

Pay equity has become a top issue for employers. With the spotlight on politicians seeking election, pay equity continues to gain more attention. Federal laws, such as the Lilly Ledbetter Fair Pay Act of 2007, define pay discrimination. State and local laws have been introduced to specify how organizations should address pay equity. As your organization formulates a plan to review pay equity, consider these action steps.

1 Build Understanding

Make sure you understand how the law defines equal pay, including the reasons unequal pay may exist (seniority, experience, performance, location).

2 Review Compliance

Equal pay laws may differ by state, city, or county laws. This can make compliance more complex if your organization operates in more than one jurisdiction.

3 Define Jobs

Job descriptions must accurately reflect the work being performed. By being transparent and sharing job descriptions it allows individuals to understand the requirements for each job.

Equal Pay



4 Develop Performance Tools

A pay differential may be justified if the employer demonstrates there are differences in performance. Be sure to implement tools that clearly measure performance in a disciplined and objective manner.

5 Conduct Pay Audit

Determine how your organization is paying employees and understand any differences for similarly situated workers. Use survey data to assess the competitiveness of pay to the market.

6 Train Managers

Help recruiters, hiring managers, and other decision-makers understand the organization's pay philosophy and structure. Managers must also understand what other restrictions exist around pay decisions, such as allowable interview questions.

Develop Communication Strategy

Promote your compensation philosophy – including messages about equity – to current and potential employees. Spend time and resources planning and developing strong communications about pay, rewards and culture.