

Equal Pay Self-Audit for Employers

The following information will assist you, as an employer, in analyzing your wage-setting policies. First, take the self-audit and see how you fare. If it doesn't appear that your policies measure up, you should use the questions and recommendations to develop a framework for policies that will ensure equal pay regardless of an individual's gender.

Please answer the following questions about your current pay policies:

1. Do you have a method to determine salaries and benefits?
2. Do you have written job descriptions for each position?
3. Do you have a consistent job evaluation system in place?
4. Are jobs scored or graded?
5. Are positions where women work scored or graded according to the same standards as jobs where men work?
6. Even though job titles might be different, is a method used whereby people with substantially similar levels of experience and education who hold jobs calling for substantially similar degrees of skill, effort and responsibility are paid consistently?
7. Would your company benefit from a fresh approach which updates job descriptions by assessing skill, effort and responsibility in various jobs; by assigning grades or scores and; by ensuring that you are paying wages that are consistent with market rates?

Please answer the following questions about your hiring practices:

1. At what grade or position do men and women typically start at your business?
2. Within those grades or positions, are the salaries consistent between gender or do men and women enter the business at different rates?
3. How does negotiation affect entry-level salaries? Do men generally negotiate higher salaries than women?
4. Do men and women entering the company get paid higher or lower than those who already hold the same positions or grades?

Please answer the following questions on how employees are rewarded:

1. If you have a commission policy, are men and women assigned projects or clients with high commission potential on a consistent basis?
2. If you have a bonus system, does it reward men and women with similar levels of performance on a consistent basis and are the amounts similar in monetary values?
3. How are employees chosen for participation in training opportunities or special projects that could lead to advancement? Are there differences by gender?
4. Is there a consistent method to evaluate performance of all workers? Do men and women receive consistent raises based on similar performance standards? If the raises are based on percentages, are men and women given the same percentage increases?

Now it's time to grade yourself. Be honest.

How do you think you scored? Were there many questions you had not considered before and did you have to hesitate with your responses? If so, we offer the following recommendations to assist you in compliance with the Maine law.

1. Prepare job descriptions for all occupations.
2. Establish criteria for assigning values to skill, effort and responsibility. Be creative--consider how caring for sick people, small muscle dexterity in typing and outstanding people skills in the service industry may have been undervalued in jobs that have been traditionally held by women.
3. Compare your system with market rates and other external competitiveness factors and, as above, take into consideration that the market may have undercompensated certain occupations in the past.
4. Assign scores or grades to jobs--when possible, obtain worker or worker representative input.
5. Compare the pay for each job to positions with similar grades or scores within your company. Make sure the rates are consistent.
6. Make sure that on average, women and men are paid similarly within the same grade or score. If they are not, make sure there are legitimate reasons for any disparities in pay.
7. Look at how long men and women stay within job grades or scores before moving up. Do men seem to move up faster than women? Why do some workers move up faster? Can you take action to ensure that both genders have equal opportunity for advancement?
8. Provide equal training opportunities for women as are offered to men.
9. Give women equal consideration for promotion as is given to men.

And, finally, maintain openness about compensation with your employees. Post job openings showing salary ranges regularly. Do not discourage employees from discussing their compensation issues. And, remember to use your success as a competitive tool to attract the best and brightest workers. By implementing a fair pay system, you will reap the rewards of a productive and loyal work force.

**Maine Department of Labor
Bureau of Labor Standards, Wage & Hour Division
45 State House Station
Augusta, ME 04333-0045
207-623-7900
www.maine.gov/labor/bls**

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