

HR Weekly Podcast
July 2, 2014

Today is July 2, 2014 and welcome to the HR Weekly Podcast from the State Human Resources Division. This week's Podcast deals with a recent Executive Order signed by President Barack Obama applicable to federal contractors.

Information used to develop this podcast was gathered from a May 20, 2014 article in the Phoenix Business Journal by Shayna Balch. In April 2014, President Obama signed an Executive Order, impacting federal contractors, that aims to advance the goal of equal pay for women and prevent pay discrimination. Specifically, the Executive Order states: "The contractor will not discharge or in any matter discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed compensation of the employee or applicant to another employee or applicant."

This Executive Order is in addition to existing legislation aimed at equal pay, such as the Equal Pay Act of 1963 and the Lilly Ledbetter Fair Pay Act. The article suggests that, despite this existing legislation, that on average women working full-time earn 77 cents for every dollar earned by her male counterparts. According to a fact sheet published by the White House, the Executive Order was intended to combat one of the key barriers to equal pay: the fact that many women do not even know that they are underpaid.

Currently, the Executive Order only impacts federal contractors. A similar bill, the "Paycheck Fairness Act," was recently re-proposed in the United States Congress. The bill required similar provisions to the recent Executive Order and would also require that the Equal Employment Opportunity Commission collect race and gender data along with compensation from employers. The bill did not pass the United States Senate, but the legislation could be reintroduced at a later time.

The article suggests that employers should examine their current compensation structure and ensure that they are following the current laws regarding compensation. If there is a large discrepancy between how men and women are compensated for similar work despite similar education and experience, employers may need to rethink their compensation plan.

If you have questions about this topic, please contact your HR consultant at 803-896-5300. Thank you.