal opinions on what employees might do on the job without any attempt to seek actual facts is extremely suspect and may well account for erroneous ratings of some of the jobs. e.g., the consultant has credited LPN with a professional license which requires formal skill updating. This is not correct for our jobs.

### **13 Wage inequities exist in Bargaining Units 1 and 10**

*In the 50 jobs we sampled from bargaining units 1 and 10, we found that female-dominated jobs tend to be undervalued and underpaid when compared to comparable male-dominated jobs. This finding was confirmed consistently in our job evaluations and in four different types of analysis.*

## **DHRD Comment**

Based on the consultants own report, p. 20, and technical appendices, the finding was not confirmed in the four analyses.

Two of the cited analyses are regression analyses. Based on the consultant's own report the 'inequity' was not statistically significant in these two regression analyses. This lack of significance is further confirmed in the consultant's Volume II, page VII-3, which states "there is no apparent pattern which differs according to gender."

The other two 'analyses' are the 'comparator group' analyses. These analyses are highly questionable because they group jobs from the two bargaining units, rather than analyzing them separately since each bargaining unit negotiates its own wages, and for other reasons we cite in our Appendix IV. In any event, although the consultant did not run tests of statistical significance for these two analyses, we did. Those tests showed these findings are also not statistically significant. Our Appendix IV discusses the statistical significance issue as well as the comparator group methodology in more detail.

We also note that there are flaws and biases in the job evaluation instruments (Appendix II), questionable ratings (Appendix III).

We therefore cannot accept this conclusion based on the information presented.

- 13 *Certain job classes in both bargaining units are consistently underpaid. These include food service,...*

**DHRD Comment**

This statement is **not** supported by the consultant's own evaluation and ratings. 5 female dominated food service classes were studied.

When these 5 classes are compared with male dominated classes with similar numbers of total points, the female dominated food service classes were found to be:

paid **properly** 3 times,

paid **more** than their male counterparts 4 times, and

paid **less** than their male counterparts 1 time.

(2 ratings are mixed and do not show over- or under-payment.)  
Please refer to Table I - 1 for details on this assessment.

Clearly, female-dominated food service classes are **not** consistently underpaid.

- 13 *...Occupational Therapists . . .*

**DHRD Comment**

Occupational Therapists are not part of BU 01 or BU 10 and were not reviewed in this study.

- 14 **Example 1: Licensed Practical Nurse III and Adult Corrections Officer V...Illustrate comparable worth without equitable pay.**

**DHRD Comment**

Please refer to our detailed response, Attachment III, which shows that these jobs are not comparable. .

- 19 **Other analyses confirm the problem**

**Comparator group analysis.** *These comparator groups are shown in Exhibit 2.3 for the Modified FES and Exhibit 2.4 for the Diagnostic System.*

*The comparator group analysis shows that women do not get the same dollars for the same evaluation points.*

**DHRD Comment**

The comparator group analysis is highly suspect for several reasons. Please refer to our detailed response, Attachment IV.

- 20 **Regression analysis.** *Regression analysis also showed that "women's work" is underpaid, though only very slightly, in bargaining unit 1. The inequity is primarily due to higher pay for male-dominated trade jobs compared with female-dominated non-trade jobs. The difference, however, is not statistically significant.*

**DHRD Comment**

Regression analysis is a statistical treatment. Since the actual analysis showed there is no statistically significant difference between male and female dominated jobs, it is not appropriate for the consultant to state there is an "inequity."

**21 *Exhibit 2.3. Modified FES Ratings and Comparator Group Analysis of All Jobs Sampled***

**DHRD Comment**

Please refer to Appendix IV

**22 *Exhibit 2.4. Diagnostic System Ratings and Comparator Group Analysis of All jobs Sampled***

**DHRD Comment**

Please refer to Appendix IV

**24 *Several factors may cause wage inequity in Hawaii***

*We did not establish clear cause and effect relationships, but the following are possible contributors: Hawaii's narrative approach to job evaluation, lack of comparisons across bargaining units, and out-of-date class specifications and position descriptions.*

**DHRD Comment**

The consultant has failed to find 'wage inequity' in Hawaii, according to other portions of their report.

**24 *Hawaii's narrative approach lacks consistency, inclusivity, and quantitative measures***

*Furthermore, the system itself excludes several factors that we consider fundamental to government jobs, such as Direct Public Service and Sensory Demands.*

**DHRD Comment**

We agree our system is non-quantitative. This , however, does not mean it is biased. As the consultant notes on page 25, "skilled specialists can make valid decisions with this

methodology."

We do not believe we exclude legitimate factors. We see substantial similarities between the HRC factor of Direct Public Service and the State factor of Personal Contacts. Also, between the HRC factor of Sensory Demands and the State factor, Physical Demands. We therefore reject the assertion that we "exclude" consideration of such factors. We believe also, that the way in which the consultant has defined their factors they are gender-biased in order to favor female classes of work.

- 25 *Inconsistency across comparisons may be related to the gender predominance of the jobs. This could result in serious gender bias in decisions on pricing.*

**DHRD Comment**

It could, but gender bias was not proved by the consultant to exist in our pricing decisions.

- 26 *Hawaii's current non-quantitative system includes the traditional factors associated with most job evaluation systems such as Knowledge and Skills, Complexity, Personal Contacts, Physical Demands, and Work Environment. However, the System fails to recognize certain aspects of job content, some of which are particularly relevant to traditionally female jobs.*

*First, the non-quantitative system fails to recognize the requirement for licensure. This penalizes jobs in health care professions that have requirements for licensing beyond the minimum knowledge required at hiring.*

**DHRD Comment**

Licensure confirms that an individual possesses the knowledge and ability required to perform work in a particular occupational area. It is thus a reflection of knowledge and ability. The State values knowledge highly. However, to give double credit for knowledge through a second knowledge factor (licensure) would

penalize those employees of both sexes who possess equivalent knowledge in other occupations.

**27 *Lack of cross-bargaining-unit comparisons presents a problem***

**DHRD Comment**

Cross bargaining unit comparisons for the purpose of determining whether classes of work are underpaid or overpaid is inappropriate because salaries are determined through the collective bargaining process. Our job evaluation system does not determine salaries. Further, to demand that all bargaining units negotiate identical salary schedules, so as to attain pay equity, conflicts the fundamental intent of collective bargaining which is to allow the employees in the bargaining unit a voice in determining their wages. Thus, the two bargaining units in this study have, in their own interests, negotiated very different types of salary schedules (BU 1 has negotiated a single rate for each pay grade while BU 10 has negotiated 6 steps for each pay grade).

**28 *Equity is achieved (or not) on a systemic basis and should be assessed on a systemic basis. However, in Hawaii, collective bargaining practices effectively prevent cross-bargaining unit comparisons. This may create an environment in which the types of inequities found in this study are likely to occur.***

*For example, stereotypical female-dominated jobs include secretarial and all levels of nursing jobs, while stereotypical male-dominated jobs include trade jobs.*

**DHRD Comment**

Secretaries and professional nurses were not studied by the consultant because they belong to different bargaining units (BU 3 and BU 9). However, these two female-dominated job groups have high pay rates.

**28** *Position descriptions and class specifications are out of date*

**DHRD Comment**

We are working on developing more currency. However, an old document is not necessarily an inaccurate document nor a biased document.

**29** *This means that they were written before the 1963 Equal Pay Act, before the 1964 Civil Rights Act, and before issues of gender neutrality were even thought of, much less developed and refined.*

**DHRD Comment**

Please refer to our cover memo. The State has an enviable history and commitment to equity, and did not require Federal intervention to seek equitable treatment of all employees.

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**Table I - 1: Food Service Classes****Modified FES Ratings**

Each female-dominated food service class is compared with the male-dominated classes with the closest ratings

	<b>Sex Dom</b>	<b>Points</b>	<b>Pay Rate</b>	<b>Current Pay Favors...</b>	<b>Notes</b>
Cafeteria Helper	F	1195	\$1,679	Female	Female class paid as much as male class with higher points
Groundskeeper	M	1243	\$1,679		
Groundskeeper I	M	1243	\$1,679	Proper	Female class paid more than male class with less points and paid less than male class with more points
Food Service Driver	F	1268	\$1,729		
Carpet Cleaner I	M	1276	\$1,799		
Dietary Aide	F	1413	\$1,729	Male	Female class paid less than male class with similar points
Warehouse Worker	M	1410	\$1,799		
Equipment Operator II	M	1580	\$1,949	Female " "	Female classes paid as much as male class with similar points Female classes paid more than male class with more points
School Baker	F	1593	\$1,949		
School Cook	F	1593	\$1,949		
Electrician Helper	M	1601	\$1,873		

## Table I - 1: Food Service Classes

### Diagnostic System Ratings

Each female-dominated food service class is compared with the male-dominated classes with the closest ratings

	Sex Dom	Points	Pay Rate	Current Pay Favors...	Notes
Cafeteria Helper	F	1565	\$1,679	Female	Female class paid as much as male class with more points
General Laborer I	M	1760	\$1,679		
Carpet Cleaner I	M	1770	\$1,799	Proper	Female class paid as much as male class with similar points
Food Service Driver	F	1775	\$1,729		
Electrician Helper	M	1820	\$1,873	Mixed	Female class paid less than male class with less points, but properly in relation to male class with more points
Dietary Aide	F	1875	\$1,729		
Warehouse Worker	M	1970	\$1,799		
Painter II	M	2395	\$2,380	Mixed	Female class paid as much as male class with more points but less than male class with fewer points
School Baker	F	2405	\$1,949		
Equipment Operator II	M	2430	\$1,949		
Park Caretaker II	M	2440	\$1,799	Proper	Female class paid more than male class with less points and paid less than male class with more points
School Cook	F	2470	\$1,949		
Electrician I	M	2505	\$2,329		

g:\cw\foodsvc

## Job Evaluation Instruments

There are many job evaluation systems in existence and no universally accepted system which is considered 'right' for every employer.

The consultant has used two systems, called the Modified FES and the Diagnostic System, to rate the classes in this study.

### I. Background

#### Lack of External Cross Checks

Both systems were developed by the consultant and reflect the consultant's values. One of the systems is labeled 'Modified FES' which appears to give it the credibility of the federal government. However, a comparison of the Modified FES with the original FES shows that there are as many or more differences as there are similarities between the two. For example, the original FES weighs knowledge required very heavily, 41%. The consultant's Modified FES weighs this factor only 25%.

#### Similarities of Systems Used by Consultant

While the Modified FES and Diagnostic System have superficial differences, we find that they essentially replicate each other. Multiple regression shows that there is a 91% overlap between the results of two systems. This simply means that when the report contends that two evaluations were done, those two evaluations, in large part, replicate each other and do not, therefore, provide double assurance that the results are appropriate.

#### Quantification

Both systems are quantified and thus show numeric values for various aspects of the work. Quantification is useful because it facilitates comparisons and promotes consistency. However, **it is important to note that quantification does not assure validity.** A number which is

used to reflect an idea is no more valid nor appropriate than the idea itself.

## II. Factors

Most job evaluation systems use several factors all of which will be related to the fundamental factors of skill, effort, responsibility and working conditions.

**Factor Overlap:** Well designed systems are carefully constructed to ensure minimum overlap between factors to avoid inadvertent double crediting of a single aspect of work.

The factors used by the consultant have several areas of overlap, e.g., in the Modified FES, the definition of responsibility overlaps with the concept of Impact and Environment overlaps with the factor of Work Pressure. Similarly, there is confusion between the Factors Skills and Knowledge with Complexity in the Diagnostic System.

**Gender Neutrality:** For gender neutral results, the factors used must be selected and described in such a way that they are gender neutral.

The point of gender neutrality is not to find female related characteristics which can be used to increase the pay of women over that of men, but to ensure that work-related characteristics are identified in such a way that the legitimate contributions of both sexes are valued appropriately. The consultant's attempt to recognize the value of women's work has resulted in the use of several factors which exclude traditional male jobs. As a result, traditional male attributes or roles are precluded from equivalent weight.

Table II - 1 shows these gender biases.

## III. Factor Weights

Even more important than the way factors are defined is the weight given to those factors. A pair of jobs which score equally on a job evaluation system may score markedly differently on the same system if the factor weights are changed. Thus, while there are no universally accepted weights which must be assigned to specific factors, it is

important that the weights actually used be reasonably reflective of the demands of the workplace and the value of the work done.

Our review indicates that the consultant has provided far more weight to the peripheral factors of work environment than is usually the case. This, in turn, downplays the weight or significance of the work actually done. We believe this is inappropriate.

We also note that the weights given to the female oriented factors in both systems comprise at least 20% of the total. These weights are not balanced by any male oriented factors. Rather, the remaining factors are gender-neutral. Please refer to Table II - 1 for more details on the factors weights used and their gender bias.

The Pay Equity Commission of Canada has indicated that using factors associated primarily with one gender is not desirable. Instead it recommends using gender neutral factors. Certainly, if gender associated factors are used, they should be carefully balanced so that employees of both sexes can achieve comparable ratings for equivalent jobs.

## **Conclusion**

Because of the concerns cited above (i.e., with the factors used, how they are defined and how they are weighted), we have concerns about accepting the results of these instruments as reflecting (1) valid differences in work value and (2) gender-neutral evaluations.



### LPN III AND ACO V

The consultant uses comparisons of two classes, LPN III and ACO V, as illustrations of the 'proper' way to evaluate jobs and to support their contention that the State's system discriminates against female dominated occupations.

Our review of this comparison confirms our belief that:

- the rating systems are flawed
- classes have not been rated accurately

We have approached this review in two ways, described below:

#### **PART A:**

This part reflects a technical rating of the jobs, based on 4 different evaluation instruments:

Modified FES  
Diagnostic System  
Federal System (unmodified FES)  
Position Appraisal Method

All four of these ratings, including those using the consultant's own rating instruments, confirm the fact that the ACO V should receive a higher pay grade than the LPN III. The results of these ratings are shown on Tables III - 1, III - 2 and III - 3.

The difference in the ratings by our team (also composed of an experienced male and female job analyst) indicates that the consultant's ratings do not conform with the facts about the job and/or the definitions contained in their own systems.

For example, under licensure and continuing education, the consultant has credited the class LPN III at Level 5, "Licensure or certification in a professional field. Formal methods of skill updating are required to

maintain certification." The class thus receives 250 points in the Consultant's Diagnostic System rating.

However, a Practical Nurse License is virtually universally considered a vocational license, not a professional license. Further, in Hawaii, relicensure does not require formal skill updating, merely payment of the renewal fee. Therefore the correct rating, based on the consultant's own definition, is Level 3, "Recognized licensure or certification in a vocational field. Skill updating is acquired as a routine, informal part of the job." The correct number of points is thus 120, not 250.

## **PART B:**

This part reflects a more general assessment of the role of the LPN and ACO within their respective organizations. A primary contention of the consultant is that BU 10 health care jobs are undervalued because they are female dominated while BU 10 correctional jobs are overvalued because they are male dominated. Using the consultant's own example of LPN III and ACO V, we have tried to show in a more general and accessible way why the jobs are not comparable and why differences in pay are related to factors other than the sex of the incumbents.

Table III - 1  
Modified FES

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Knowledge:</u>				
ACO - At Level 5 - Knowledge of extensive body of rules, procedures or operations which is required of ACO V - not a professional or administrative as in Level 6. Level of education and experience close to ACO V.	5	444		
LPN - At Level 6 - "Practical knowledge of technical methods to perform assignments," LPN work require more technical methods and procedures than ACO.			6	522
<u>Interpersonal:</u>				
ACO - Level 6 - PD shows position in discussions with committees, inmates on sensitive and controversial issues (discipline). Interpretive example - communication between a correctional sergeant and inmate.	6	313		
LPN - Level 6 - Significant interaction with patients, a lot of times straight forward but sensitive with concern for patient's well being. Interpretive example - instructing, advising, planning or coordinating with others (staff and supervisors) or work objectives to achieve desired results.			6	313
<u>Mental Work:</u>				
ACO - Level 6 definitions apply to ACO V watch commander in charge of security requiring ability to analyze, evaluate and synthesize variable technical, <u>administrative</u> and human service problems. Administrative type description fits this ACO supervisor.	6	209		

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<p>LPN - Duties match some of Level 6 which says contributes to the conception, development or <u>administrations</u> of "...patient care techniques." Seems a little too developmental for a non-professional. Level 5 interpretive examples of "emergency medical technician's" response to situations, in line with (mental work) treatment of patients.</p> <p>NOTE: Level 6 - Definition in one sentence; mixes administrative type function with technical, making it very confusing to equate.</p> <p><u>Independence:</u></p> <p>ACO - As watch commanders, positions are responsible for the facility security over subordinate supervisors for their shift and (Level 7 interpretive example) must exercise some degree of independence at all times - specific guides and procedures are typically available.</p> <p>LPN - Level 6 definitions applicable. PD makes the position seem more independent than it really is but work should be later reviewed for appropriateness. Frequently may make definitive decisions due to nature of the work.</p> <p><u>Physical/Sensory Demands:</u></p> <p>ACO working with inmates and LPN working with "difficult behavioral problem patients" match Level 4 - <u>Heavy</u> exertion "may be episodes of intense physical effort ...such as grappling and fighting with adults," less than 5%. Sensory effort possibly moderate at 5 level but these are supervisory personnel who also do other non-observing type work.</p>			5	177
	7	246		
			6	209
	4	89	4	89

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Responsibility:</u>				
ACO - As a watch commander higher than Level 5 who does "direct provision of services to the public," but less than developing policies and procedures as at the 7 level.	6	246		
LPN - At Level 5 "direct responsibility for administering complex treatments or medications to patients." Not comparable to 7 level "mental health specialist" developing patient care and/or therapeutic plans requiring professional knowledge.			5	209
<u>Impact:</u>				
ACO - Level 8 - Errors seriously disrupt programs and services; large losses of time and resources. A prison escape, murder, etc., would do this. Interpretive example - As a watch commander "Jobs rated at this level generally have a greater impact associated with errors made by employees." (Level 10 last sentence)	8	289		
LPN - At Level 6 - Seem to reflect a worker making error which "could have a serious impact on patient care." Interpretive example - "practical nurses who administer physician treatment orders." Although working with difficult patients, others have responsibility for security and related impact unlike the ACO V.			6	209
<u>Work Pressure:</u>				
ACO - Level 7 definition applies precisely (working in a prison or correctional facility)	7	145		

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<p>LPN - Level 7 Interpretive example describes this LPN precisely. Close intensive supervision unit which includes forensic psychiatric patients. Must remain constantly vigilant and guarded.</p> <p><u>Environment:</u></p> <p>ACO - Level 9 - Requires high degree of tolerance to extremely unpleasant elements despite protective efforts. Interpretive example - correctional officers confined to work in a jail setting without relief.</p> <p>LPN - Working with "difficult behavioral problem patients," makes for an adverse and unpleasant environment, not unlike a jail or prison situation.</p> <p><u>Hazard:</u></p> <p>ACO - Level 9 - Severe health and safety risks where there is no ability to predict or control - Prisoners are not always predictable - Interpretive example specifically points to correctional officers with direct access to inmates.</p> <p>LPN - Level 7 - Describes exposure to health and/or safety risks that may not be easily predictable and controllable, as with "difficult behavioral problem patients." Interpretive example specifically points to "forensic psychiatric technicians who deal with persons who are criminally insane and therefore present a constant risk." They may be sedated so not really sure how risky they are.</p>			7	145
	9	200		
			9	200
	9	200		
			7	145
TOTAL		2381		2218

Table III - 2  
Diagnostic System

Factors	ACO V		LPN III	
	Level	Points	Level	Points
<u>Skills and Knowledges:</u>				
ACO - At the ACO V level, requires more than proficiency in occupational field as at the 3 level, but not necessarily requiring application of theories and principles at Level 5 which seems to reflect professional work. Broad knowledge of specialized field at Level 4 with specific methods and procedures seems more appropriate.	4	550		
LPN - This position also does not reflect the professional type knowledge and skills at the 4 level but requires broad knowledge and specific methods and procedures of the LPN field.			4	550
<u>Interpersonal Skills:</u>				
ACO - As a supervisor over ACO's and dealing with inmates, (Level 5) "interaction is a key component of the job," that may be hostile, or volatile.	5	250		
LPN - Dealing with behavioral problem "mental" patients, interaction with emotional, hostile, sensitive and volatile people is a key component reflective of Level 5 which includes involvement in counseling.			5	250

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Complexity:</u>				
ACO - Policies and procedures exist for the most part. This ACO V is responsible for a watch which has many different activities. Level 3 seems more descriptive of the subordinate supervisors while Level 5 requires advanced analytical skills and/or creative thinking, more than required of the ACO V.	4	390		
LPN - Work does not seem as analytical as at the 4 level and more based on experience. The steps, processes or methods used require "assessment of the circumstances and interpretation of data" as described at Level 3. Does not require problem solving or original thought as at the 4 level.			3	280
<u>Licensure and Continuing Education:</u>				
ACO - No specialized licensure required as in level 1.	1	0		
LPN - Level 3 - Recognized licensure or certification in a vocational field. Relicensure only requires payment of fees.			3	120
<u>Physical Demands:</u>				
ACO - This is a supervisory/administrative type position which does not use <u>frequent</u> moderate physical effort of the 3 level.	2	100		
LPN - This LPN is involved with patients not physically incapacitated for the most part so <u>frequent</u> lifting, standing or sitting which may be restricted, reflected at the 3 level does not occur.			2	100

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Sensory Demands:</u>				
ACO - Although supervisory positions, these ACO's make their rounds and give attention to security details which may be of special significance during or in preventing emergency conditions reflected at the 5 level. Requires intense attention.	5	250		
LPN - The Level 3 describes routine monitoring of patients' condition; however the difficult behavior problem patients require attention to two or more activities (security as well as patient care) of the 4 level.			4	200
<u>Emotional Demands:</u>				
ACO - Level 3 describes work of ACO's in <u>regularly</u> dealing with angry or difficult people.	3	150		
LPN - The LPN works with mentally ill patients and by Level 5 definition, serve people in physical or psychological pain or with great impairment (assuming these patients are greatly impaired psychologically and possibly in psychological pain).			5	250
<u>Material Resources and Information:</u>				
ACO - As a watch commander, the positions are responsible for all security equipment which is of paramount concern for a correctional facility.	4	500		
LPN - Level 4 - <u>Significant</u> responsibility for material resources - dispensing controlled substance, is rated at the 4 level.			4	500

Factor	ACO V		LPN III	
	Level	Points	Level	Points
<u>Programs, Policies, Finances:</u>				
ACO - Makes decisions, as a watch commander, affecting all prison security during shift; interpreting policies especially during emergencies.	4	550		
LPN - Greater than Level 1 - "Implementation responsibilities are limited to carrying out directives," <u>with</u> interpretation (leeway in carrying out treatment plans).			2	350
<u>Direct Public Service:</u>				
Both ACO and LPN involves delivery of health (physical) services reflected at Level 5.	5	400	5	400
<u>Work of Others:</u>				
ACO - Has subordinate first line supervisors as in Level 4.	4	185		
LPN - Working supervisor - Level 3 working or first line supervisor.			3	120
<u>Environment:</u>				
ACO - Regularly working in a "confined", hostile environment.	4	200		
LPN - Regular exposure to "difficult behavioral problem patients."			4	200
<u>Hazard:</u>				
ACO - Level 4 - Working among an inmate population.	4	200		
LPN - Level 4 Continual exposure to significant hazards - working among difficult behavioral problem patients.			4	200
TOTALS		3725		3520

**Table III - 3**

Showing an evaluation of the ACO V and LPN III using the Unmodified FES and also another gender - neutral evaluation system

<b>FES (Unmodified)</b>			<b>PAM (Position Appraisal Method)</b>		
	<b>ACO</b>	<b>LPN</b>		<b>ACO V</b>	<b>LPN III</b>
<u>Basic Evaluation</u>					
Knowledge Required	350	350	Nature of Work & Knowledge Required	60	60
Supervisory Controls	125	125	Supv Exercised/Scope of Responsibility	120	60
Guidelines	125	125	Scope & Effect of decisions & Actions	80	80
Complexity	25	75	Problem Solving & Complexity/ Guidelines	60	60
Scope & effect	75	75	Application of Authority	10	5
Personal Contacts	60	25	Purpose & Nature of Work Contacts	20	20
Purpose of Contacts	120	50	Physical & Sensory Demands & hazards	5	5
Physical demands	20	20			
Work Environment	20	20			
<b>Total</b>	<b>920</b>	<b>865</b>	<b>Total</b>	<b>355</b>	<b>290</b>
<b>Total Evaluation (including credit for supervisory responsibilities)</b>	<b>ACO V</b>	<b>LPN III</b>			
	<b>1870</b>	<b>1605</b>			

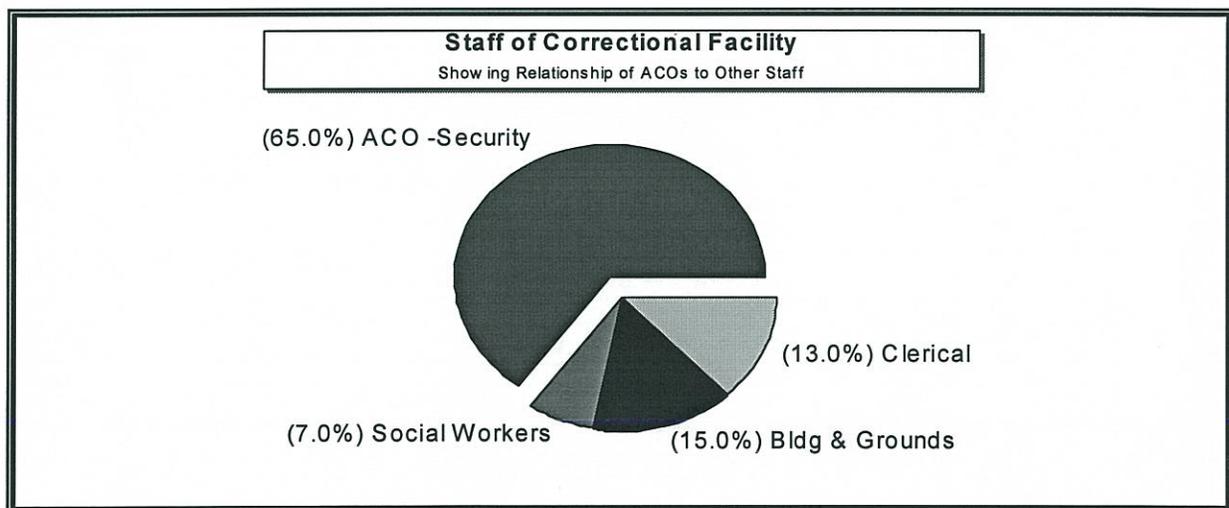
A major comparison made in the HR report on jobs in Bargaining Unit 10 is that two classes (Licensed Practical Nurse III and Adult Corrections Officer V) should be 'valued' equivalently. The report concludes that, since they are not valued equivalently (the male dominated ACO V is paid more than the female dominated LPN III) there is a clear indication of sex-based wage inequity. However, the facts do not support this conclusion.

One of the tenets of Comparable Worth theory is that jobs should be valued according to their content and value to the organization and not according to the sex of the incumbents.

The following information illustrates the difference between these two groups of employees in these areas.

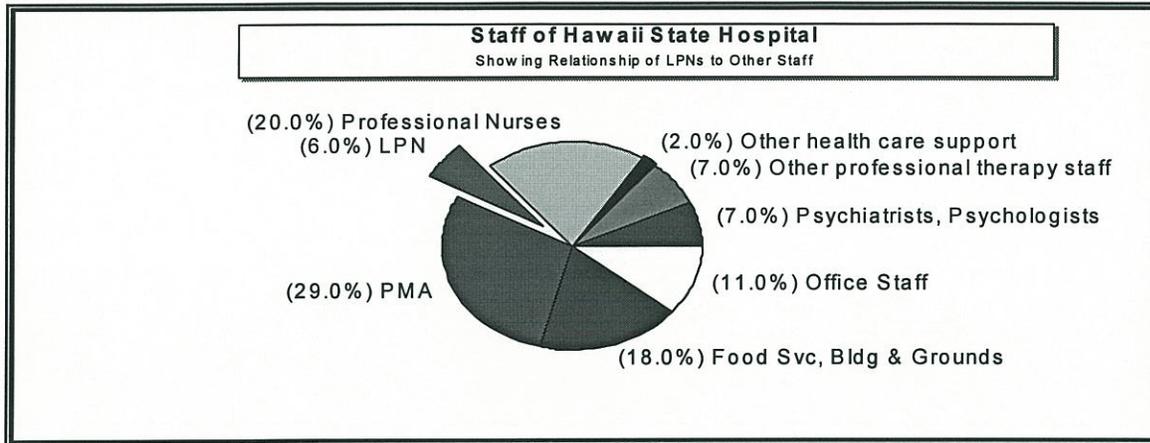
### I. Importance to the Institution

ACOs are the primary staff of the institutions in which they work. They are 65% of the total staff and are responsible for the primary function of the institution: security.



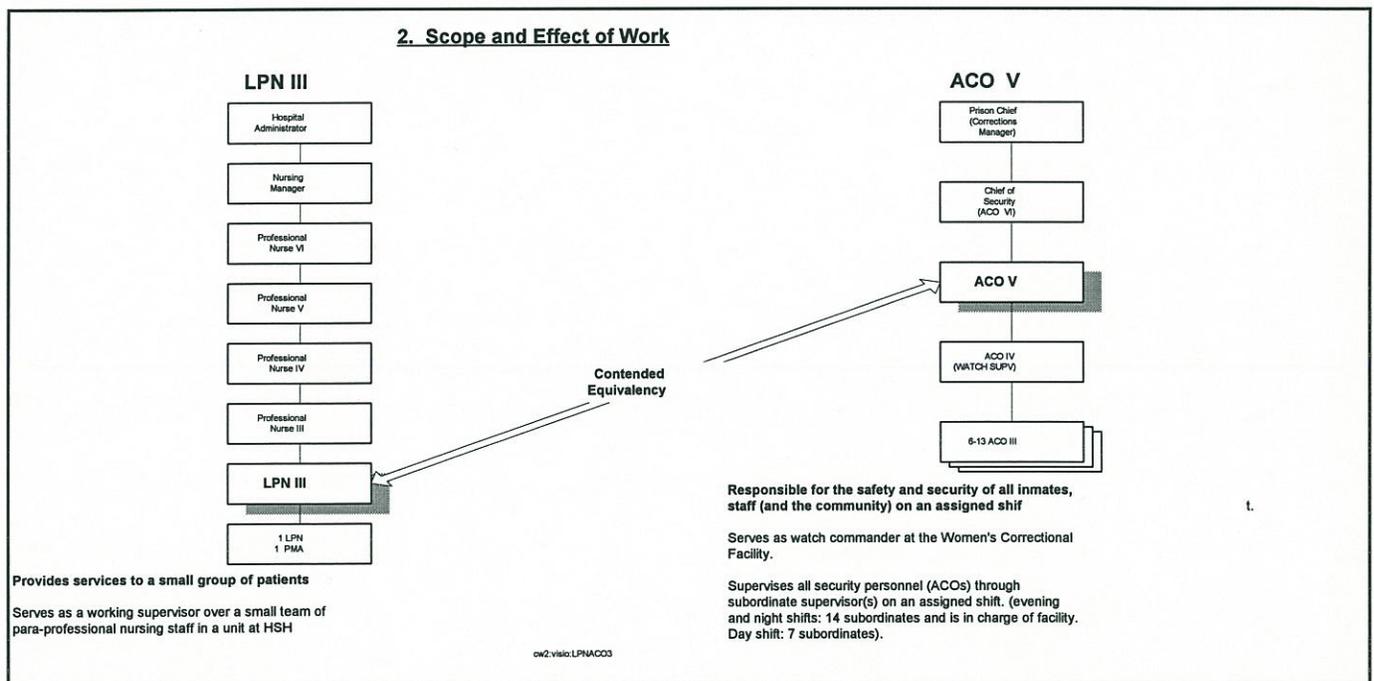
LPNs, by contrast, are a small segment of the total workforce of a hospital (6% of the total). They thus play a smaller role within the institution. Since the primary function of the institution studied in the report is the treatment of psychiatric patients, it is also significant to note that the LPNs role is

subsidiary to that of the psychiatrists, psychologists, social workers and other therapy staff as well as to the professional nurses who are in charge of nursing services for the institution.



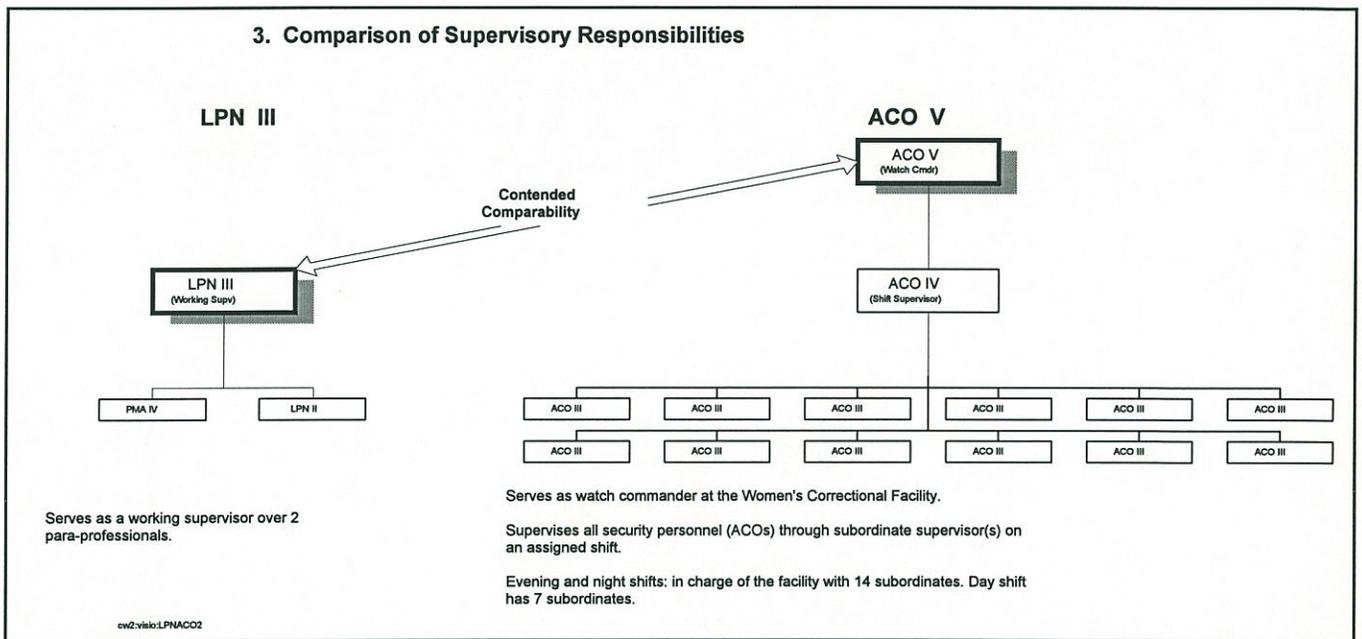
## II. Scope and Effect of the Work

The LPN is responsible for a small group, which supports professional staff of the unit and provides services to an assigned group of patients. The ACO is responsible for the safety and security of all inmates and staff of the facility on an assigned shift and, by extension, the surrounding community.



### III. Supervisory Roles of the Positions

Although both the LPN III and the ACO V serve as supervisors, their roles are markedly different. The LPN III serves as a working supervisor over 1 LPN and 1 PMA. The ACO V, by contrast, is a Watch Commander. A supervisor of other supervisors, he/she supervises all security personnel on an assigned shift. He/she is in charge of the facility on the evening and night shift. He/she is in charge of the facility on the evening and night shift.



### Conclusion

The 'evaluation' presented by the consultant as an illustration of the neutrality and validity of their methods used in this study takes none of these facts into account. Further, the consultant concludes that the higher pay rate for the ACO reflects a sex based inequity.

The consultant's findings, that the ACO V and the LPN III are comparable and should be paid the same, flies in the face of common sense and thus raises legitimate questions about the findings and conclusions in this report.

At best it reflects inadequate factfinding and invalid methodologies.

compworth2:acolpn3

**A. Regression Analysis**

Volume Two, Appendix VII of the consultant report describes the use of regression analysis to determine if there is any relationship, or correlation, between different sets of data. Page VII-2 states

*"... we must take into consideration the probability that the sample is unlike the whole population of jobs. This is done by measuring the statistical significance of coefficients. When a coefficient is not statistically significant, this means that the probability is too high that it could have occurred by chance, and it is not sufficiently different from zero to accept it. Thus, when a coefficient is not statistically significant, we reject it as important statistically."*

The analysis in Appendix VII further states that

*"There is no apparent pattern which differs according to gender."*

*"Tables 1 and 2 show a small negative effect of being in a female-dominated job, though the effect is not statistically significant."*

(Consultant Tables 1 and 2 show the regression statistics for the Modified FES and Diagnostic System.)

The importance of statistical significance is described and recognized in the consultant analysis of Bargaining Unit 1 in Appendix VII, however it is not recognized in Volume I of the report under findings and recommendations. Statements were made which totally disregarded the importance of statistical significance, e.g.,

*"In the 50 jobs we sampled from bargaining units 1 and 10, we found that female-dominated jobs tend to be undervalued and underpaid when compared to male dominated jobs. This finding was confirmed consistently ... in four different types of analysis ... (3) regression*

*analysis of Modified FES results, and (4) regression analysis of Diagnostic System results."*

We went further to do a t-test analysis on Bargaining Unit 1. The t-test analysis indicated no significant differences between the means of female-dominated classes and male-dominated classes. Female-dominated classes on the average, have lower monthly pay than the male dominated classes, however, the difference was not significant (see attached State Table IV-1).

## **B. Comparator Group Analysis**

### **Analysis Method Questionable**

This is not a credible method of analysis nor a recognized statistical methodology. The analysis of any data is only as accurate or relevant as the tool used to analyze it therefore, we question the validity of any findings based on this method.

However, if we are to accept the "comparative group analysis" as a valid statistical tool, the "analysis" contains three major flaws which affect the results.

- 1) The consultant established bands to define each comparator group. However, when the widths of these bands are changed, they yield different results.
- 2) The consultant has combined data for Bargaining Unit 1 and Bargaining Unit 10, contrary to Hawaii's public policy which allows employees in different bargaining units to negotiate their own pay and benefits.
- 3) The analysis fails to determine if the differences in average pay were of statistical significance.

### **1) Inappropriate Bands or Groups**

The consultant segmented the results from each rating system into four comparative groups based on the accumulated points assigned to each occupation. The consultant contends that each group "*includes jobs that are of approximate equal value*" and which "*reflect natural clusters of the*

*job classes."*

However, common sense dictates that all of the positions in a group are **not** of equal value because in many cases a single group contains both a worker and the position's supervisor (consultant report, volume two, pages VII-19, 20, 21, 24). For example,

Comparator Group Analysis - Modified FES

Group 1 contains both the Janitor II (worker) and Janitor III (supervisor)

Group 2 contains both the Electrician I (worker) and Electrician II (supervisor)

Group 3 contains both ACO III (worker) and ACO IV (supervisor)

Comparator Group Analysis - Diagnostic System

Group 2 contains both Building Maintenance Worker I (worker) and Building Maintenance Worker II (supervisor)

Group 2 contains both the ACO III (worker) and ACO IV (supervisor)

Further, changing the range of points used to define each group significantly changes the results of the analysis. For example, if the width of Group 1 in the Modified FES method is changed from 1157-1521 points to 1157-1445 points, the male/female difference in pay changes from \$80 to \$22. This example indicates that the band widths selected by the consultant have markedly influenced the results.

## **2) Inappropriately Combined Bargaining Units**

Combining jobs from different bargaining units into one analysis, shadows the integrity of the results since by law, bargaining units within the State are allowed to act independently of one another on pay and benefit issues. There exists no common denominator between the two bargaining units with respect to the wages each bargaining unit is able to negotiate (e.g., sometimes a bargaining unit will elect to receive better benefits in exchange for salary) and therefore each bargaining unit should be considered separately. The following table uses the Modified FES Ratings method and illustrates the effect that separating the bargaining units has on the results.

Modified FES

	<u>Bargaining Units 1 and 10</u>		<u>Bargaining Unit 1</u>	
	<u>Consultant Range</u>	<u>Male/Female Diff. in Pay</u>	<u>DHRD Range</u>	<u>Male/Female Diff. In Pay</u>
Group 1	1157-1521	\$ 80	1157-1303	\$35
Group 2	1554-1941	221	1342-1470	9
Group 3	2060-2297	432	1511-1635	(1)
Group 4	2398-2512	689	1743-1935	No Female Jobs

Note: There are only 5 female dominated jobs out of 31 jobs analyzed.

**3) Lack of Statistical Significance**

The consultant's "comparator group analysis" failed to determine if the differences in average pay are statistically significant.

We conducted a t-test analysis for the consultant's comparator group analysis of the positions in both bargaining units using the Modified FES System. The t-test analysis indicated no significant differences between the means of female-dominated classes and male-dominated classes for Comparator Groups 1 and 2. Female dominated classes on the average, have lower monthly pay than the male dominated classes, however, the differences were not significant (see State Table IV-2).

The t-test analysis indicated significant differences between the means of female-dominated classes and male-dominated classes for Comparator Group 3. Female-dominated classes on the average, have significantly lower monthly pay than the male-dominated classes.

T-test analysis was not performed on Comparator Group 4 since the sample size for female-dominated classes was 1 and sample size for male-dominated classes was 1.

Similar findings were discovered when the t-test analysis was applied to the consultant's comparator group analysis using the Diagnostic System

(see State Table IV-3).

Failure of the consultant to conduct and report their findings regarding the level of significance casts serious doubts on the objectivity and accuracy of their findings. The consultants made the statement that *"In every comparator group in both evaluation systems, we found female-dominated jobs to be paid lower, on average, than comparable male-dominated jobs."* However, they fail to qualify this by stating that the differences found were not statistically significant for 4 out of the 6 comparator groups tested.

## **Conclusion**

While we reject this analysis because it combines data from different bargaining units and because the groupings are suspect, we believed it necessary to point out the additional issue of lack of statistical significance and thus inappropriately reported findings.

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

STUDY OF WAGE EQUITY IN PUBLIC EMPLOYEE BARGAINING UNITS 1&10

TABLE IV-1: T-TEST ANALYSES (BU01 Only)

Dependent Variable: Monthly Pay

	Groups	Mean	n	t
1)	Female-dominated	\$1802.67	6	-1.68 <sup>n.s.</sup>
	Male-dominated	\$1994.74	23	

-----  
\*\*\*\* p < .0001  
\*\*\* p < .001  
\*\* p < .01  
\* p < .05

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

STUDY OF WAGE EQUITY IN PUBLIC EMPLOYEE BARGAINING UNITS 1&10

TABLE IV-2: T-TEST ANALYSES (BU 01 and BU 10 Combined)

COMPARATOR GROUP ANALYSIS within FES SYSTEM

	Groups	Mean	n	t
<b>Comparator Group 1:</b>				
1)	Female-dominated	\$1729.50	4	-1.45 <sup>n.s.</sup>
	Male-dominated	\$1810.45	11	
<b>Comparator Group 2:</b>				
2)	Female-dominated	\$1961.75	4	-1.63 <sup>n.s.</sup>
	Male-dominated	\$2182.85	13	
<b>Comparator Group 3:</b>				
3)	Female-dominated	\$2165.67	3	-3.59*
	Male-dominated	\$2598.25	4	

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\*\*\*\* p < .0001  
 \*\*\* p < .001  
 \*\* p < .01  
 \* p < .05

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

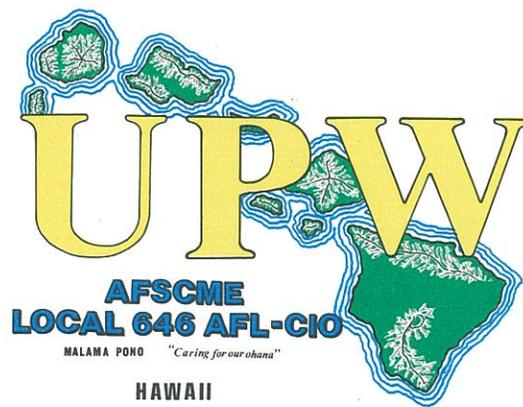
STUDY OF WAGE EQUITY IN PUBLIC EMPLOYEE BARGAINING UNITS 1&10

TABLE IV-3: T-TEST ANALYSES (BU 01 and BU 10 Combined)

COMPARATOR GROUP ANALYSIS within DIAGNOSTIC SYSTEM

	Groups	Mean	n	t
<hr/>				
<b>Comparator Group 1:</b>				
1)	Female-dominated	\$1712.33	3	-1.35 <sup>n.s.</sup>
	Male-dominated	\$1788.25	8	
<b>Comparator Group 2:</b>				
2)	Female-dominated	\$1893.00	3	-1.19 <sup>n.s.</sup>
	Male-dominated	\$2078.79	14	
<b>Comparator Group 3:</b>				
3)	Female-dominated	\$2089.20	5	-4.88 <sup>**</sup>
	Male-dominated	\$2546.00	6	
<hr/>				
****	p < .0001			
***	p < .001			
**	p < .01			
*	p < .05			

GARY W. RODRIGUES  
State Director, UPW  
President, Hawaii AFL-CIO  
Judicial Panel, AFSCME



February 3, 1994

Ms. Marion Higa  
State Auditor  
State of Hawaii  
OFFICE OF THE AUDITOR  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917

RECEIVED  
FEB 6 2 47 PM '95  
OFC. OF THE AUDITOR  
STATE OF HAWAII

**RE: STUDY OF WAGE EQUITY IN PUBLIC EMPLOYEE BARGAINING UNITS 1 AND 10 – DRAFT REPORT NO. 14**

Dear Ms. Higa:

This is in response to the recommendations on page 25 of the draft report titled "Study of Wage Equity in Public Employee Bargaining Units 1 and 10".

We believe that another recommendation needs to be added. The Department of Human Resources and Development needs to be ordered to correct the inequities that have been pointed out by the study, or this report will gather dust and no corrective action will take place.

The report confirms our concerns that were brought to the attention of the Department of Human Resources and Development almost eight years ago.

Sincerely,

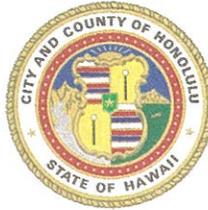
Gary W. Rodrigues  
State Director

GWR/tga



DEPARTMENT OF PERSONNEL

## CITY AND COUNTY OF HONOLULU

550 SOUTH KING STREET  
HONOLULU, HAWAII 96813JEREMY HARRIS  
MAYORCYNTHIA M. BOND  
DIRECTOR

March 23, 1995

RECEIVED

MAR 23 3 52 PM '95

OFC. OF THE AUDITOR  
STATE OF HAWAII

Ms. Marion M. Higa, State Auditor  
Office of the Auditor  
465 South King Street, Room 500  
Honolulu, Hawaii 96813-2917

Dear Ms. Higa:

We have reviewed the draft report, *Study of Wage Equity in Public Employee Bargaining Units 1 and 10*. In response, we offer the following comments for your consideration.

We have considerable concern as to the overall validity and reliability of the study conducted by the consultant. In their enthusiasm for developing a diagnostic system that includes factor definitions and examples that purportedly do not promote or encourage bias, and integrates heretofore unrecognized characteristics such as responsibility for human care and the effort required for sensory attention, we wonder if in fact the consultant has not overtilted balance in order to achieve its conclusion that wage inequity exists. Certainly, in lieu of persuasive technical argument to justify inclusion as part of the evaluative process, we must ponder whether introduction of the above-referred characteristics by the consultant is genuinely necessary to achieve a fair and unbiased assessment. Frankly, the very tenor of the characteristics of human care and sensory attention appear as though slanted to achieve a biased purpose. Second, although the study included an adequate discussion of the rating factors employed, the consultant completely avoided explanation of their weighting scheme, except to refer to it as, "absolute relative factor weighting." In essence, the consultant asks that the reader accept without question the integrity of their weighting system, and consequently their conclusions, premised simply upon their word. Clearly such terms are unacceptable for a study of such importance.

A second concern is the cross-bargaining unit comparisons made by the consultant. Although it recognizes at the outset that wages for state and local government employees in Hawaii are

Ms. Marion M. Higa  
March 23, 1995  
Page 2

determined by collective bargaining, which law effectively precludes cross-bargaining unit comparisons, the consultant still proceeded to draw conclusions related thereto. We question whether such indifference on the part of the consultant to the laws that pertain to our jurisdictions is consistent with the parameters of the project with which it was tasked. In contrast, we note the deference accorded the law by the Arthur Young study conducted in 1986.

Third, we note with surprise that the study fails to review and give just consideration to the classification and pricing factors which were initially considered in the establishment of the classes addressed in the study. To find such class pricings flawed at a much later date in time, apparently without in-depth study, seems unfair.

Finally, we observe that there was only cursory recognition of the Public Employees Compensation Appeals Board as a component in the overall pricing process, much less its critical role.

In summary, for the considerable number of technical flaws, some of which we've noted above, we find the consultant's findings detailed in the *Study of Wage Equity in Public Employee Bargaining Units 1 and 10* highly questionable.

Sincerely,



CYNTHIA M. BOND  
Director of Personnel

## HRC RESPONSE TO DHRD COMMENTS ON STUDY OF WAGE EQUITY IN BARGAINING UNITS 1 AND 10

### INTRODUCTION

Hubbard and Revo-Cohen, Inc. (HRC) has reviewed the comments submitted by the Department of Human Resources Development (DHRD) regarding our report entitled Study of Wage Equity in Public Employee Bargaining Units 1 and 10. This report contains our response to DHRD's comments. Most of DHRD's comments relate to technical issues regarding HRC's methodology and findings. They have also raised professional issues regarding HRC's objectivity and motivation in conducting our assessment. In order to respond to all of DHRD's comments in a coherent way, we have written a general response covering the following basic issues:

- o HRC's professionalism and objectivity;
- o Challenges to the job evaluation instruments;
- o Challenges to the job evaluation ratings;
- o Challenges to HRC's analysis, statistical treatment of data, and conclusions.

We have also responded point by point to DHRD's comments in Appendix I of their submission regarding specific statements in our draft report. Issues raised in Appendix II through Appendix IV of their submission are answered by way of reference in the general response under the appropriate heading.

### GENERAL RESPONSE

#### **HRC's professionalism and objectivity**

*DHRD has raised concerns about HRC's objectivity, suggesting that HRC has a "predisposition to find sex-based inequity" which has biased our report. They have also challenged HRC's technical methodology in conducting the study.*

Hubbard and Revo-Cohen, Inc. (HRC) is known by reputation throughout the United States and Canada for our expertise in equitable compensation. Since 1984, we have conducted over eighty wage equity studies, primarily for large

employers in both the public and private sectors. Not only is HRC fully knowledgeable and experienced in the current issues surrounding wage equity and bias free job evaluation systems, but we have led the field in the development of methodological approaches that are now standard procedure among consultant firms who conduct wage equity studies.

Because of HRC's expertise in equitable compensation, we are often the expert of choice for governmental and non-profit organizations to provide training and technical assistance on wage equity issues. For example, we were retained by the Ontario Human Resources Secretariat (the largest public sector employer in Ontario), the Ontario Pay Equity Commission, and the Auditor General of Canada to provide training and expert opinion on job evaluation systems and methodological approaches to investigate systemic gender bias. Dr. Lynda Ames, HRC senior analyst for the Hawaii study, has qualified and testified as an expert on wage equity in hearings before the Ontario Pay Equity Tribunal. HRC has been retained by numerous states including Ohio, New Jersey, Wyoming, Washington and counties and cities including Montgomery County, Maryland, the city of Boston, Washington, D.C., and Philadelphia to conduct wage equity studies among public sector employees. We have provided countless training programs to organizations such as the National Committee on Pay Equity, the Classification and Compensation Society, and the Canadian Compensation Association.

HRC has conducted much of its wage equity work in the context of joint labor/management committees, where we have served as a neutral professional resource in providing technical assistance and group facilitation. This experience has provided us the opportunity to understand the perspectives of both management and labor and to design gender-neutral job evaluation systems and analytical methodologies that have survived close scrutiny by both sides for objectivity and fairness.

For this project with the Office of the Auditor in Hawaii, HRC was competitively selected from a field of four consultant firms that submitted proposals because of our ability to meet the requirements of the Request for Proposal.

**It is our firm opinion that DHRD's comments challenging HRC's professional judgment and accusations of consultant bias are completely baseless.**

## **Challenges to the job evaluation instruments**

*DHRD's Appendix II asserts that HRC has used biased rating instruments, favoring female work and disfavoring male work.*

"Bias" requires a standard against which to judge "lack of bias". Some historical information is helpful with respect to this point.

Job evaluation systems were originally designed to replicate existing market wages. These job evaluation systems (JES) were then validated against the market. Since the literature maintains that market wages include discrimination against female-dominated jobs, the market can no longer serve as the appropriate validation standard for gender-neutral JES.

Thus, we are left without a single, quantifiable validation standard, a standard against which to judge bias. In its place, we must analyze and develop a JES against what is known about how existing JES undervalue female-dominated jobs. This is, to be sure, a much more difficult proposition than simply finding job content and weights which replicate existing wages. It is, nevertheless, the only way to achieve gender neutrality.

The systems used in HRC's analysis of job content reflect our thorough study of these issues, both in the literature and in our many implementation projects in cities, counties, and states in the US and for a variety of employers in Canada. We have included factors at weights we have found to properly credit both male and female work.

Though the DHRD seems to cite the FES as an appropriate system (to provide "external cross checks"), that job evaluation system has been clearly shown in the literature to be gender biased. The modified FES corrects the identified bias, and was used, successfully, to correct gender inequity in the District of Columbia. A similar version was used in Montgomery County, Maryland. This is not an untested system. The Diagnostic System is simply that -- a system to show whether there is any under-valuation of certain kinds of jobs.

DHRD approvingly cites the Pay Equity Commission of Canada. Presumably, they mean the Ontario Pay Equity Commission, since the Canadian Human Rights Commission oversees pay equity for the federal government. Note that one of the authors of the HRC study, Dr. Ames, served as an expert witness for the winning

side in the first case before the Ontario Pay Equity Tribunal (part of the Commission). In this case (Ontario Nurses' Association vs. the Municipality of Haldimand-Norfolk), the Tribunal unanimously agreed with Dr. Ames' assessment of gender-neutrality. The standard arrived at in that decision has served since as the framework for judging gender neutrality in meeting provincial legislation requiring pay equity. DHRD could usefully study that decision.

In other words, HRC has extensive experience in identifying and correcting gender bias in job evaluation systems, and in devising gender neutral systems. The systems we used reflect that experience and expertise.

DHRD notes that there is no universally accepted weight structure, but that the weights must reflect the demands of the workplace. This is, indeed, true. The same must be said for the choice of factor elements to value. However, that policy decision -- and it is a policy, not technical decision -- must be made by the entire organization to be valid. The values of an organization cannot be determined by a few technicians.

If and when the jurisdictions in Hawaii develop a quantified job evaluation system, that development should occur with full input by the range of interests in the establishment: personnel department professionals, union representatives, rank-and-file workers, senior management, female-dominated job incumbents, male-dominated job incumbents, and so on. Without that full participation, the system can only reflect the values of a portion of the organization.

The study conducted by HRC was a diagnostic study. We found significant reason for the state to consider a more consistent, up-to-date, and gender-neutral system for setting wages. If, in the end, a fair and open process of identifying factors and weights results in a system different from the ones used by HRC, it may well be gender-neutral also. Our findings and recommendations are not to adopt the systems we used in this study, but to develop an appropriate method to correct the inequities apparent.

## Challenges to the job evaluation ratings

*Appendix III in DHRD's comments challenges HRC's job evaluation ratings by comparing the ratings of the Licensed Practical Nurse III (LPN III) and the Adult Corrections Officer V (ACO V).*

HRC uses job evaluation as a tool to measure the relative worth of jobs. To ensure that job evaluation ratings generated by our evaluators were bias-free, HRC followed several procedures:

- \* HRC carefully selected a team of evaluators. The composition of the evaluation team itself was designed to be diverse (e.g., in terms of gender, race, age) to reduce the likelihood that any individual evaluator's life experience or perceptions about jobs would influence the ratings.
- \* HRC provided training to team members in conducting bias-free evaluations.
- \* HRC evaluators looked at each job from an objective, outside, "fresh" perspective. The evaluators were purposefully not given organizational charts, salary schedules, and grading schemes that could bias them to maintain the current relationships among jobs.\*

\*Note: In this study, the mandate was for experts, outside of the government system, to evaluate the jobs. In this mandate is the recognition that bias could occur if people inside the government system rated the jobs.

- \* HRC evaluators used a consistent set of information to rate each job. For example, in this study, HRC was provided with only written documentation (position descriptions and class specifications).
- \* HRC evaluators used bias-free rating systems. In this study, HRC used two gender-neutral instruments that credit important components of all jobs (skill, effort, responsibility, and working conditions). The instruments are designed to fairly assess both male- and female-dominated jobs. Compared to traditional rating systems, HRC's instruments include some factors and definitions designed explicitly

to recognize components of jobs that have been overlooked in the past.

- \* HRC evaluators applied the rating instruments consistently, and used the same set of factor definitions and interpretations to rate each job.

In sum, job evaluation ratings are considered credible when an experienced team of evaluators, with an objective perspective of the jobs, follows the principles of bias-free evaluation, carefully reviews the documentation provided, and consistently applies the bias-free rating instrument(s).

Given the procedures HRC followed to conduct our job evaluations, we are highly suspect of the ratings for the LPN III and ACO V submitted for consideration by DHRD in Appendix III of their comments. Our primary concerns with the procedures used by DHRD are documented below.

First, interviews with DHRD officials specifically indicated that evaluation teams receive **no** training in techniques to reduce and eliminate gender bias.

Second, we assume that the team was comprised of individuals from within DHRD. This suggests that the individuals would not likely have a fresh, objective perspective of the jobs. Instead, they are more likely to tend to maintain the status quo of the current relationships between jobs.

Third, DHRD's ratings appear, at times, to contradict the information provided in the job documentation. For example, based on the job documentation provided by DHRD, HRC awarded the LPN III a Level 7 on the Independence of Action factor in the Modified FES. DHRD disagrees with this rating, instead assigning a lower rating (Level 6), and comments the "PD makes the position seem more independent than it really is . . . " The nature of this comment strongly suggests that the DHRD evaluators are using their "implicit" judgment to assign the "correct" rating for the job, rather than reading and interpreting "explicit" written documentation.

Fourth, the supplementary documentation DHRD provides for the two jobs, and has used as the basis for its evaluations, is grounded in traditional notions of how to measure the value of work. For example, DHRD defines for each job, the "importance to the institution" by first documenting the percentage of the jobs the workers hold. From this measurement, DHRD suggests that ACOs, which

comprise 65% of the Correctional Facility staff, are more important to their "institution" than LPNs, which comprise 6% of the state hospital staff. DHRD provides pie charts and mini-organizational charts that measure the jobs from a traditional, hierarchical perspective that clearly maintains the status quo. Are we to assume from this analysis that in a school system the groundskeepers should be valued more than the principal because there are so many more groundskeepers? As illustrated in the example attached, HRC in contrast has measured the jobs based on a much broader set of criteria, valuing, for example, the responsibility for human welfare by providing "hands-on" care giving. The approach that DHRD takes reflects significant philosophical differences in how DHRD and HRC measure and interpret the value of jobs.

Illustration: Direct Public Service in Diagnostic System

<u>Diagnostic System</u>	<u>HRC Ratings</u>		<u>DHRD Ratings</u>	
	<u>ACO V</u>	<u>LPN III</u>	<u>ACO V</u>	<u>LPN III</u>
"Direct Public Service"	5	6	5	5

The factor "Direct Public Service" measures the degree to which incumbents are directly responsible for the welfare of the public. Welfare includes physical, economic, and psycho- social elements. The factor explicitly measures responsibility for the welfare of others, through hands-on care giving. The factor has 6 levels.

The chart above indicates that both HRC and DHRD assigned a Level 5 rating to the ACO V. For the LPN III, however, HRC assigned the highest level, a Level 6, because the LPN III routinely provides **hands-on care giving**, a responsibility beyond that required by the ACO V, who primarily supervises security personnel.

DHRD's assignment of a "Level 5" to the LPN III on this factor strongly suggests that HRC and DHRD interpret the factor language differently and/or have a different philosophical perspective of the value of the jobs.

Fifth, DHRD uses four evaluation systems, two of which are inappropriate for inclusion in a pay equity study. In addition to using the two gender-neutral systems, the Modified FES and the Diagnostic System to rate the jobs, DHRD evaluators also rated the two jobs on two additional systems, the unmodified Federal System, and the Position Appraisal Method. The unmodified FES has been challenged as gender-biased since 1978 by pay equity experts and in Congressional testimony before the U.S. Congress. We know nothing about the Position Appraisal Method and question its relevance to the results in our report. These other systems are inappropriate for consideration in an analysis of wage equity.

As a result of the differences in our ratings, DHRD questions the accuracy of our rating instruments and the actual evaluation ratings. Given the nature of job evaluation, and that job evaluation relies on human judgment, the fact that HRC and DHRD have different ratings does not suggest that HRC has been inaccurate. The differences, rather, suggest a clear departure **in the philosophical perspective between DHRD and HRC** about the value of the jobs in question and clear differences in expertise in documenting wage equity. HRC's expertise in wage equity is well recognized.

The philosophical differences are also apparent when comparing the Para- Medical Assistant I (PMA I) and the Electrician I. In DHRD's introductory summary, DHRD claims that HRC's evaluations of the jobs are inaccurate. As indicated in the illustration below, the difference in interpretation does not reflect inaccuracies, but a difference in interpretation of the jobs.

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Illustration: Responsibility for Assets, Information, Programs, and/or People in Modified FES

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<u>Modified FES</u>	<u>HRC Ratings</u>	
	<u>Electrician</u>	<u>PMA</u>
"Responsibility"	3	4

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The "Responsibility" factor in the Modified FES measures responsibility for materials, equipment, and financial resources of the organization; the degree to which the employee is responsible for the well-being of the people whom the organization serves; or the breadth of programs and their relationship to the overall mission of the organization.

HRC has rated the Electrician I a Level 3 on this factor, which credits the job for responsibility to ensure the upkeep and repair of machinery and equipment, and with moderate responsibility for assets. HRC has rated the PMA I a Level 4 on this factor. Level 4 is designed for jobs that fall between levels 3 and 5 on this factor. Level 4 is appropriate because it credits the job for responsibility for on- going, limited, designated responsibility for physical safety and well-being of others (as stated in Level 3), as well as shared responsibility to provide direct services to patients, and direct responsibility for implementing treatments to patients (as stated in Level 5).

HRC's intent in measuring the jobs is to award appropriate credit for the separate components of the jobs (the skill, effort, responsibility, and working conditions). The language DHRD uses to describe the two jobs is disturbing, and appears to discount the work of the PMA. Further, DHRD's comment that "it is clear from a common sense point of view . . . that the Electrician should be paid more", goes against the very principle of wage equity, by suggesting a pre- determined bias about how jobs should be paid.

**HRC maintains that the evaluation process used met all of the criteria established in the literature for bias-free job evaluation. We stand behind the ratings systems used and the accuracy of the evaluation ratings submitted to the State in our original report.**

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## Issues relating to the analysis, statistical treatment of data, and conclusions

### Comparator Group Analysis

*Appendix IV of DHRD's comments questions several aspects of the comparator group analysis. HRC has responded below to DHRD's concerns.*

The comparator group analysis submitted by HRC was designed to be **illustrative** in nature. There is **no** claim or suggestion that this is a statistically-driven methodology. In fact, the purpose of the comparator group analysis is to illustrate for the lay person, the essence of what is contained in the statistically-based regression analysis. The only purpose in providing the comparator group analysis is to illustrate in a simple chart the differences in pay between male- and female-dominated job classes with similar job evaluation points. The following comments respond to specific DHRD points.

1. HRC conducted the comparator group analysis using certain decision rules for setting the "bands" of jobs. It is true, as DHRD asserts, that if different decision rules were used, the difference between male- and female-dominated jobs would vary somewhat. However, regardless of the specific salary differences that would result from different job groupings, the fact remains that, within and across job clusters, the female-dominated jobs as a group are consistently paid less than male-dominated jobs.
2. As stated elsewhere in our report, it was appropriate for the consultants to combine data for BU 1 and BU 10 in the comparator group analysis, given that the purpose of the analysis was to illustrate the points and pay for the full set of jobs evaluated. This does not ignore the traditional bargaining unit separation for establishing salaries; it merely points out systemic problems as requested in this study.
3. Given the non-statistical nature of the comparator group analysis, it is inappropriate for DHRD to have conducted statistical analyses on this information. As stated above, the primary purpose of the comparative group analysis is illustrative in nature.

## Statistical Analysis and Conclusions

*DHRD's Appendix IV challenges the validity of HRC's statistical analysis and conclusions.*

DHRD completely ignores the most important and significant finding in our statistical analysis: in the regression analyses of bargaining unit 10 jobs, there is a **large**, statistically significant effect of gender on the pay of jobs. This is true for both job evaluation systems used. It remains true when the same analyses are run for the combined jobs in both bargaining units.

DHRD repeatedly cites the small, statistically insignificant regression coefficient for the analyses of only BU 1 as if it were the finding for both bargaining units. They dismiss HRC's conclusions based only on the statistics for BU 1, ignoring the statistics for BU 10 and the combined analyses. This is disingenuous.

In bargaining unit 1, the fact that the negative effect of gender predominance is small is primarily due to the high pay of male trades jobs relative to other male-dominated jobs in the bargaining unit. This dilutes the overall effect of gender domination, per se. Nevertheless, comparing female-dominated jobs to the male-dominated trades jobs (see DHRD's Table I-1), it is clear that traditional female work is undervalued compared to traditional male work.

Since these more qualitative findings agree with findings reported often in the literature and noted to be gender biased, this is cause for concern. The reasons for the discrepant pay between female-dominated jobs in BU 1 and the male-dominated trades jobs needs to be investigated.

When taken together, our statistical findings (significant effects of gender in BU 10 and in the combined analyses) and our qualitative comparisons strongly indicate problems with the gender neutrality of Hawaii's pay-setting system.

## APPENDIX I

This appendix contains an itemized response to the specific DHRD comments in Appendix I of their comments. The issue area and language from our report are in italics.

Page

### 2 *Describing the jobs*

*To foster equity, job descriptions must be consistent in their level of detail. Jobs described in more detail appear "at face value" to have more weight.*

#### **DHRD Comment**

To an inexperienced individual, longer job descriptions may appear to reflect more difficult work. Experienced job analysts, however, judge the value of a job by its content rather than the length of the description.

Nevertheless, it is pertinent to note that of the state classes selected by the consultant for this study there was **no** material difference in length of either position description or class specification based on gender dominance. In fact, the longest class specification is of the female dominated School Baker.

#### **HRC Response**

The issue of detail -- which is not the same issue as length -- is an issue well-noted in the professional literature on pay equity. DHRD assumes, apparently, that its professionals are immune from the tendencies known to affect other experienced professionals. We raised this as a general issue in pay equity, but made no specific statements as to the practices in Hawaii.

Since the position descriptions and class specifications are the only job content information we had, we are not in a position to adequately analyze their accuracy. Neither is DHRD, without conducting a new, thorough study.

## Page

It remains true that the age of the various documents makes it much more likely that specific details are missing from descriptions of female-dominated jobs -- details that have been widely noted in the literature as invisible. These details were not considered part of professional standards at the time many of the descriptions were written.

The descriptions and specifications need to be updated, with full consideration of the ways in which gender bias is known to affect such descriptions.

### **3 *Evaluating the job content***

*To guard against bias, the evaluation should be done by a team ... comprised of both men and women*

#### **DHRD Comment**

This statement inaccurately presumes all men and all women are consistently biased and is highly sex-stereotyping. An objective system, applied by experienced analysts should result in fair assessments regardless of the analyst's gender.

#### **HRC Response**

Again, DHRD assumes its analysts to be immune from effects recognized in the literature. DHRD is right, though, that women may be as biased as men. The recommendation for women and men to serve on evaluation committees is only one method to help achieve neutrality; it is not a fully adequate mechanism, merely a necessary one.

The recommendation to have a gender-balanced evaluation committee is one widely made. The reason is that women and men have had different experiences -- gender matters very much in our society; it affects many parts of individual lives. With a full range of voices, it is simply more likely that stereotypes will be challenged.

## Page

The full quotation of the sentence partially quoted by DHRD is:

To guard against bias, the evaluation should be done by a team well versed on issues of job evaluation and gender bias, comprised of both men and women, and knowledgeable of all levels of the organization.

Also recommended by HRC and by other consultants and experts is a thorough training of all analysts in the subtle ways in which gender bias occurs in the processes of gathering and evaluating information about jobs. This training helps to ensure that both men and women can overcome often unconscious and unintended biases. Without that training, bias is likely, given how deeply embedded it is in our culture.

No jurisdiction in Hawaii reported to us that gender issues are a significant part of analysts' training. Instead, analysts were simply assumed not be biased. This is a dangerous assumption, given the many biases which operate in this setting.

It is also crucial, as the full sentence makes clear, that there be persons knowledgeable about all levels of the organization. On the same principle as differences between men and women, people who work at different levels of the organization have different views of the work of the establishment. With all voices represented, again, stereotypes are more likely to be challenged, rather than pass unnoticed.

### 3 *Setting Salary*

*Failure to meet any of the criteria [level of detail, accuracy, currency, etc.] would result in lower wages for certain job titles based on gender predominance.*

#### **DHRD Comment**

This is an irresponsible and absurd statement. Lack of currency, for example, will not "lower wages ... based on gender predominance." (emphasis added)

## **HRC Response**

Once again, DHRD assumes itself immune from processes, evidence of which has been gathered in a wide range of public-sector employers. Considerable literature shows that these issues are critical in producing gender bias, and attention to them critical in achieving gender neutrality. DHRD cited no contrary literature. These are empirically demonstrated facts. DHRD must acknowledge and account for them in their processes. Their reply does not explain how they have done so.

### **4/5 *Classification***

*Thus, every second year the Conference of Personnel directors meets to discuss proposed new classifications. Justifications and specifications for the new class are presented to the conference for approval and verification. A majority vote decides and all are bound by the decision.*

## **DHRD Comment**

New classes are **not** handled biennially, as stated, nor are the class specifications subject to interjurisdictional vote and agreement.

Instead, each jurisdiction establishes, independently, classes to accommodate its jobs on an as needed basis. The proposed pricing of any such class is circulated to all other jurisdictions for majority agreement prior to finalization.

## **HRC Response**

This information seems to conflict with the information about the interjurisdictional cooperation and interaction we obtained through interviews with the county departments of personnel. However, our report has been modified to omit this paragraph.

Page

**5**     *Civil Service Commission*

*Final appeals of classification decisions go to the state Civil Service Commission, which is interjurisdictional.*

**DHRD Comment**

The State and counties have their own commissions. **None** are interjurisdictional.

**HRC Response**

This statement has been corrected in our report to read as follows: "Final appeals of classification decisions go to the Civil Service Commission in each jurisdiction."

**6**     *Pricing*

*The biennial Conference of Personnel Directors reviews all pricing decisions to assure they are reasonable and correct.*

**DHRD Comment**

The biennial review is not limited to new classes which are handled on an on-going basis, as noted above. Instead, the biennial review covers the pricing of those classes identified by the jurisdictions as warranting review.

The report fails to mention that, by statute, the Conference uses benchmarks (a recognized technique) as anchor points to ensure consistency in pricing.

## **HRC Response**

Our report has been modified to read as follows: "The biennial Conference of Personnel Directors reviews pricing recommendations by the jurisdictions to determine whether adjustments to the salary ranges of existing classes should be made and to review the assignment of new classes to salary ranges. In order to ensure a level of consistency, the Conference uses benchmark classes which serve as reference points against which appropriate classes are related and priced."

### **6,7 *Market Considerations***

*Ideally, shortage differentials would last only a short time, and be removed when the shortage in the labor supply is corrected. However, a number of classes have had shortage differentials attached to them for years. In other words, the shortage differentials for these jobs have acted as "de facto" pricing changes which appear to be permanent, rather than temporary adjustments to accommodate supply and demand problems.*

### **DHRD Comment**

It should be noted that all shortage rates are reviewed annually and adjusted, if warranted. The report implies that a long term shortage differential is suspect. However, since the consultant recommends mandatory equivalency of salaries based on job worth (internal alignment), some sort of differential is appropriate when labor shortages continue and/or salary schedule rates lag behind those in the market to the extent that State positions cannot be filled. Since changing the pay grade to reflect market conditions is precluded both by the consultant's recommended approach and the State's policy of internal alignment, an alternative method of providing a competitive and workable hiring rate must be used for as long as is needed.

### **HRC Response**

When market differentials are used, the gender equity of their use must be carefully monitored. In some employers we have worked with, the personnel department makes very different determinations about turnover rates and labor shortages for specific kinds of jobs. These decisions can easily be related to gender predominance, if care is not taken. We recommend that some detailed analyses be done of how jurisdictions use shortage differentials, so that DHRD can say with assurance that they are not related to gender, that they do not result in long-term devaluation of women's work.

"Market wages" has been used to justify continued inequities in pay systems. Furthermore, there is some evidence that a major employer's use of gender-neutral pay schemes may help the market adjust and remove its historical gender bias. The market is not a gender-neutral arbiter of "correct" wages. It is a reflection of existing social values, as well as of supply and demand.

**7**    *The Conference of Personnel Directors must approve the differential.*

### **DHRD Comment**

The Conference does not approve shortage declarations nor shortage differentials. Each jurisdiction may set the rates independently.

### **HRC Response**

Our report has been modified to exclude this sentence.

**8**    *Methodology*

*... we used two gender-neutral job evaluation systems.*

### **DHRD Comment**

Our review of these two job evaluation instruments indicates a disturbing lack of gender neutrality. They appear designed, especially, the Diagnostic System, to favor traditional female jobs.

Both systems consist of some gender neutral factors, which is proper. However, both also contain factors associated with female occupations. These factors which would give preference to female occupations are not balanced by any factors associated with male occupations. Because of the serious consequences of this bias, this issue is discussed further in Appendix II, Job Evaluation Instruments and displayed visually on Table II-3.

Although the two systems appear different, there is little fundamental difference. Our statistical analysis indicates a correlation of .96 between the two. Thus, from a technical point of view, the sample classes have only been studied once, not twice.

### **HRC Response**

We have responded to this criticism in the general response above. Again briefly, our systems were designed after study of the extensive literature in wage equity and job evaluation, and according to our considerable experience and expertise.

There is a tendency, we have observed, when traditionally valued jobs are matched to traditionally undervalued jobs to assume that the traditionally valued job has somehow been thus devalued. We fail to see why adequately recognizing female-dominated job characteristics, and using traditional measures of male-dominated job characteristics, is bias against male-dominated jobs.

DHRD does not specify its reasoning process for determining the gender bias of factors. There are no statistics or qualitative interpretations given. (Note that though they cite Table II-3, there is no such table; Table II-1 does repeat their unsubstantiated assertions.)

Page

The correlation between the two systems indicates that both achieve similar gender- neutral results, through different means. Note that even DHRD sees a difference between the two systems, citing the Diagnostic System as "especially" favoring female jobs.

Since the two systems do "appear" different, and since two separate processes were used to rate the jobs, the two serve as a way to validate each other. That is, though mistakes can be made, the more decisions to be made, the less likely that consistent, gender-biased mistakes will be made. If two separate and dissimilar systems are used to achieve the same results, this is an indication of validity and reliability of the results.

In addition, decisions on ratings were made independently by two evaluators -- another check on reliability and validity.

**9** *Modified FES and Diagnostic System*

*DHRD Comment*

Analysis of these instruments is contained in Appendix II, Job Evaluation Instruments.

**HRC Response**

Assertions of DHRD were addressed in the general reply above and in the page 8 reply immediately above.

- 10** *In cases where job content information had not been updated in several decades, the evaluation team supplemented job documentation with their own knowledge of similar jobs in other public jurisdictions, for example when making determinations about the technological requirements of a given job.*

### **DHRD Comment**

To interject personal opinions on what employees might do on the job without any attempt to seek actual facts is extremely suspect and may well account for erroneous ratings of some of the jobs. e.g., the consultant has credited LPN with a professional license which requires formal skill updating. This is not correct for our jobs.

### **HRC Response**

Accurate, up-to-date, bias-free job documentation (such as from position descriptions and class specifications) is a fundamental component of the job evaluation process. DHRD's comment that we have "interjected personal opinions" misses the point of our original observation that some of the job documentation is woefully out-of-date. The facts are:

- \* HRC was retained to **evaluate the selected sample of jobs, using the written documentation provided**. An inherent aspect of job evaluation is that the evaluators use their judgment to assign evaluation ratings. For DHRD to suggest that it is "extremely suspect" for job evaluators to use their own judgment is in a word, false. To imply that job evaluation can be conducted absent from human judgment is also false. To correct for bias that may occur because of human judgment, HRC assigned a gender- and race-balanced team of experienced evaluators.
  
- \* HRC was not hired to audit employees in these jobs, or update the documentation for these jobs. It is the express responsibility of DHRD to maintain and update job documentation, and to provide HRC with the most accurate, comprehensive, and up-to-date job content information available.

Page

- \* HRC used a standard set of documentation when evaluating the jobs: the position descriptions and class specifications provided. DHRD suggests that HRC could have attempted "to seek actual facts" about "what employees might do on the job". In fact, for HRC to have collected additional information on some jobs, and not on others, would introduce serious bias. If HRC had interviewed employees, supervisors, or asked questions of personnelists about certain jobs and not others, HRC could have biased the job evaluation process. The state could raise questions about "which jobs were selected for further study?", "how did HRC pick those jobs?", "who did HRC rely on to provide information about the jobs?", "what was the cut off date on the job documentation?", etc. To keep the process fair, and to ensure that the same procedure was used with every job, HRC used a single source of information from the state: written documentation.
  
- \* Some of the job documentation provided to us by DHRD was compiled 10, 20, even 30 years ago. During this timeframe over the past decades, significant technological changes have taken place in the workforce, affecting nearly every job in some form. Further, more has been learned about eliminating gender bias from written job documentation.

The root of the problem is not the judgment of the evaluation team, but the lack of up-to-date, complete job documentation.

**13 *Wage inequities exist in Bargaining Units 1 and 10***

***In the 50 jobs we sampled from bargaining units 1 and 10, we found that female-dominated jobs tend to be undervalued and underpaid when compared to comparable male-dominated jobs. This finding was confirmed consistently in our job evaluations and in four different types of analysis.***

### **DHRD Comment**

Based on the consultants [sic] own report, p. 20, and technical appendices, the finding was **not** confirmed in the four analyses.

Two of the cited analyses are regression analyses. Based on the consultant's own report the 'inequity' was not statistically significant in these two regression analyses. This lack of significance is further confirmed in the consultant's Volume II, page VII-3, which states "there is no apparent pattern which differs according to gender."

The other two 'analyses' are the 'comparator group' analyses. These analyses are highly questionable because they group jobs from the two bargaining units, rather than analyzing them separately since each bargaining unit negotiates its own wages, and for other reasons we cite in Appendix IV. In any event, although the consultant did not run tests of statistical significance for these two analyses, we did. Those tests showed these findings are also not statistically significant. Our Appendix IV discusses the statistical significance issue as well as the comparator group methodology in more detail.

We also note that there are flaws and biases in the job evaluation instruments (Appendix II), questionable ratings (Appendix III).

We therefore cannot accept this conclusion based on the information presented.

### **HRC Response**

Above we noted DHRD's disingenuous focus on the regression statistics for BU 1, ignoring the large, statistically significant effect found in BU 10 and in the two bargaining units combined. DHRD also ignores our qualitative analyses of differences.

Page

DHRD quotes HRC, "there is no apparent pattern which differs according to gender". This sentence in our report refers to scatter plots of the jobs in BU 1 only. The next sentence in the report is ignored by DHRD:

"Nevertheless, the trade jobs with the highest pay for point ratio are historically and actually male-dominated, and there is no similar grouping of high paid female-dominated jobs."

This is a significant finding, which should be investigated by DHRD, not simply ignored.

We explained above that the presence of low-paid male-dominated jobs in BU 1, and the small number of historically female jobs accounts for the lack of statistical significance in the regression. This should not be taken as a license to ignore obvious gender issues with the trades jobs.

The two regression analyses for BU 10 show very large, statistically significant effects for gender predominance (Tables 3 and 4, page VII-10 of our Volume Two). The regression confirms the graphic findings (Figures 3 and 4, pages VII-8 and VII-9).

Further, when the bargaining unit jobs were combined, there remained a large, statistically significant effect of gender predominance (Tables 5 and 6, page VII-14).

The comparator group analyses were primarily illustrative, rather than statistical in purpose. There are far too few jobs in each group to make tests for statistical significance reasonable. Had these same differences in means been a result of a larger sample, they likely would have been statistically significant. In other words, the lack of statistical significance in this instance was due to comparison of only two or three jobs in each group, not just to the size of the difference.

Page

There is much evidence of gender bias in the overall wages for jobs in these two bargaining units. Both our regression analyses and our comparator group analyses showed this. The fact that DHRD cannot accept the conclusions, solidly based on the data, does not render our conclusions inaccurate.

**13 *Certain job classes in both bargaining units are consistently underpaid. These include food service, ...***

**DHRD Comment**

This statement is **not** supported by the consultant's own evaluation and ratings. 5 female dominated food service classes were studied.

When these 5 classes are compared with male dominated classes with similar numbers of total points, the female dominated food service classes were found to be:

paid **properly** 3 times

paid **more** than their male counterparts 4 times, and

paid **less** than their male counterparts 1 time.

(2 ratings are mixed and do not show over- or under-payment.) Please refer to Table I-1 for details on this assessment.

Clearly, female-dominated food service classes are not consistently underpaid.

**HRC Response**

Our report has been modified as follows:

Page

"Certain female-dominated job classes in both bargaining units are consistently underpaid relative to male-dominated classes with similar evaluations. Examples of undervalued job classes were found within food service, nursing, paramedical assistant, and occupational therapy assistant occupations."

**13 *Occupational Therapists***

**DHRD Comment**

Occupational Therapists are not part of BU 01 or BU 10 and were not reviewed in this study.

**HRC Response**

The job title in our report now reads "Occupational Therapy Assistant".

**14 *Example 1: Licensed Practical Nurse III and Adult Corrections Officer V . . . Illustrate comparable worth without equitable pay.***

**DHRD Comment**

Please refer to our detailed response, Attachment III, which shows that these jobs are **not** comparable.

**HRC Response**

Refer to detailed comments in our general response.

**19 *Other analyses confirm the problem***

***Comparator group analysis. These comparator groups are shown in Exhibit 2.3 for the Modified FES and Exhibit 2.4 for the Diagnostic System.***

Page

*The comparator group analysis shows that women do not get the same dollars for the same evaluation points.*

**DHRD Comment**

The comparator group analysis is highly suspect for several reasons. Please refer to our detailed response, Attachment IV.

**HRC Response**

Refer to detailed comments in our general response.

**20** *Regression analysis*

*Regression analysis also showed that "women's work" is underpaid, though only very slightly, in bargaining unit 1. The inequity is primarily due to higher pay for male- dominated trade jobs compared with female-dominated non-trade jobs. The difference, however, is not statistically significant.*

**DHRD Comment**

Regression analysis is a statistical treatment. Since the actual analysis showed there is no statistically significant difference between male and female dominated jobs, it is not appropriate for the consultant to state there is an "inequity".

**HRC Response**

We have dealt several times above with two odd issues in DHRD's comments. First, they continue to ignore the findings for BU 10 and for the combined jobs, which show large, statistically significant effects of gender predominance. Second, they ignore our findings that male trade jobs are paid more for their evaluated worth than other male-dominated jobs or all the female-dominated jobs in BU 1. Since the trades are historically, stereotypically, and actually male jobs, this different pay for value is problematic.

DHRD does not respond to this finding.

We know that gender bias is deep and often difficult to find and eradicate -- all of the literature demonstrates that clearly. Hence, when there is any indication of bias -- such as the difference between women's jobs and the trades, or statistically significant differences in the combined regressions, or consistent differences in means in the comparator group analyses -- the employer is well advised to investigate any potential for gender bias.

**21 *Exhibit 2.3. Modified FES Ratings and Comparator Group Analysis of All Jobs Sampled.***

**DHRD Comment**

Refer to Appendix IV.

**HRC Response**

Refer to detailed comments in our general response.

**22 *Exhibit 2.4. Diagnostic System Ratings and Comparator Group Analysis of All Jobs Sampled.***

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***DHRD Comment***

Please refer to Appendix IV.

**HRC Response**

Refer to our general response.

**24** *Several factors may cause wage inequity in Hawaii*

*We did not establish clear cause and effect relationships, but the following are possible contributors: Hawaii's narrative approach to job evaluation, lack of comparisons across bargaining units, and out-of-date class specifications and position descriptions.*

**DHRD Comment**

The consultant has failed to find 'wage inequity' in Hawaii, according to other portions of their report.

**HRC Response**

HRC did indeed find wage inequity, amply documented in our report.

**24** *Hawaii's narrative approach lacks consistency, inclusivity, and quantitative measures. Furthermore, the system itself excludes several job factors that we consider fundamental to government jobs, such as Direct Public Service and Sensory Demands.*

**DHRD Comment**

We agree our system is non-quantitative. This, however, does not mean it is biased. As the consultant notes on page 25, "skilled specialists can make valid decisions with this methodology."

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We do not believe we exclude legitimate factors. We see substantial similarities between the HRC factor of Direct Public Service and the State factor of Personal Contacts. Also, between the HRC factor of Sensory Demands and the State factor, Physical Demands. We therefore reject the assertion that we "exclude" consideration of such factors. We believe also, that the way in which the consultant has defined their factors they are gender-biased in order to favor female classes of work.

### **HRC Response**

DHRD cannot have it both ways. On the one hand, if the HRC factors are actually included in the way they administer their non-quantitative system ("we see substantial similarities"), then our statistical analyses would not have demonstrated gender-related differences between current pay and evaluated worth. What we do see is that by explicitly and consistently measuring these elements, and then comparing that worth with current pay, jobs which require high levels of that element are underpaid.

If, on the other hand, these factors are not legitimately part of assessing jobs' worth ("they are gender-biased"), then they are missing from the system used. As we explain above, the two JES are written to correct identified gender bias according to our experience and expertise.

In any case, a non-quantitative system is less likely to be consistent in its crediting of traditionally overlooked and undervalued women's work. Such consistency is critical.

DHRD never supplied to us any detail of its system. And the elements we've mentioned as missing are not part of the short definitions of their factors.

- 25 *Inconsistency across comparisons may be related to the gender predominance of the jobs. This could result in serious gender bias in decisions on pricing.*

**DHRD Comment**

It could, but gender bias was not proved by the consultant to exist in our pricing decisions.

**HRC Response**

Indeed we demonstrated significant bias in the current pay system of Hawaii. Again, DHRD has ignored the statistically significant regression coefficients and the qualitative findings showing bias.

- 26 *Hawaii's current non-quantitative system includes the traditional factors associated with most job evaluation systems such as Knowledge and Skills, Complexity, Personal Contacts, Physical Demands, and Work Environment. However, the System fails to recognize certain aspects of job content, some of which are particularly relevant to traditionally female jobs.*

*First, the non-quantitative system fails to recognize the requirement for licensure. This penalizes jobs in health care professions that have requirements for licensing beyond the minimum knowledge required at hiring.*

**DHRD Comment**

Licensure confirms that an individual possesses the knowledge and ability required to perform work in a particular occupational area. It is thus a reflection of knowledge and ability. The State values knowledge highly. However, to give double credit for knowledge through a second knowledge factor (licensure) would penalize those employees of both sexes who possess equivalent knowledge in other occupations.

### **HRC Response**

DHRD does not demonstrate that its system adequately credits the knowledge indicated by a requirement for licensure. This kind of specialized requirement often requires constant skill and knowledge updating. That kind of extra knowledge required is being credited in the HRC factor -- a fairly common factor in gender-neutral systems.

If such specialized knowledge is credited in Hawaii's system, DHRD should be able to demonstrate that -- in detail, not broad assertions.

### **27 *Lack of cross-bargaining-unit comparisons presents a problem.***

#### ***DHRD Comment***

Cross bargaining unit comparisons for the purpose of determining whether classes of work are underpaid or overpaid is inappropriate because salaries are determined through the collective bargaining process. Our job evaluation system does not determine salaries. Further, to demand that all bargaining units negotiate identical salary schedules, so as to attain pay equity, conflicts the fundamental intent of collective bargaining which is to allow the employees in the bargaining unit a voice in determining their wages. Thus, the two bargaining units in this study have, in their own interests, negotiated very different types of salary schedules (BU 1 has negotiated a single rate for each pay grade while BU 10 has negotiated 6 steps for each pay grade).

#### **HRC Response**

The job evaluation methodology does, in fact, contribute to salaries. Pricing decisions determine relative salaries for jobs, regardless of the outcome of bargaining.

We understand that the practice in Hawaii has been for bargaining units to negotiate without regard to other units. We are not suggesting -- much less "demanding" -- that they must now bargain together.

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We are, however, noting that equity is a **systemic** issue, and must be tested on a systemic basis. If the State of Hawaii wishes to fully test the gender neutrality of its system, it must test the entire system. Such historic inequities can be identified and addressed without disrupting the current bargaining process.

**28** *Equity is achieved (or not) on a systemic basis and should be assessed on a systemic basis. However, in Hawaii, collective bargaining practices effectively prevent cross-bargaining unit comparisons. This may create an environment in which the types of inequities found in this study are likely to occur.*

*For example, stereotypical female-dominated jobs include secretarial and all levels of nursing jobs, while stereotypical male-dominated jobs include trade jobs.*

### **DHRD Comment**

Secretaries and professional nurses were not studied by the consultant because they belong to different bargaining units (BU 3 and BU 9). However, these two female-dominated job groups have high pay rates.

### **HRC Response**

We did not suggest that we studied secretaries' and nurses' jobs.

If DHRD knows that secretaries and professional nurses have rates of pay comparable to male-dominated jobs of comparable worth across bargaining units, they should show that. This would demonstrate clearly that those jobs may be paid equitably in Hawaii.

To simply state that the two job groups have high pay misses the point.

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28 *Position descriptions and class specifications are out of date*

**DHRD Comment**

We are working on developing more currency. However, an old document is not necessarily an inaccurate document or a biased document.

**HRC Response**

This issue has been addressed previously.

29 *This means that they were written before the 1963 Equal Pay Act, before the 1964 Civil Rights Act, and before issues of gender neutrality were even thought of, much less developed and refined.*

**DHRD Comment**

Please refer to our cover memo. The State has an enviable history and commitment to equity, and did not require Federal intervention to seek equitable treatment of all employees.

**HRC Response**

Our statement did not allege that prior to the passage of federal laws, Hawaii discriminated.

The point of the several paragraphs here is that cultural understandings of the worth of women's work did not begin to change until very recently. Thus, job evaluation systems which have not been specifically revised to achieve pay equity will continue to reflect biases.

Further, personnel practices that at one time were considered highly professional also reflect outdated understandings of female-dominated jobs. Those practices, too, need to be revised with attention specifically paid to gender issues.