



Pay Equity Study

City of Greensboro, North Carolina



- Project Overview and Methodology
- Project Results
- Recommendations
- Q&A

Methodology

Project Overview

COMPLETE

- **Data Collection:** project planning meetings to discuss goals for the study and current challenges experienced by existing classification and compensation plan and policies, data collected from the City.
- **Pay Policies and Practices Review:** review of key policy areas of compensation including Starting Pay, Merit/Step Increases, Reclassification Pay, and Promotional Pay.
- **Pay Equity Statistical Analysis:** analyzed data related to gender, race, age, and various job-related factors by employing advanced statistical techniques.
- **Findings and Recommendations:**
 - **FINDING #1 Demographic Determinants of Compensation:** The comprehensive regression analysis conducted on selected departments and job classifications within the City of Greensboro indicates that, **when controlling for occupation, there are no gender or racial disparities in pay.**
 - **FINDING #2 Starting Salary Analysis:** **Our analysis reveals that gender and race do not significantly affect starting salary range penetration.** These findings align with our initial insights that, within specific job classifications, pay disparities are more likely influenced by role-specific attributes rather than demographic factors like gender or race.
 - **FINDING #3 Merit/Step Increases in 2021 Analysis:** **Our findings reveal that gender, race, and age, did not significantly predict changes in salaries among employees eligible for a merit or step increase from 2020 to 2021.**

IN PROGRESS

- **Project Completion:** final report, Council presentation, and project documentation delivery.



Methodology

Project Overview

Project Initiation

- Planning meetings with City project team to establish goals and working relationships
- Data Collection
 - Pay structures
 - Policy handbook
 - Job descriptions
 - Organization charts
 - Job evaluation and reclassification documentation
 - Census file (names, salaries, hire dates, etc.)
 - Historical employee data 2015-2023



Pay Philosophy

- Lead, Lag, or Match (SHRM, 2018)

External Competitiveness

- Labor Market Studies

Internal Consistency

- Job Content (job evaluation, pay banding, comparable worth)
- Market Adjustment: Single job or class to reflect market demands
- Equity Adjustment: Jobs adjusting to align with other similar jobs

Individual Contribution

- Personal allocation (seniority, merit pay, skill pay)

Determinants of Compensation

Methodology

Current Landscape of Pay Policies and Practices

- **Starting Pay “Hiring Salaries and Offers” (D-3):** The initial compensation offered to employees upon hire.
- **Merit/Step Increases (B-1 & D-5):** Changes in pay resulting from merit-based increases or step advancements.
- **Promotional Salary Increases (D-6):** Adjustments in compensation associated with promotions, reflecting increased responsibilities.
- **Position Reclassification (Sections 1.0 and 2.0):** Changes in pay resulting from the reclassification of job roles and responsibilities.



Pay Equity Analysis

Statistical Analysis

- **Descriptive Statistics Analysis**
- **Regression Analysis-** Utilized multivariate regression modeling to assess how specific factors, including protected characteristics, influence employee compensation within the City.

Control variables	Independent variables	Dependent variables
<ul style="list-style-type: none">• Tenure (Years of Service)• FLSA Status• Public Safety positions• Annual Hours• Minimum Education and Experience• Job Evaluation Scores• Supervisory Roles	<ul style="list-style-type: none">• Age• Gender• Race	<ul style="list-style-type: none">• Compensation<ul style="list-style-type: none">• <i>Starting Pay</i>• <i>Merit/Step Increases</i>



Pay Equity Analysis

Key Findings from Regression Analysis

- **FINDING #1** Demographic Determinants of Compensation: The comprehensive regression analysis conducted on selected departments and job classifications within the City of Greensboro indicates that, when controlling for occupation, there are no gender or racial disparities in pay.
 - The 12 statistical analyses conducted reveal no discernible evidence of gender or racial pay disparities among the *examined employee groups* after controlling for factors such as hours worked, FLSA status, minimum experience and education required by the position, job evaluation scores, supervisory status, and tenure.



Occupational Sorting

- By examining pay differences within specific occupations or position classifications, we can better discern whether these differences are primarily driven by occupational sorting or other factors.

Occupational Sorting: Contributor to pay disparities, a widespread issue not exclusive to Greensboro but present across industries in the U.S.

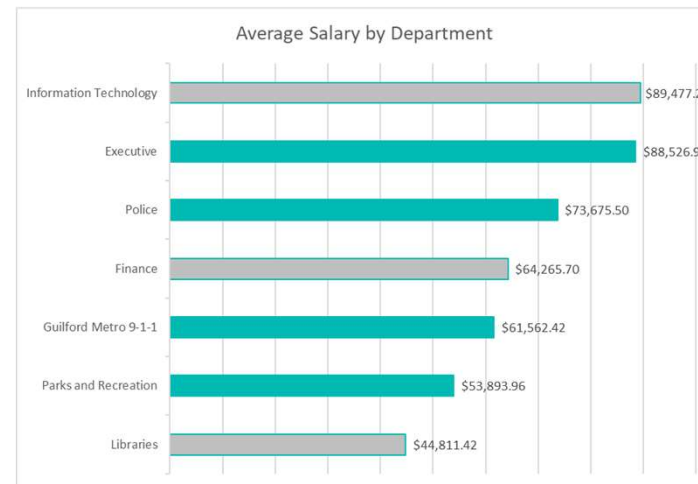
Baker Tilly's Regression Analysis: Offers insights into gender and racial salary influences within selected job classifications in Greensboro. These occupations represent a diverse range of roles across the organization. Additionally, these positions have a significant threshold—meaning a sufficient number of women and non-white employees—which is crucial for ensuring that the statistical analysis is robust.

Department	Job Title	Average Salary	Employee Count	% Female	% NonWhite
Engineering and Inspections	Custodian II	\$39,513.32	37	35.14%	83.78%
Engineering and Inspections	Supv Crew	\$50,652.79	56	5.36%	42.86%
Field Operations	Member Crew	\$40,681.18	182	7.14%	57.69%
Field Operations	Operator Heavy Equipment	\$46,955.59	113	1.77%	53.98%
Field Operations	Operator Solid Waste	\$42,245.55	42	7.14%	83.33%
Fire	Fire Fighter Sr	\$64,138.99	119	9.24%	30.25%
Guilford Metro 9-1-1	Spec Master Emergency Comm	\$56,370.41	22	54.55%	9.09%
Libraries	Library Associate	\$44,751.39	18	61.11%	44.44%
Police	Police Corporal	\$83,585.00	56	17.86%	28.57%
Police	Police Officer I	\$63,127.37	262	19.47%	36.64%
Police	Police Officer II	\$73,978.15	111	21.62%	28.83%
Police	Police Officer III	\$83,544.73	74	10.81%	32.43%

Workforce Composition

The makeup of the employees within an organization or a labor market.

Baker Tilly's Regression Analysis: The analysis included 3,136 employees across 36 departments. However, we focused on the Executive, Police, Guilford Metro 9-1-1, and Parks and Recreation departments because these departments include positions that span a broad spectrum of salary levels.



Our analysis finds no evidence of gender or racial pay disparities among the City's employees after workforce composition and occupational considerations are factored in. Thus, the perceived pay differences are attributed to non-demographic, job-related factors.

Pay Equity Analysis

Additional Pay Equity Analysis

- **FINDING #2** Starting Salary Analysis: Our analysis reveals that gender and race do not significantly affect starting salary range penetration. These findings align with our initial insights that, within specific job classifications, pay disparities are more likely influenced by role-specific attributes rather than demographic factors like gender or race.
- **FINDING #3** Merit/Step Increases in 2021 Analysis: Our findings reveal that gender, race, and age, did not significantly predict changes in salaries among employees eligible for a merit or step increase from 2020 to 2021.



Project Overview

Recommendations

- The study's insights reflect the independent analysis and professional judgment of Baker Tilly.
- Throughout the project, continuous feedback was sought from the City's People & Culture Department and other key stakeholders to ensure the study's relevance and applicability.
- The pay equity analysis aligns with the requirements set forth under the federal Equal Pay Act and North Carolina's Equal Employment Practices Act, which mandate equal pay for substantially similar work, irrespective of gender, race, or other protected characteristics.

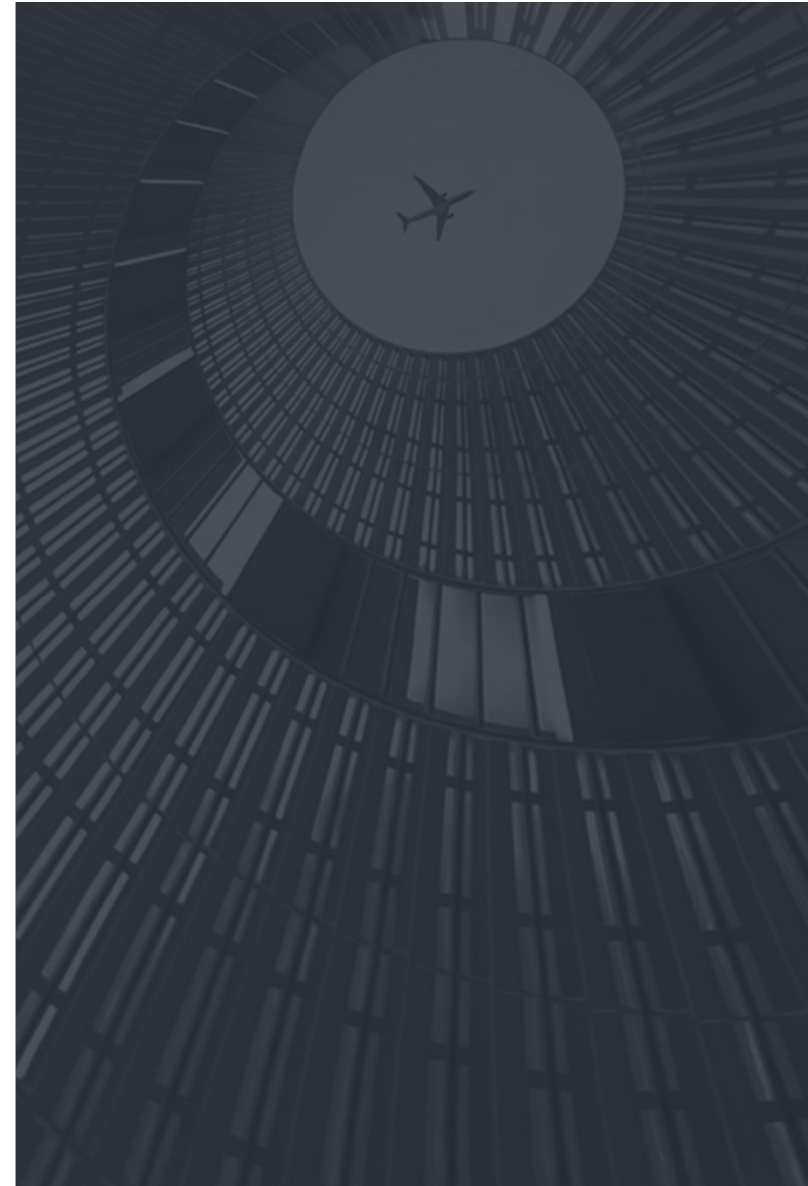


Conclusion



We urge the City of Greensboro to consider:

- **Strategic Recommendations for Policy Revisions:** To ensure fairness and consistency, the city should refine the flexibility in salary offers by **establishing clear, explicit criteria for both standard and above-range hiring**, ensuring these guidelines are transparent and uniformly applied across all departments. Additionally, **regular, comprehensive audits** are crucial to monitor adherence to these policies and to identify any discrepancies in pay and promotion practices. Crucially, we advocate for the **creation of clear, quantifiable metrics for promotions and reclassifications**.
- **Implementation of Targeted Interventions:** Initiatives such as **targeted diversity and inclusion training and the implementation of regular equity audits** should be undertaken. This could include developing programs that prepare and promote diverse employees into a variety of roles within each department's unique composition and needs, including those where they are currently underrepresented.



Conclusion



We urge the City of Greensboro to consider:

- **Monitoring and Continuous Improvement:** Regular pay equity reviews should be instituted to ensure that the City remains dedicated to equitable compensation. Additionally, **mechanisms for continuous feedback** should be established to support routine examination and development of compensation practices.
- **Strategic Communication:** Emphasizes transparency and openness in communicating the study's results to all stakeholders, reinforcing the City's commitment to fairness and equity in compensation practices. Open dialogue based on study results can lead to feedback that informs continuous policy improvement and effective response to pay equity concerns.

