

## **WorldatWork Position Statement on Pay Equity**

### ***Issue***

Pay equity is a complex and controversial issue influencing the American workplace. The most discussed pay inequity has been a measurable, but debatable, gender wage gap between men and women. Historically, this gap has been determined in different ways, with many credible studies showing women earning less than men on a per-dollar basis. Pay inequity studies are not limited to gender pay issues; rather, they also analyze the compensation of other protected employment classes in categories such as race, age and national origin.

Pay equity debates also look at gender and diversity representation at the executive and leadership levels across organizations. This includes evaluating representation and opportunities for women and minorities on a company's corporate board of directors. While progress has been made, much still remains to be accomplished for U.S. organizations to achieve true pay equity. WorldatWork fully expects this critical issue to continue to be a key business priority.

### ***Role of the Compensation Professional***

As compensation and rewards experts, WorldatWork and its members have an important leadership role to play in the national conversation on pay equity. National policymakers and employers are seeking solutions to eliminate pay disparities in the workplace connected to gender, race, age, national origin or any other protected class.

Current laws need to be enforced by the federal government, but many additional solutions will be found outside of federal public policy initiatives. In addition, rewards and compensation practitioners and the organizations they serve also have a responsibility to reduce or eliminate pay inequities through innovative private-sector workplace programs and policies.

### ***WorldatWork's Position***

WorldatWork strongly supports the current federal laws on pay equity, including the long-established Equal Pay Act, which requires that men and women be given equal pay for equal work in the same establishment. This law allows pay differentials when they are based on seniority, merit, quantity or quality of production, or a factor other than sex. The association fully supports equal pay for equal work, as well as all federal anti-discrimination laws applicable to employment, including those within Title VII of the Civil Rights Act.

WorldatWork strongly believes that equal work must be measurable. Pay practices that reward performance and all other legitimate factors should remain lawful.

WorldatWork supports pay transparency. We support policies that protect an employee who voluntarily discusses his/her pay or compensation with other employees. Employees must not be retaliated against or fearful of discussing their compensation. An openness on compensation topics and a stronger understanding of an organization's compensation philosophy will give employees the information they need to make informed decisions about their personal employment and compensation status. WorldatWork respects privacy concerns and does not support initiatives that require employers to disclose confidential pay information of one individual to another interested employee.

WorldatWork endorses regular, organization-wide pay analyses to aid in reducing any unconscious biases or structural barriers in hiring practices, performance reviews, promotional guidelines and leadership opportunities that may contribute to pay inequities. Regular pay analyses conducted against the many factors used in determining compensation programs and individual pay should be supported by policymakers, but remain voluntary. WorldatWork's members have the responsibility to ensure these analyses are free of discrimination and use accepted compensation practices. If compensation professionals identify inequities through these analyses, these should be communicated to an organization's management to address the issue. Assessing wages and closing any potential pay gaps based upon gender, race, age, national origin or any other protected class should rest with employers, not the federal government.

WorldatWork believes employers should have access to all relevant employment information when determining compensation for an individual during the hiring process. It is not the intent of our profession to continue past pay inequities when hiring new employees. Compensation should be tied to the specific job and market forces that dictate the rate of pay for that job. In order to make a compelling offer of employment to candidates, WorldatWork opposes policies that prohibit employers from requesting a job candidate's total rewards history during their consideration and interview process.

WorldatWork supports voluntary adoption of gender-neutral workplace policies such as workplace flexibility and paid family-leave benefits that may help reduce wage gaps and retain employees in the workforce. Public policy should be tailored to encourage organizations to offer these benefits not through universal mandates, regulations or taxes, but rather via policy innovation, support of strategic national goals and individual organizational marketplace initiatives.