

# SUCCESSFULLY GETTING TO PAY EQUITY

Within the year, companies with more than 100 employees will likely need to demonstrate that their workers are being paid fairly by sex, race and ethnicity in at least a dozen countries, including the United States.

The best tool that a company can arm themselves with is a comprehensive Pay Equity Analysis. A good Pay Equity Analysis does more than keep you on the safe side of the law; it improves retention of employees, uncovers avenues to increasing efficiency, and improves financial forecasting.

Pay Equity Analysis uses intersectional statistical models to identify whether compensation at your organization is influenced by factors you want (e.g., type of job, location, performance) or those you don't want (e.g., gender, race/ethnicity).

"It's kind of in the weeds, really technical detailed stuff," said Michael Eastman, senior vice president with the Center for Workplace Compliance. "That's where the burden comes in."

This is where we can help. We have decades of experience with equity in data and are seasoned diversity and inclusion professionals. Develop a PEA now, and use it to reap all kinds of benefits.



## PAY EQUITY ANALYSIS A TOOL FOR:

- Achieving legal compliance with new pay equity laws.
- Managing your recruiting and staffing processes.
- Engaging your employees more effectively.
- Confirming that your organizational values are making a bottom-line difference.
- Increasing your understanding of the DEI within your organization and identifying strengths, weaknesses, and opportunities for improving productivity.



At its core, PEA is a technical process, but when it's properly conducted both the inputs and outputs are universally practical. In a well conducted PEA the preparation on the client end is straightforward and immediately beneficial. The end result isn't a technical, jargon-filled document full of criticisms, but rather a comprehensive, approachable guide full of practical insights and beautifully designed data visualizations that can help any company to know itself better.



The steps involved in crafting a Pay Equity Analysis for your company's toolbox are simple:

**Step 1:** Prepare the relevant data – it's okay that it's messy and disorganized. We've been doing this for over a decade and have seen it all. We can help you find, organize and understand your data, and you'll come away from the initial phase with better data and better data collecting systems.



**Step 2:** Analyze your data for trends and patterns in compensation and promotion. Essentially, there are two important pay gaps to look for: unadjusted compensation gaps (these don't control for anything) and adjusted compensation gaps (that take into account things like seniority, job title, industry, and skills). Using statistical modelling, very detailed pay gap breakdowns can be identified through the murky interplay of skill, experience, job type, company standards, external economic and social factors, and more.



**Step 3:** Interpret your results and share them in a way that your organization can actually understand and use. This means clear reports, interactive dashboards, and summary videos that can impart immediate meaning to staff on a variety of levels. These are genuinely useful tools, rather than incomplete and unhelpful 'paper shields' used only to cover the legal side.

**Step 4:** Develop or refine your compensation philosophy and pay targets to be more efficient and effective based on what you've learned. Many PEA providers stop at step 3, with no intention of providing systems and best practices for implementing the required changes from the analysis.



As we know that not all Pay Equity Analyses are equal, we know that different companies require different things. Even small companies benefit from understanding the equity in their compensation choices. For very small companies, some types of statistical analysis are not always applicable but a careful examination of the data for any size company is always valuable.



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[heather@idatassist.com](mailto:heather@idatassist.com) | 2/2