

**I want to perform a gender pay equity analysis**

California law requires that employers pay women and men doing substantially similar work the same wage rate. To comply, businesses may want to evaluate the jobs their employees do and compare wages by gender:

- Collect the right data
- Identify employees doing substantially similar work [\[LINK TO STEP BY STEP\]](#)
- Compare wage rates for employees of the opposite sex
- Determine reasons for any differences in pay
- Remedy any disparity that cannot be justified based on a seniority or merit system, a system that measures earnings by quality or quality of production, or another bona-fide factor that is job related and necessary for the business such as education, training, experience, or the geographical location of the employee and cost of living in that area.

**Collect the right data**

Beginning a pay equity analysis means having the right information to analyze. Generally, this means collecting information about employees, jobs, business/company practices, market data, and salaries, though the size of your business may impact what you collect and what makes sense to collect.

For employers of all sizes, retaining information to perform a pay audit will help you to:

- Establish and/or change existing management practices
- Ensure that sufficient data for a pay equity analysis are captured and stored in an accurate manner with appropriate retention schedules
- Analyze and take action on pay equity data.

The chart below summarizes infrastructure and data that would be useful in conducting a pay equity analysis. These may not always apply based on industry or employee population. There may be other data points that may be relevant that may not be listed here. While not explicitly required by law, this data may facilitate compliance with the law.

Function	Description	Pay Equity Data			
		Small <sup>A</sup>		Med/Large <sup>A</sup>	
		Basic	Desirable	Basic	Desirable
Human Resources Management System (HRMS)	o Time in Company	✓		✓	
	o Time in Position	✓		✓	
	o Pay Rate History (including Starting Salary)	✓		✓	
	o Gender	✓		✓	
	o Race/Ethnicity <sup>B</sup>	✓		✓	
	o Employee Job History, Management Level History, Location History, Compensation History		✓	✓	
	o Geographic Salary Ranges reflecting external		✓	✓	
	o Team Size (total team size and direct		✓		✓
Payroll Time and Attendance	o Payroll Data	✓		✓	
	o Earnings	✓		✓	
	o Hours Worked	✓		✓	
Talent Management	o Talent assessment data		✓	✓	
	o Accomplishments; Performance against		✓	✓	
	o Goals/Objectives		✓		✓
	o Long-Term Career Potential (High Potential or Key Role); Training & Development Positions;		✓		✓
	o Employee Profiles (internal/external employment history, experience, institutional		✓		✓
	o Competency assessments		✓		✓
	o Succession planning		✓		✓
	o Scope of Role - Budget P&L Responsibility, Complexity of channels, geographies		✓		✓
Recruiting / Talent Attraction	o Job Profiles/Descriptions	✓		✓	
	o Candidate Resumes		✓	✓	
External Market Data	o Salary Survey analysis		✓		✓
	o Salary Surveys with benchmark jobs		✓		✓
Company Practices**	o Definition / Statement of Compensation Strategy (Pay for Performance; Pay for		✓		✓
	o Definition of Recruiting Practices (Prior Salary; Blind Resume; Documentation of		✓		✓
Internal Job Structure Data	o Job Functions / Job Families		✓		✓
	o Career leveling matrix indicated breadth and		✓		✓

Notes:

<sup>A</sup> While the definitions of "small" and "large" employers vary depending on the context, the pay equity data are categorized as basic and aspirational to illustrate the desired data elements to establish equitable pay practices and to be able to conduct pay equity audits.

<sup>B</sup> SB 1067 expanded Labor Code Section 1197.5 to cover race and ethnicity. Include Non-Reported vs. Opt-