

The 5-Step Checklist for Organizations That Want To Contribute To Fair Pay

There are many reasons for organizations to care about fair pay—but once the desire for a more equitable pay regime is identified, what next? We've assembled a five-step plan to keep you on the path to fairer pay.



1

Step 1: Define What Fair Pay Means To Your Organization

This task may be simple enough for smaller organizations. However, large global businesses may need to involve several high-ranking executives, HR professionals, and legal counselors.

- Assemble a team with the authority and knowledge to deal with any outcome.
- Explore how fair pay relates to your ethics, ethos, and mission.
- Research the legal responsibilities you are subject to in the countries you operate in.

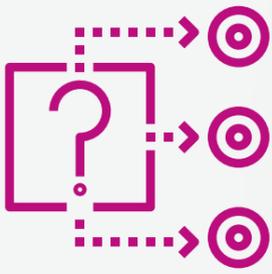


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Step 2: Perform Analyses That Show Where You Come up Short

Find out where the organization may be falling short of its standards—analysis should be done under privilege where possible.

- Conduct a range of statistical and work analyses from the following list:
 - o Overall pay gap analyses
 - o Corrected pay gap analyses
 - o Pay equity analyses looking within specific job classes
 - o Pay equity analyses between comparable job classes
 - o Various job valuations systems
 - o Various workforce analytics
- Ensure you're familiar with and use safe harbor provisions that protect the information you uncover.

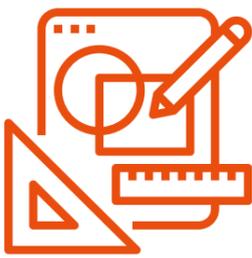


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Step 3: Account for Explanatory Factors

This may involve a great deal of investigation, and for larger companies that see a lot of potential issues, should involve a commensurate outlay of resources.

- Evaluate whether potential fair pay issues are explainable in a way that does not violate the created standards for pay fairness.
- Thoroughly investigate any difference in pay between classes of people that cannot be explained by reasonable and acceptable causes.



4

Step 4: Design and Implement Your Corrective Programs

Create programs designed to overcome the various causes of unacceptable pay differences.

- Use any of the following programs as appropriate:
 - o Simple pay increases for people determined to be underpaid due to unknown factors.
 - o Recruitment campaigns designed to attract underrepresented classes to specific positions or levels within the organization.
 - o Changes to policies and procedures that allow for more flexibility and acceptance of class-based requirements.
 - o Mentorship programs designed to facilitate leadership qualities and skills in a greater diversity of people.
 - o Diversity and inclusion programs, and purposeful consideration of people in more than one category when granting promotions.
- Consider local anti-discrimination and compensation laws when creating these programs.



5

Step 5: Validate & Reiterate

- Re-run the analytics from Step 2 annually.
- If no (or limited) positive effects are seen, re-examine your assumed cause(s) and your programs.

It's time to start reaping the rewards and avoid the pitfalls of unfair pay in your organization. Steer your business towards pay equity and learn everything you need to know about defining, measuring, and propagating fair pay with our white paper:

'Cultivating Fair Pay in the Workplace: Your Guide to Global Pay Equity'

Download today from affirmity.com/resources