How to use Gapsquare™ to Conduct Equal Pay Reviews

Based on XPertHR's guidance – [Evaluate and Correct Pay Disparities Checklist](#) – this is how you can use Gapsquare™ to conduct an Equal Pay Review.

1 Determine the scope of the audit

For a companywide audit, navigate straight to Equal Pay Review on the Gapsquare™ app – this gives you an overview of equal pay and employees at risk of pay disparity issues.

To focus on a particular group in your workforce, navigate to Pay Analysis Groups and choose which group you would like to analyze. By clicking "Explore" on a group, you can conduct an equal pay review for that specific group.

2 Collect data

Relevant data would include job category, demographics, length of service, and other pay factors for the employees included in the audit. Remember that factors including seniority, merit, job performance, and other job-related attributes may considerably influence pay. Thus, the more data you collect on factors affecting employees' pay, the more insight you can obtain about the source of potential pay disparities. These factors are called pay-determining characteristics.

Review job descriptions and titles to identify the key functions of each role and enable effective comparisons between employees performing comparable work.

3 Ensure that existing data is reliable and up to date

Ask employees to verify that any demographic details they provided in the past are still correct and ensure that job-related data accurately captures employees' current roles, titles and responsibilities.

If the audit will include a variable for which the employer lacks complete data, consider asking employees to self-identify on the relevant characteristics. Self-identification should be voluntary, and employees should be informed of the purpose behind the data collection and reassured that the data will be kept confidential, maintained separately from other personnel records, and used only for the stated purpose.

4 Identify criteria that currently influence the pay scale

These criteria may include tenure, experience, geography, industry benchmarks, qualifications, skills and education. Criteria that affect pay should be related to the demands or characteristics of the job, the conditions in which it is performed, and/or the employee's contributions or performance in the role.

5 Compare compensation between employees who perform similar duties and responsibilities

Using the Gapsquare™ Equal Pay Review feature, you will find a list of employees whose pay falls significantly below their predicted pay based on the pay-determining characteristics in the data. They are split into red, amber, and green severity ratings. Red employees fall the

farthest below the expected pay range, amber employees fall somewhat below the expected pay range, and green employees are within the expected salary range. To understand how we calculate this, [read our FAQs](#).

By clicking "Compare" for an employee on the list, you compare an employee with like-for-like employees with similar pay-determining characteristics. This is called a Substantially Similar Work Group (SSWG). You can then compare the employees to see if there are large pay variances within a SSWG.

6   Evaluate whether the pay scale criteria have a disparate impact on certain groups

You can use the graph of Actual Salary Vs Predicted Salary on the Equal Pay Review page to view clusters of employees. For example, you may see more women falling below the predicted salary line; this means that more women tend to be underpaid compared to men.

You should additionally analyze whether members of one group are disproportionately more or less likely to have a particular credential. Using the graph of Contribution to Your Pay Gap, you can see factors that impact your pay gap the most. These factors indicate whether different employee groups "score" differently in certain pay-determining characteristics. For example, if job level is contributing largely to the gender pay gap, it could mean that men are generally in higher job levels than women.

7   Make sure any wage differentials are based on legitimate and non-discriminatory factors

These factors may include:
- Seniority
- Merit
- A system that measures quantity or quality of production, and/or
- A bona fide factor other than gender, ethnicity, race, or another protected characteristic. Examples of bona fide factors include but are not limited to education, experience, credentials, tenure, skill, and location.

8   Investigate the root cause of any identified pay disparities that lack a legitimate explanation

For example, are employees in certain groups systematically started at higher salaries or do disparities arise from faster increases in compensation for some groups? Are certain employee groups less likely to receive promotions, and if so, why? Are certain groups of employees performing better than others?

If there are employees with unexplained pay disparities, you can choose to adjust their salaries based on the suggested adjustments shown in the Equal Pay Review feature.