



## WORDS ON WISE MANAGEMENT

### Equal pay: how to prepare for this election's hot-button HR issue

by Alina Marciniak  
F&H Solutions Group

The upcoming election, which is just around the corner, has brought the issues of equal pay and the wage gap between genders into the spotlight. Presidential candidate Hillary Clinton, a sponsor of the Paycheck Fairness Act, has made equal pay for men and women a main issue of her platform. The media has continued to question the other major-party presidential candidate, Donald Trump, on the issue, but he has yet to commit to a policy. He has wavered on his stance on equal pay when asked about it throughout his campaign.

#### *Getting ahead of the curve*

In August 2016, Massachusetts Governor Charlie Baker signed a bill that promotes equal pay for men and women who perform substantially similar work. The new law, which goes into effect on July 1, 2018, makes Massachusetts the first state in the United States to pass a robust equal pay law. According to Governor Baker, the new legislation will prevent pay discrimination based on gender by allowing employees to freely discuss their salaries with coworkers. It will also prohibit employers from requiring job applicants to disclose their salary before receiving an official job offer. Additional states may pass legislation similar to the new Massachusetts law in order to promote wage equality.

Employers can get ahead of the curve and prepare for future legislative changes by enforcing recruiting and compensation policies that reduce bias in their processes and by documenting their practices. Here are some best practices to consider:

- **Solicit employee engagement feedback from your employees.** Do your female and male employees feel that there is any compensation bias within your organization? Even if you haven't detected any biases in your compensation process, asking this question on an employee engagement survey will determine if your employees are detecting an issue, so you can reexamine any areas of potential bias.
- **Establish salary bands for all positions.** Using a candidate's previous salary as a benchmark for compensation can create biases in the hiring

process. Conduct market research and establish market-based salary bands for all positions, and use the salary bands during the offer process and the review process. After establishing new salary bands, you may need to look back at what you are paying your current employees and adjust their salaries accordingly.

- **Train managers on communicating compensation strategies.** As open conversations about salaries are becoming less taboo, you should expect that your employees may be discussing the offers they received and their salary increases with other employees and even with people outside your organization. Therefore, managers should be engaged with what's happening in the workforce and trained to effectively discuss your organization's pay philosophy and strategies with employees. This can be done without revealing the full compensation process but still establishing employees' understanding of your objective practices and reinforcing that your organization values an equal pay culture.
- **Be transparent with candidates about compensation during the interview process.** Recruiters and managers should be trained to be up-front with candidates about the salary ranges of your jobs. In addition to training recruiters and managers on how to address compensation during the interview process, you should consider removing questions about a candidate's current and previous salaries from the application and interview processes, so current/previous salary doesn't become a factor in determining the amount you offer the candidate.

#### *Bottom line*

Regardless of the outcome of this year's election, equal pay will continue to be an important issue for legislators and management professionals. Implementing objective compensation strategies will go a long way in helping your organization promote equality for all.



*Alina Marciniak is a management consultant with F&H Solutions Group. She can be reached at 202-719-2081 or [amarciniak@fhsolutionsgroup.com](mailto:amarciniak@fhsolutionsgroup.com). ❀*