



iowa commission on the status of women

The 10 Step Equal Pay Self-Audit for Employers

The Department of Labor developed, and the National Committee for Pay Equity adopted, a 10 Step Equal Pay Self-Audit for Employers.

This simple evaluation helps employers who want to do the right thing.

1. Conduct Recruitment Self-Audit

- Does your hiring process seek diversity in the qualified applicant pool for positions?

2. Evaluate Your Compensation System for Internal Equity

- Do you have a method to determine salaries and benefits?
- Do you write position descriptions, seek employee input and develop consensus for position descriptions?
- In unionized workplaces, do you involve union leaders?
- Do you have a consistent job evaluation system?
- Are jobs scored or assigned grades?
- Are positions where women and minorities work scored or graded according to the same standards as jobs where men or non-minorities work?
- Could a method be used for ensuring consistent pay for people with substantially similar levels of experience and education who hold jobs calling for substantially similar degrees of skill, effort, responsibility and working conditions, even though job titles may be different?

3. Evaluate Your Compensation System for Industry Competitiveness

- Do you have a method to determine the market rate for any given job?
- Do you ensure that market rates are applied consistently? (i.e., Can you be confident that men are not being compensated at or above market rates while women are compensated at or below market rates? Can you be confident that non-minority workers are not compensated at or above market rates while minority workers' compensation is at or below the market rates?)
- Would your company benefit from a fresh approach that updates position descriptions; assesses skill, effort, responsibility, and working conditions of various jobs; assigns grades or scores; and ensures consistent application of market rates and external competitiveness?

4. Conduct a New Job Evaluation System if Needed

- Do you have up-to-date position descriptions for all occupations?
- Do you establish criteria for assigning values to skill, effort, responsibility, and working conditions of jobs?
- Do you challenge basic assumptions about the value of skills before assigning points or grades? (i.e., Do you consider how caring for sick people, small muscle dexterity in typing, and other such skills may have been undervalued in jobs that have been traditionally held by women?)

- Do you ensure agreement among worker representatives and management on criteria to evaluate jobs?
- Do you assign scores or grades to jobs and allow worker input?
- Do you compare your system with market rates and other external competitiveness factors?
- Do you consider whether the market has undercompensated certain occupations or professions before making adjustments?
- Do you assign consistent compensation to jobs within similar grades or scores, and do you use market rates and other external competitiveness factors consistently?

5. Examine Your Compensation System and Compare Job Grades/Scores

- How does pay compare for positions with similar grades or scores within your company?
- On average, are women and minorities paid similarly to men and non-minorities within the same grade or job score?
- Are there legitimate reasons for any disparities in pay between jobs with similar grades or scores?
- Can corrections be made to ensure consistency in assigning grades or scores?
- How long do men, women and minorities stay within job grades or scores before moving up?
- Do men or non-minority workers move up faster?
- What are the reasons that some workers move up faster?
- Can you take action to ensure that all workers have equal opportunity for advancement?

6. Review Data for Personnel Entering Your Company

- At what grades or positions do men, women and minorities typically enter your company?
- Within those grades and positions, are salaries consistent, or do men, women and minorities enter at different pay levels?
- How does negotiation affect entry-level salaries? Are men able to negotiate higher starting salaries than women or minorities?
- How do new hires compare in salary to those already working in the company in the same grades or positions?
- Do men, women and minorities entering the company get paid higher or lower than those who already hold the same positions or grades?
- Are there differences by gender or race?
- Are changes needed to ensure that new hires are treated consistently and incorporated into existing compensation systems on a compatible basis?

7. Assess Opportunity for Employees to Win Commissions and Bonuses

- Are men, women and minorities assigned projects or clients with high commission potential on a consistent basis?
- Are men, women and minorities with similar levels of performance awarded bonuses on a consistent basis? Do they receive bonuses of similar monetary values?

8. Assess How Raises are Awarded

- Is there a consistent method of evaluating performance for all workers?
- Do men, women and minorities receive consistent raises based on similar performance standards? (i.e., Are all workers with outstanding evaluations awarded the same percentage increases? If not, what are the reasons for the difference?)
- Are men, women and minorities with similar levels of performance awarded bonuses on a consistent basis? Do they receive bonuses of similar monetary values?

9. Evaluate Employee Training, Development and Promotion Opportunities

- How are workers selected for participation in training opportunities or special projects that lead to advancement?
- Are there differences by race or gender?
- If so, what can be done to widen the pool to reflect equal opportunity?

10. Implement Changes Where Needed, Maintain Equity and Share Your Success

- Have you made changes to ensure consistency in evaluation of jobs, assignment of grades or scores, advancement within the system, performance evaluation, compensation levels, raises, bonuses, commissions and training?
- Have you evaluated your compensation system periodically to ensure that it meets equal employment opportunity goals?
- Do you maintain openness about compensation with your work force?
- Do you regularly post job openings and salary ranges within the workplace?
- Do you allow employees to discuss compensation issues on their own time?
- Are you reaping the rewards of a productive, loyal work force, and using your success as a competitive tool to attract the best and brightest workers?

Assess Your Company's Results:

1. How did you do on the audit?
2. Were these issues you had considered before, or did you immediately think of an equal pay program already in place?
3. Were there many questions you had not considered before? You may find the answers to these questions to be informative and useful to begin work on implementing some of these policies.

(Consult with your company's attorney before making any changes to your policies to insure that they comply with the equal pay laws.)