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Getting To Equal Pay, and Maintaining It

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Tuesday April 12 was Equal Pay Day, just one of the many days this year that placed equal pay in the news. We've already [apprised you](#) about California's stringent amendment to the Fair Pay Act and the legal requirements it imposes. In case you missed it, Glassdoor just published [a study](#) [PDF] based on more than 505,000 salaries shared by full-time U.S. employees.

This study maintains that much of the wage gap may be attributed to a division of jobs (e.g. engineering being dominated mainly by men and human resources being dominated mainly by women). However, even when you look at men and women in the same jobs and attempt to control for legitimate business reasons such as education, skills, and experience, there remains a wage gap of 5.4% in base pay and 7.4% in total compensation. That's the gap that businesses need to close to be compliant with the California Fair Pay Act, which requires that 100% of any wage gap be explained by such legitimate factors. Glassdoor's research found that 33% of the gap cannot be explained by legitimate factors and may be due to gender bias. If this is true, then once a business closes a gap, it's possible that bias may creep back in and the gap may reoccur. So what's a business to do? Stanford's Clayman Institute for Gender Research, which conducts research in this area, offers [practical advice](#) about how to avoid bias in the performance review process, which includes:

- Setting objective criteria and prioritizing that criteria so it is applied equally.
- Excluding criteria, such as participation in certain events, more open to men than women.
- Focusing comments on actual skills and accomplishments rather than personality traits where bias often slips in (e.g. when men assert themselves they are often characterized as effective whereas women may be tagged as aggressive).
- Ensuring developmental feedback and leadership feedback is balanced (often women receive more developmental feedback and men more leadership feedback).

Pay transparency is another method to eliminate gender gaps. Some companies base starting salaries on market rates eliminating the negotiation process that typically favors men. Institutionalizing objective criteria from hiring through promotion will prevent pay gaps at the start of employment and keep them from happening throughout the review, raise, and promotion process.

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Article By

[Gary M. Gansle](#)

[Labor and Employment Practice Group](#)
[Squire Patton Boggs](#)

Jennifer Dew [Squire Patton Boggs \(US\) LLP](#)
[Employment Law Worldview](#)
[Labor & Employment](#)
[All Federal](#)