

# Pay Equity: An Introduction to Fair Pay Practices in the Public Sector

---

LaShon Ross  
HR Consultant

# Pay Equity





**We will never have true civilization  
until we have learned to  
recognize the rights of others.**

Will Rogers



# Learning Objectives

- ◆ **Navigating through the Pay Equity Roadmap**
  - » Defining the essential Pay Equity concepts and terms
  - » Understanding the Compliance Directives
  - » Acknowledging the Enforcement Agencies
  
- ◆ **Asking the Right Questions**
  - » Developing a checklist
  - » Dedicating a structured process
  - » Delivering a purposeful pay equity analysis

# Why We Should Care About Pay Equity

- ◆ When wages reflect the productivity, skill, competencies and experience of the individual, “efficient outcomes occur.”
- ◆ Making good faith efforts and taking proactive measures to address pay inequity improves employee satisfaction and engagement.
- ◆ New laws, pending legislation, and administrative agency actions are making it easier for employees and government agencies to bring pay discrimination claims.

# Pay Equity: As Policy and As Practice

---

Distribution of compensation,  
blind to employees' sex, race,  
color, religion or national origin.



# Dimensions of Equity

## External Compensation Equity

Are employees in an organization compensated at rates consistent with external labor market?

## Internal Compensation Equity

Is a particular employee paid fairly in comparison to his/her similarly situated peer?

## Group Compensation Equity

Are employee groups paid equitably in comparison to other employee groups?



# The Enforcements



- ◆ Equal Pay Act of 1963
- ◆ Title VII of the Civil Rights Act of 1964
- ◆ Executive Order 11246
- ◆ Age Discrimination in Employment Act of 1967
- ◆ Title I of the American Disabilities Act of 1990
- ◆ Lilly Ledbetter Fair Pay Act of 2009



# ● The Salary History Ban

- ◆ Prior salary history cannot be used, alone or in a combination of other factors, to justify a wage differential.



- ◆ **California:** All Employers as of Jan 2018
- ◆ **Delaware:** All Employers as of Dec 2017
- ◆ **Massachusetts:** All Employers as of July 2018
- ◆ **Oregon:** All Employers as of Jan 2019
- ◆ **Puerto Rico:** All Employers as of March 2018

# ● Paycheck Fairness Act of 2018

Proposed amendments to the Fair Labor Standards Act of 1938 (FLSA), and Equal Pay Act of 1963

- ◆ **Narrows** justifications for pay disparities.
- ◆ **Strengthens** non-retaliation provisions for employees.
- ◆ **Mandates** collection of compensation data by the EEOC.
- ◆ **Prohibits** employers from relying on wage history in the determination of wages, and
- ◆ **Adds** enhanced penalties for violations.





# The Enforcers



- ◆ Equal Opportunity Employment Commission (EEOC)
- ◆ Office of Federal Contract Compliance Programs (OFCCP)

# Pay Equity Study: Are you prepared?

- ◆ **Skill:** experience, ability, education, and training required to perform the job
- ◆ **Effort:** amount of physical and mental exertion
- ◆ **Responsibility:** degree of accountability
- ◆ **Working conditions:** physical surroundings and hazards encountered on the job

# Pay Equity Study: Are you prepared?

---

- ◆ Job analysis
- ◆ Job descriptions
- ◆ Job evaluation

# Pay Equity Study: Are you prepared?

- ◆ What are the factors that explain differences in pay?
  - » How is pay determined?
    - Job title
    - Experience
    - Education
    - Tenure
    - Geographic location

# Pay Equity Study: Are you prepared?

---

- ◆ What are the factors that explain differences in pay?
  - » Formal pay policy
  - » Compensation philosophy/strategy
  - » Performance management

# Pay Equity Study: Are you prepared?

- ◆ Are pay differences explainable and justifiable?
  - » Affirmative defenses:
    1. Seniority system
    2. Merit system
    3. System in which earnings are clearly linked to quantity or quality of production
    4. A job factor other than sex (e.g., shift or education)



# Pay Equity Study: What's next?

1. Determine the project team
2. Identify relevant pay factors and build dataset
3. Establish employee groups for analysis
4. Develop and apply model to dataset for similarly situated employee groups
5. Evaluate and research pay gaps identified
6. Develop steps to address unexplainable and unjustifiable pay differences

# Pay Equity Study: Review

---

- ◆ Asking the right questions
- ◆ Job analysis, descriptions, evaluation
- ◆ Pay factors
- ◆ Consistent application of formal policies
- ◆ Use available resources

# Thank you!

---

Thank you for joining us today!

For questions, or to continue the discussion, contact

Vicki Quintero Brashear  
[vbrashear@cpshr.us](mailto:vbrashear@cpshr.us)