Karen Denney in HR Magazine: The Importance of Pay Equity

By Karen C. Denney | March 13, 2020

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Haynes Boone Partner Karen Denney talked with *HR Magazine* about the importance of Human Resources professionals reviewing their organization's compensation policies and practices as the focus intensifies on closing the gender pay gap.

Here is an excerpt:

Most state laws provide broader protection than the federal Equal Pay Act by requiring employers to pay men and women equally for "substantially similar" work, rather than for "equal" work. Moreover, many states have expanded fair-pay requirements beyond gender to include race and other protected characteristics.

So what is pay equity? In general, it means compensating employees the same when they perform the same or similar job duties, while accounting for other factors, such as their experience level, job performance and tenure with the employer, explains Karen Denney, an attorney with Haynes Boone in Fort Worth, Texas.

Conducting Pay Audits

Any legitimate business reasons for disparities should be documented. Pay-equity claims often aren't alleged against employers until years after the pay decision was made, Denney says.

"It can be hard for a manager to remember why she made [the decision] unless there are documents refreshing her memory," Denney adds.

Thinking Beyond Audits

HR should keep pay equity in mind when developing workplace policies and procedures. Consider how the business determines starting pay, merit increases, promotions, one-off increases and incentives.

Training is essential, Denney says. "Employers should provide training to their executives and managers about how to make fair pay decisions to ensure they understand what pay equity is and why it's important."

To read the full article, click here.

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