

PAY EQUITY AUDIT SNAPSHOT

Purpose:

- attract/retain talent, improve brand
- increase productivity, engagement, and satisfaction, legal compliance
- inspire trust
- minimize risk (because system is free from bias, promotes internal equity, aligns with market standards, and is guided by objective performance metrics)

Look-Fors (People, Process, and Policy—can be categorized that way too)

- All roles have updated job descriptions (JDs) and impact measures (scorecards)—job architecture
- Current resumes on file for all employees that reflect experience, education, and certifications
- Salary bands exist and are current (set based on market pricing and trends—by position or job grade)
- Clearly outlined roles and responsibilities within the organization w/established pay grades (org chart linked to comp)
- Codified policy on distribution of work and comp during planned/unplanned leave of employees (e.g., FML, unplanned resignation)
- Annual documented training focused on compensation philosophy and policies/practices with codified resources for reference (e.g., one-pager, Q and A)
- Annual compensation audit cycle to identify disparities/outliers with corrective action named (data sliced across all protected classes)
- Employee perception data gathered annually to gauge staff perception of compensation satisfaction and fairness, including earned promotions (reward satisfaction)
- Comprehensive benefits package that aligns with the organization's values and employee needs/input
- Compensation system's pay practices and policies comply with relevant labor laws and regulations (ethics)
- Transparency on organizational performance (e.g., data dashboards, townhalls, newsletter publication)

- Deliberate set of commonly used terms across all teams, leaders, and published content (e.g., benefits, compensation, variable pay, total reward, fairness)
- Total reward package reflects compensation, benefits, L&D, etc
- Clearly defined structure for decision-making around compensation
- Clear performance management system undergirded by quantifiable goals and a rubric for ratings/evaluations
- Clearly defined policy prohibiting salary negotiations (seeing more and more of this to manage for internal equity) –or explicit language that details when compensation will/can deviate (e.g., geographic region)

13 or higher: consistent evidence of equity-based compensation practices; low-risk

9-12: some evidence of equity-based compensation; practices in need of review/revision; medium-risk

8 or less: evidence suggests lots of work is needed to make compensation practices more equitable; high-risk