

EqualPayMA: Employer Tool Kit

A Guide to Promoting Equal Pay in the Workplace



What is the gender wage gap?

The gender wage gap is a serious economic issue that affects men, women, and families in our state. It exists because women on average are paid less than men for doing the same job.

The data shows that women in Massachusetts earn just 82 cents on the dollar. This ratio is even worse for African American women who earn 61 cents, and Latina women who earn 50 cents.¹

Even though it is against the law to discriminate against women in pay and benefits, there are many reasons why the gap exists.

Many wages and salaries are not publicly shared. Most employers don't know how to identify and correct the gaps in their payrolls, and jobs have not evolved to be flexible for women and families in the 21st century. The underrepresentation of women in many industries and leadership positions, and the lack of public awareness about the wage gap could also be a major contributing factor.

What is clear is pay inequity is a serious problem that not only impacts women. It also hurts men and families. Because women earn less, it also affects our economy and communities.

Why is equal pay good for your business or organization?

If you are an employer, paying women and men equally for performing the same job will greatly benefit your organization by:

- Attracting and retaining talented and diverse employees.
- Reducing employee turnover and improving the efficiency of your organization by retaining staff with knowledge and expertise.
- Making your employees feel valued, and therefore improving their morale and performance.
- Encouraging a gender-neutral workplace culture.
- Becoming a highly visible leader for women and families.
- Improving your overall performance and profitability thanks to a happy and productive workforce.

¹ National Women's Law Center. "Gender Gap, State by State." Retrieved at www.nwlc.org/wage-gap-state-state.

How to Promote Equal Pay within your Current Workforce

1. Perform an Internal Equal Pay Audit & Correct Discrepancies

Make sure all of your employees are being paid equally by performing an internal equal pay audit and/or study of your entire organization. By establishing a comprehensive classification and compensation structure that eliminates any potential pay inequities, you can ensure that everyone in your organization is paid fairly.

Suggestions:

- Identify job classes that are male and female, then use a gender-neutral job comparison system (i.e. point factor system) to identify job classes of equal value.
- Evaluate your compensation system for internal equity and market competitiveness.
- Conduct an assessment on which employees are receiving salary adjustments, bonuses, and reasons for the raises.
- Create an annual pay increase process for every salary structure in your organization (including commission- and merit-based pay and bonuses).
- When evaluating high-paying jobs within your organization that require long hours and inflexible schedules, consider providing employees in those positions with the option to work remotely or job share.
- Identify how many women have positions in senior management or have been given high-level responsibilities within your organization, such as direct reports and profit-and-loss responsibility. Once this is completed, ensure that you have a succession strategy in place to ensure that women have the opportunity to move up within your organization.

2. Establish Systems to Maintain Equal Pay

- Make all of your pay information transparent and revise any policies you may have that prohibit your employees from discussing their pay.
- Post company pay policies and pay equity plans in visible places for employees to see.
- Create a competitive and transparent bonus and promotion process.
- Ensure that individual position descriptions are up to date.
- Establish a clear performance evaluation process and structure that objectively reviews an employee's performance. Employees should be evaluated based on relevant factors, including their job description and their manager's expectations. In return, managers should be trained on effectively reviewing their employees and maintaining relevant documentation that proves performance. Employees should also be trained on the importance of the evaluation process.
- Create a process for regularly reviewing every employee's compensation package, to avoid gaps in benefits and professional development opportunities.
- Consider producing an annual report tracking your progress in advancing women into senior roles.
- Make it easier for employees to apply for promotional opportunities.
- Work to add women to your Board of Directors.

3. Create a Gender-Neutral Workplace Culture

- Allow access to flexible work for your employees and create a supportive workplace culture.
- Encourage employees to take advantage of flexible work policies.
- Provide incentives for childcare.
- Provide paid family leave.
- Ensure predictable scheduling practices for all of your employees.
- Avoid a culture of overwork by offering telecommuting or job sharing options.
- Share your bonus and promotion process with employees.
- Review your workplace harassment and violence policies and ensure safe a space for women.

4. Educate Employees about their Rights and Responsibilities

- Make sure your employees know that they are free to discuss their pay in the workplace.
- Provide unconscious bias trainings.
- Teach employees how to have a conversation about their pay and negotiate their salary, and pair employees up with mentors to practice.

5. Invest in your Current Talent

- Create a mentorship program in your organization and identify employees who would benefit from participating.
- Establish cross training and job rotation opportunities for employees who want to expand their skill set.
- Provide career planning workshops and seminars.
- Make job postings and promotional opportunities available to all of your employees.
- Identify key positions in your company and their vacancy probability. Create a succession plan that would outline the process for filling these vacancies with internal staff. Identify high potential female and diverse employees to begin the process of training these employees for the positions.
- Conduct stay interviews and employee engagement surveys to measure employee satisfaction and commitment and engagement. Implement retention strategies.
- Provide executive leadership training for female employees.
- Ensure that employees have equal access to professional development opportunities, training, and continuing education. Obtain management support in encouraging their staff to participate in training.
- Create a company sponsored, employee-led Women's Employee Resource Group that will champion the development and advancement of women.
- Form a company diversity council to increase awareness and appreciation of diversity in the workplace.

How to Ensure Equal Pay for your Incoming Employees

1. Design a Transparent and Unbiased Job Application Process

- Advertise a salary range or pay bracket in all of your job openings.
- Make job postings available to all applicants, regardless of their qualifications.
- Establish an anonymous application process for all of your jobs and internships (eliminate any references to their name, contact information, age, gender, or race).
- Do not require applicants to provide their salary history in the job application.
- Draft your job postings in a way that encourages more people to apply (for example, show credentials of people who typically do that job), and write specific descriptions for every position so they aren't grouped together.
- Avoid drafting job postings and qualifications that are unrealistic.
- Put any candidates received by referral through your anonymous application process.

2. Ensure that your Interview and Salary Negotiation Process is Fair

- Provide unconscious bias trainings to anyone in your organization who is involved in the recruiting, interviewing, and hiring process.
- If you are creating a search committee to find job candidates, make sure the search committee membership is diverse in both gender and race.
- When deciding who to interview, make sure your applicant pool is diverse while simultaneously keeping the applications anonymous.
- Attempt to perform one on one interviews with job candidates, and create a uniform evaluation and set of questions for each candidate.
- Create an interview tool kit for hiring managers and supervisors to follow through the entire hiring process.
- Standardize the process for negotiation sessions with new hires, in order to avoid unintentional bias.
- If you use outside recruiters, try to eliminate any incentives or bonuses they may receive for hiring an employee at a lower salary range than advertised.

3. Build a Pipeline for Future Employees

- Create an internship, fellowship, or mentoring program for future employees (who are in high school or an institution of higher education) and help to feed the pipeline of qualified workers.
- Analyze workforce, identify future needs and establish partnerships with colleges, universities, professional/trade organizations to target specific positions.
- Create marketing materials that represent your company as an “Employer of Choice” by emphasizing your family friendly benefits (paid parental leave, alternative work options, etc.), pay policies (merit and bonus plans) and commitment to your employees (professional development/promotional opportunities).