

Pay Inequality at Your Firm and What to do About It

You may have pay inequality at your firm and not even be aware of it. Taking a deeper look at pay practices and amounts is critical in establishing equitable pay across all roles and areas of your organization.

What is Pay Equity?

The concept of pay equity focuses on the fairness of compensation paid to individuals or protected groups of employees. It sets a tone of consistency considering roles, responsibilities, performance and tenure. This includes an organization's pay policies and decision making process which also are an important part of ensuring pay equity.

Why Should Employers Be Thinking About Pay Equity?

An employee's pay equity complaint to a government agency can quickly become a high concern for an employer. While the compensation level or practice can be unknown or unattended, it is essential that inequities do not exist due to gender, ethnicity, age, disability or unfairness to other protected categories.

Employers not only need to be aware of the employment laws that prohibit pay discrimination, but should have a plan in place to:

- ▶ Ensure equitable pay decisions for new hires, promotions and pay adjustments
- ▶ Check and monitor for potential pay equity issues

Which Organizations Does this Apply to?

Virtually all employers are accountable for ensuring men and women receive equal pay for equal work, under the Equal Pay Act. Employers with as few as 15 employees can be accountable for compliance with Title VII, Americans with Disabilities Act (ADA) and the Age Discrimination in Employment Act (ADEA). Many states have also enacted legislation with similar compensation equity requirements.

Newport Group has Pay Equity Testing Services

Our Compensation Consulting team has the expertise, process and tools to evaluate this for you. Partnership with an outside consultant can bring a level of objectivity and statistical expertise to especially sensitive pay concerns.

The end result:

- ▶ Proactive strategies and programs to ensure equitable pay decisions
- ▶ Analysis to help your organization proactively address any pay inequities
- ▶ Statistical reports identifying potential inequities, pay policy revisions, cost analyses to calculate financial impact of remedy
- ▶ Outside expertise that aligns testing methodologies with DOL expectations
- ▶ Recommendations on roles or incumbents to consider for pay adjustments

Our Process and Approach

- ▶ We use a data-driven statistical approach to determine the potential of pay inequity
- ▶ Multiple factors can be tested to consider defensible pay differences like years of experience, performance, or job tenure
- ▶ We partner with you throughout the process and respect your confidentiality

Newport Group Solution: Newport Group's analysis may uncover pay inequities across the demographics of your organization, as well as helping you make proactive adjustments in pay to avert any issues. Call your Newport Group Representative for more information.

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