Case Study



Pay Equity Analytics

CHALLENGE

A midsize healthcare organization was experiencing employee dissatisfaction around perceived pay inequities. The company wanted to understand if compensation gaps existed across demographics, positions, departments, etc. and revise compensation policies to create a standardized approach. With the help of ScottMadden, the HR group was able to develop explanatory compensation models for key positions, identify specific pay gaps, define a standard approach to compensation, and apply the new standards and statistical models to address this sensitive issue.

PROCESS

- Met with HR leaders to identify and extract relevant employee data from available sources
- Developed statistical models to identify the driving factors behind differences in compensation
- Assessed the current compensation-setting policies and procedures
- Developed a future state compensation framework and a gap closure plan
- Applied the statistical models to advise on options to resolve identified pay equity gaps

RESULTS

- Addressed small pockets of pay inequities based on gender and race
- Determined that employees were not compensated consistently for their experience and enabled the client to make \$500,000 in compensation adjustments
- Developed and deployed a change plan to acknowledge existing perceptions and feelings and to share outcomes with the organization
- Minimized future compensation variance to improve employee satisfaction with compensation practices

AT A GLANCE

\$500K

in compensation adjustments to achieve pay equity



Developed a framework to ensure continued pay equity



Identified driving factors of pay differences using statistical models

ScottMadden has guided numerous organizations in deploying standardized policies and processes to create equity. Contact us to learn how we can help your organization.



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