

# How Job Analysis and Accurate Job Descriptions Can Save Your Company Vital Resources and Legal Action

## Executive Summary

Does your business have an accurate job description for every single employee? Does every job description have clearly defined tasks, knowledge, skills, and abilities (KSAs) that provide context to the position's salary? Do differences in these KSAs justify salary differences for employees with the same position? If not, you might not be in compliance with California's new Pay Transparency law. To comply, all California businesses must have a pay scale for each position, no exceptions.<sup>1</sup> How valuable a job is to an organization must be analyzed before a dollar amount can be attributed to it, which is why job analysis is critical. Job analysis helps identify the skills, knowledge, and abilities required for various roles within the organization to create accurate job descriptions.<sup>2</sup> A job analysis not only creates a legal throughline from selection to compensation but is a foundational process that can inform many business objectives beyond selection, such as compensation, performance appraisal, and training.<sup>3</sup> Without a clear, objective understanding of what determines success in a position, your businesses are

## STEPS TO A JOB ANALYSIS



### INFO GATHERED

- Existing job descriptions
- Existing performance evaluations
- Interviews with Stake Holders and Subject Matter Experts if possible

01



### ANALYSIS OF INFO

- Create a list of essential tasks, duties, & responsibilities
- Create a list of essential knowledge, skills, & abilities
- Link tasks to KSAs

02



### DELIVERABLE

- The most legally defensible, accurate, and comprehensive job description

03

<sup>1</sup> Joy C. Rosenquist and Denise M. Visconti Littler. "California Releases on Pay Transparency Law." SHRM, January 3, 2023.

<https://www.shrm.org/resourcesandtools/legal-and-compliance/state-and-local-updates/pages/california-pay-transparency-guidance.aspx>.

<sup>2</sup> Gray, Paul. "Job Analysis: The Definitive Guide for HR Professionals." HRreview, February 5, 2023. <https://www.hrreview.co.uk/guides/the-definitive-guide-for-hr-professionals/148118>.

<sup>3</sup> Prien, Erich P. A Practical Guide to Job Analysis. San Francisco, CA: Pfeiffer, 2009

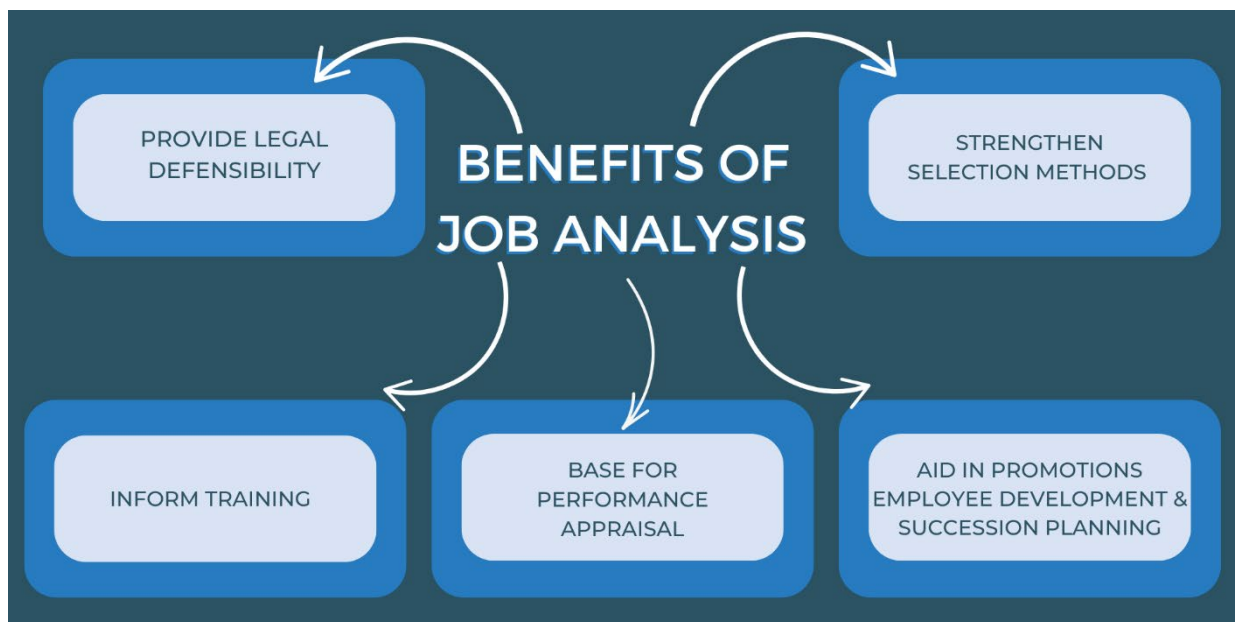
more likely to waste precious resources. A lack of alignment can leave you liable to lawsuits, so in this post, we'll explore the advantages of job analysis and how it can help you.

## What is a Job Analysis?

A job analysis systematically collects and reviews information about what it takes to do a job successfully.<sup>4</sup> This analysis will determine the tasks, responsibilities, and other job requirements, along with what KSAs are required to perform those critical tasks, which is crucial for creating an accurate job description and selection criteria for potential candidates. By understanding the job's requirements, employers can make better decisions in their hiring process and ensure they select the right candidate, access compensation, identify training needs, and inform performance evaluations.<sup>2</sup>

## Legal and Business Benefits of a Job Analysis

Having valid and equitable practices should be a hallmark of any business, and with the new Pay Transparency law, California is helping to codify this value. Many people do not realize how many "people" functions (i.e., talent, human capital, etc.) should be tied to and built off their job description. Specifically, selection decisions (including hiring, promoting, and firing), performance evaluation, and compensation decisions must be linked to a job description, and in intelligent businesses, it also informs training.<sup>1</sup>



### Legal Protection

By engaging in job analysis, employers are better positioned to identify potential discriminatory practices and take proactive steps to avoid legal vulnerability by creating fair and consistent personnel practices. Knowing the duties and requirements of a job and the criteria that must be met to perform those duties enables employers to ensure that job-related decisions are based on objective factors rather than subjective ones. This can provide legal defensibility to the employer when hiring, evaluating, and terminating employees.<sup>4</sup> Properly documenting the criteria used in employment decisions can provide evidence that the decision was based on job-related factors and provide a safeguard against potential discrimination claims and other legal challenges. Ultimately,

<sup>4</sup> Singh, Parbudyal. "Job Analysis for a Changing Workplace." Human Resource Management Review 18, no. 2 (2008): 87–99.

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job analysis is essential to a comprehensive people strategy and can help organizations protect against discrimination claims while supporting a diverse, equitable workplace.

## Hiring

The need to link an accurate job description to selection methods is nothing new. Still, it is often overlooked, increasing the risk of wasting resources or legal backlash during or after hiring. Selection methods must always be a valid way to predict performance for the specific job they are being used for, and job analysis can help validate these methods.<sup>4</sup> Additionally, alignment and understanding of a job's requirements give businesses a clear idea of whom they need to hire, which informs the recruiting process and results in more confidence in hiring decisions. A thorough job description gives candidates the most realistic job preview possible, which helps increase retention and job satisfaction.<sup>4</sup>

## Compensation

Job analysis can also help ensure that compensation plans can be designed to focus on driving performance, as well as providing compensation for effort and productivity.<sup>2</sup> This analysis helps ensure compensation for a job is fair and reflects the scope of the job's duties. For example, it may help businesses explain to employees why their job may not merit the compensation they want. This can also enable employers to have constructive conversations with employees about how to earn more.

By understanding the complexity of a role, compensation can be tailored to reflect these duties and be adjusted according to performance. In this way, compensation becomes integral to motivating and retaining employees with specialized knowledge, skills, and abilities.

## Training

Job analysis can and should help inform training. Having accurate KSAs allow for the implementation of an effective training program. It enables decision-makers to understand job requirements better, identify gaps in talent, and develop strategies to bridge them with training (or, in some cases, hiring). In turn, this can increase productivity, engagement, and the many other well-documented benefits of training which leads to boosts in business (such as customer loyalty and satisfaction).<sup>4</sup> Job analysis can enable organizations to meet their employees' needs better, propelling them ahead of their competition. For trainers, job analysis can also help them design around and communicate the ROI of their solutions, which gives them a louder voice at a table that can be hard to get to.

## Conclusion

California businesses must justify pay discrepancies across people with the same job based on demonstrable differences in skill, effort, responsibilities, and working conditions. Part of that is understanding who they want to hire, why they hire them, and what fundamental knowledge, skills, and abilities make up a role.

A job analysis involves gathering information about the job's responsibilities, tasks, work environment, and other relevant areas. It is an essential tool that gives organizations data to create comprehensive job descriptions that accurately reflect the tasks and competencies of each position. By carrying out a thorough and detailed job analysis, organizations can maximize the effectiveness of their people processes and have better business outcomes. The comprehensive knowledge that a job analysis provides is the basis for implementing successful selection, training, compensation, and performance appraisal processes. This ensures that employees are treated

fairly and equitably and strengthens the company's ability to defend its decisions in court if any legal challenges arise.

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## About ClearPath Business Advisors:

ClearPath Business Advisors is a multi-faceted, high-end consulting & advisory firm delivering on our perspective that business owners should create a healthy, sellable business whether they plan to sell or not. Everything that builds a sellable business creates a stronger business and a more balanced life for its leaders and teams. We are a team of seasoned, multi-disciplinary business executives with finance, accounting, operations, sales, and legal expertise guided by our core values of creating high value for our clients while delivering on our promise of being a different type of consulting and advisory firm.

Our Organizational Health team is here to optimize your business through recruiting and organizational development services. Founded in research-based principles of Industrial Organizational (I-O) Psychology, we're all about people and talent optimization, driving results like higher engagement, lower turnover, stronger teams, and improved culture. Our team is certified in the Predictive Index personality assessment, which is one of the most scientifically valid personality assessments on the market. Data from this assessment fuels our recruiting, organizational development, executive coaching, and team dynamic projects. For our recruiting services, our team is unique and acts like an internal recruiter, finding the best candidates based on their fit with your company culture and role requirements. We also offer Organizational Health Assessments to gauge how well your organization is executing on strategy, managing its people, and achieving its desired results. Let's take your organization to the next level together.

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