

# Comprehensive Pay Equity Study

## A service of PeopleFluent Research Institute

Despite publicity surrounding high-profile lawsuits, pay discrimination in the workforce persists and most companies remain vulnerable to pay-related lawsuits and claims.

Enforcement agencies—including the Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC)—as well as state agencies in California, New York, Maryland, Massachusetts, and Oregon are working aggressively to close wage gaps and enforce equal pay laws. Employees are increasingly aware of their rights and, because of trends toward greater pay transparency, of how their wages compare to those of their colleagues.

### PeopleFluent Research Institute (PRI) can help.

We specialize in comprehensive services to help you identify and address pay inequities and potential workforce discrimination—before claims, complaints, or audits. Our experts can help you avoid costly financial consequences and negative impacts to company's reputation.

PRI's Comprehensive Pay Equity Study includes OFCCP-style compensation analysis by Affirmative Action Plan (AAP), as well as company-wide studies based on supplemental rank sum and T-test assessments.

### OFCCP-Style Compensation Analysis by AAP

An OFCCP-style compensation analysis examines—by AAP establishment—the pay rates of females vs. males and minorities vs. non-minorities using a bifurcated approach based on a formal regression analysis, followed by an informal pivot table assessment.

Our formal regression analysis uses sufficiently large groups of employees who are similar in terms of work performed, skills and qualifications required and responsibility level.

For employee groups too small to be included in the regression analysis, we use a pivot table to informally examine each group for any unusual pay differences by gender or race.

### Key Benefits

- Reduces risk and defends your HR practices
- Augments internal resources with PhD statisticians and pay equity experts
- Achieves compliance and pay equity goals
- Boosts confidence in your compensation analyses by leveraging the same statistical methods used by the OFCCP
- Anticipates legal liabilities before an OFCCP audit or EEO charge

## Organization-Wide Rank Sum Supplement

Because OFCCP analyzes each AAP establishment in isolation, they are unable to detect patterns of pay disparity that may persist across AAPs. Our experts conduct a supplemental rank sum study as a means of including all comparison groups across AAPs in a single, company-wide analysis. This approach enables us to identify any statistically significant patterns of pay disparity.

The rank sum model makes comparisons on the basis of ranks assigned to employees after placing them in ascending order by pay rate. Its strength lies in identifying comparison groups in which employees of a particular protected status are clustered among either the lowest or highest paid members of the group.

## Organization-Wide T-Test Supplement

Some comparison groups include influential outliers—employees with unusually low or high pay rates. These employees may exert a strong influence on average pay rates for their demographic—an influence that is not readily captured by their assigned ranks.

To augment the rank sum study, our experts can conduct a supplemental T-test study as a means of identifying comparison groups with statistically significant disparities in average pay rates by gender and race.

## Compensation Beyond Base Pay

For companies with a substantial number of employees who receive bonuses, commissions, overtime pay, merit increases, and other compensation beyond base pay, our experts examine whether disparities exist along race or gender lines in the amount of total compensation received.

## Pay Equity Adjustment Estimates

As an optional add-on service, PRI experts can examine statistically significant pay disparities identified by OFCCP-style regression studies, supplemental rank sum study, and T-test analyses. We then estimate any adjustments to base pay that may be warranted.

## Contact Us

Find out how PeopleFluent Research Institute can help ensure your organization complies with fair employment practices across the talent lifecycle.

**800-782-1818, Option 3 | [aapinfo@peoplefluent.com](mailto:aapinfo@peoplefluent.com)**

**[PeopleFluent.com/pri](https://www.peoplefluent.com/pri)**

## About PeopleFluent Research Institute (PRI)

PeopleFluent Research Institute (PRI) is a team of professional PhD consultants with the analytic skills and experience it takes to evaluate employment practices across the talent lifecycle. We use the same statistical methods as regulatory authorities to evaluate pay equity, hiring decisions, termination rates, adverse impacts, and other employment practices. Our quantitative analysis ensures compliance with U.S. workforce regulations, uncovers opportunities to improve diversity programs, and provides risk mitigation.

**[www.peoplefluent.com](https://www.peoplefluent.com)**

