

# **Best Practices for Hiring and Pay Transparency in 2023**





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HR and Operations Manager

Combined



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#### **BEFORE WE BEGIN**



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## **Best Practices for Hiring**



## **Disclaimer**

The information in this presentation is intended for informational purposes only and should not be considered legal advice.

You are strongly encouraged to consult your own legal counsel to ensure compliance with applicable law in your specific state, municipality or jurisdiction.





## **Topics Include:**



Roadmap for recruitment



Screening for skills



Applicant Tracking System (ATS) Integration



Selection, hiring and onboarding



Pay Transparency and Pay Data Reporting



## Anticipate your hiring needs

- Consider your industry
- ✓ What does the job entail?
- ✓ How many people should I hire?
- ✓ Turnover and Succession
- ✓ What's the budget?



## **Building a Job Description**

✓ Core Essential Items:



- Job Title, Department, Location, Exempt or Non-Exempt
- Pay range
- Duties and Responsibilities with ADA/EEO requirements

## **EEO Statement Example:**



At HelloFresh, we embrace diversity and inclusion. We are an equalopportunity employer and do not discriminate on the basis of an individual's race, national origin, color, gender, gender identity, gender expression, sexual orientation, religion, age, disability, marital status, or any other protected characteristic under applicable law, whether actual or perceived. As part of the Company's commitment to equal employment opportunity, we provide reasonable accommodations, up to the point of undue hardship, to candidates at any stage, including to individuals with disabilities.



## **Building a Job Description**

- ✓ Core Essential Items:
  - Job Title, Department, Location, Exempt or Non-Exempt
  - Pay range
  - Duties and Responsibilities with ADA/EEO requirements
  - Specs: knowledge, skills, abilities required to perform the job, education, experience



## **Building a Job Description**

- Other options to consider:
  - Dynamic Job Descriptions (Employer Branding)
  - Benefits
    - Flexible work environment/remote work
    - Incentives and Bonus opportunities
    - Career advancement



#### Where to recruit

- ✓ Internal:
  - Employee referrals
    - Consider incentives to employees for referral names and bonus incentive for successful hiring of a referral.
    - Avoid family or close friend hiring (nepotism)
    - Go through the interview process the same as you would any other candidate



#### Where to recruit

- External Sources:
  - Professional Recruiters/Employment Agencies
    - Percentage of salary usually 20-25%
    - Large agencies for Executives
  - Temp or Temp to Hire Agencies
  - Freelance: Gig Work (Example: Upwork.com or Fiverr.com)



## Where to recruit

- External Sources:
  - Social Media Direct
    - Facebook, LinkedIn, WeChat
  - Career fairs
    - Colleges
    - > Trade and Professional Associations



## **Employment Testing**

#### ✓ Skills:

- Knowledge-based testing for computer programs like Excel, Word, Typing Test, CRM knowledge
- Custom Questions: Testing on knowledge of machinery (print press, forklift, cash register)



## **Employment Testing**

- ✓ Job Fit Testing:
  - Test on ability to problem solve through cognitive test
  - Personality and Motivation: What makes them productive? What motivates them?



## **Interviews**

- ✓ In person, Zoom or Online, or Progression:
  - Plan out your interview process and who will be responsible for each interview
  - Be careful not to ask inappropriate questions



- No asking current salary or rate of pay
- Remove personal bias (start with open mind)

#### **Interviews**

- ✓ In person, Zoom or Online, or Progression:
  - Plan out your interview process and who will be responsible for each interview
  - Be careful not to ask inappropriate questions
  - Take Notes/Documentation
    - Explore application blanks or resume discrepancies.



## **Applicant Tracking System (ATS)**

- ✓ What does an ATS do?
  - Posts jobs to multiple sites such as Indeed, LinkedIn, Monster, college boards and more.
  - Can create prequalified questions to eliminate candidates who don't qualify (degree, years of experience, certifications needed)



Auto responses to applicants, notifications of new applicants



## **Applicant Tracking System (ATS)**

- ✓ What does an ATS do?
  - Integration with background checks, degree and job history notifications
  - Integration with skills testing
  - Secure storage of information



- ✓ Communicate with applicant about the process
  - How long it will take? (How soon will you hire?)
  - Testing involved
  - Multiple interviews
  - Communication on final decision







- Clear communication/articulation answers questions clearly
- Resumes/Applications that are well written or filled out completely
- Being on time to interviews or early
- Candidate follows up after interview







- Makes eye contact
- Online Interviews: knows how to start a video, attentive, looks at camera
  - Be aware and understanding of distractions

- ✓ Red Flags (bad candidate indicators)
  - Does not answer questions or tries to avoid direct answers.
  - Complains about former employer or team members
  - Late to interview, doesn't show up



- ✓ Red Flags (bad candidate indicators)
  - Didn't complete testing or application (left blanks)
  - Spelling errors on resume
  - Dishonesty answers questions differently than what is on application or resume



## **Conditional Offer of Employment**

- ✓ Timing
- ✓ Background Check
- ✓ Drug Screening
- Education and Employment Verification





## **Pay Transparency**



## **Topics Include:**



Criteria for qualification and compliance



Job posting requirements



Determining the salary range



Reporting data



Fines and Claims



## **Employee/Applicant Requests**

- ✓ Employee or an Applicant request a printed copy of the pay range for their current position or role they've applied to
- Who needs to comply?
- All employers





## Posting a Job, internally, externally or though a 3<sup>rd</sup> party

- ✓ When posting a job, you must list a base pay range.
  - Who needs to comply?
  - > All employers with 15+ employees with at least



one employee located in California

## Criteria for Reporting Pay Data Compliance

- ✓ Annual Reporting pay data that must be provided to California Civil Rights Department (CRD) by the second Wednesday of May each year
  - ➤ All employers with 100+ employees



## What are the requirements for job posts?

Post a pay scale that you feel the to company reasonably expects to pay for the position

Pay scale does not include bonuses, commissions, tips, or other benefits



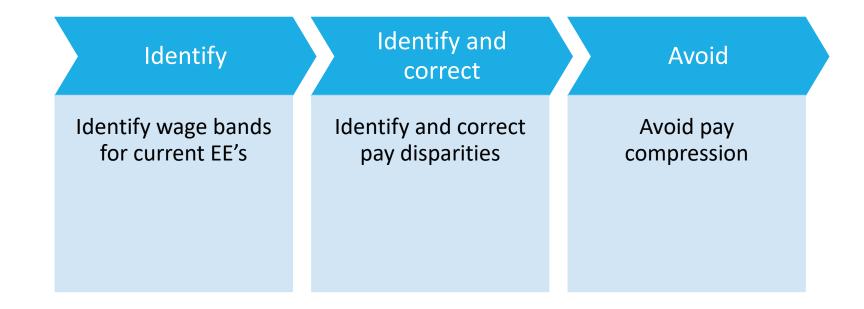


## Best practices for identifying base pay range





## Best practices for identifying pay and pay bands





## **Annual Reporting Pay Data**

Reports are due to CRD for reporting year 2022, on May 10,2023.

- Due the 2<sup>nd</sup> Wednesday of May each year.
  - There is no deferral period for the data report

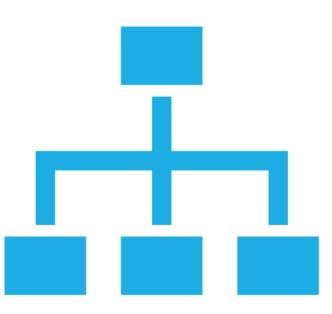




## **Annual Reporting Pay Data**

Determine what type of report to submit

- Labor Contractor Report
- Payroll Employees Report
- > Or both



#### **Annual Reporting Pay Data**

Determine what employees to include in the report

- If the establishment is inside of CA and you have employees working outside of CA, you need to include them in the report
- ➤ If the employee is in CA and the establishment is outside of CA you must include CA employees in the report





#### **Annual Reporting Pay Data**

#### Labor Contractor Report

- Select a "Snapshot Period"
- ➤ This is a single period picked by the employer for a pay period between 10/02/2022 and 12/31/2022
- ➤ If you had more than one contractor, you may use different snapshot periods for each



#### Annual Reporting Pay Data Must include

Establishment

Job category

Race/ethnicity and sex

Earnings in reporting year (full-year)



#### Annual Reporting Pay Data Must include

Pay Band

Number of hours worked in 2022 (full-year)

**Hourly Rate** 

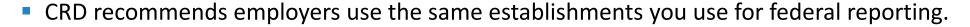
Labor Contractor employees, contractor employee was hired through



# Annual Reporting Pay Data Payroll Report: Group employees by:

- Establishment
  - > Factory
  - Office
  - Store
  - > Team
  - > Remote, etc...
- remote, etc...







# Annual Reporting Pay Data Payroll Report: Group employees by: Job Categories (10)

- Executive or senior level officials and mangers
- First or mid-level officials and managers
- Professionals
- Technicians
- Sales Workers

- Administrative support workers
- Craft workers
- Operatives
- Laborers and helpers
- Service workers



# Annual Reporting Pay Data Payroll Report: Group employees by:

#### Pay band

#### Race/Ethnicity: CRD's 7 categories for reporting pay data

- Hispanic/Latino
- Non-Hispanic/Latino White
- Non-Hispanic/Latino Black or African American
- Non-Hispanic/Latino Native Hawaiian or Other Pacific Islander
- Non-Hispanic/Latino Asian
- Non-Hispanic/Latino American Indian or Alaskan Native
- Non-Hispanic/Latino Two or More Races-



## Annual Reporting Pay Data Payroll Report: Group employees by:

# Sex (Female, Male, Non-binary) Total # of employees in each group Calculate the groups mean hourly rate, median hourly rate, and the total hours worked in previous year.



#### Annual Reporting Pay Data Labor Contractor Report

#### Group contractor employees by:

- Establishment
- Labor Contractor
- Job category
- Pay band
- Race/ethnicity/sex
- Total # of contractor employees in each group

Calculate the groups mean hourly rate, median hourly rate, and the total hours worked in previous year.



#### Annual Reporting: Payroll Employees Example

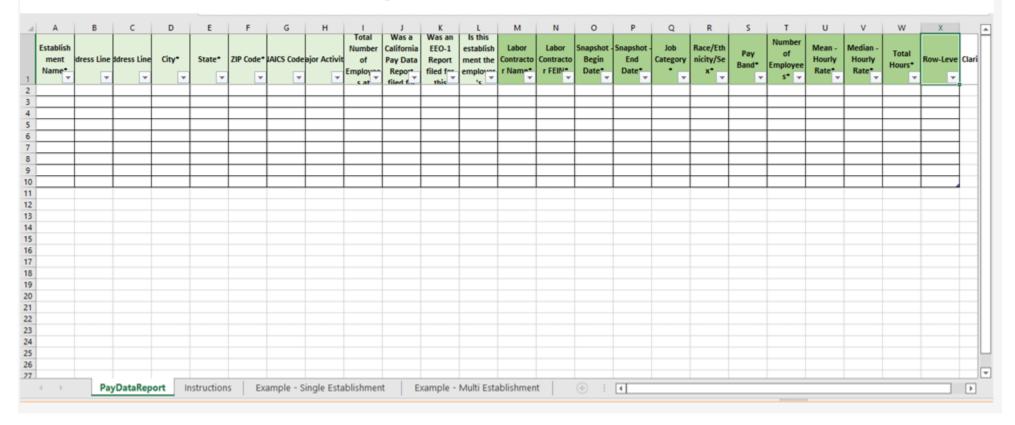
## Payroll Employee Report – Excel template with instructions and examples

A	В	C	D	E	F	G	н	1	J	K	L	M	N	0	P	Q	R	S	T
Establishm ent	Address	Address				NAICS		Total Number of Employees at Establishm	this establishm	filed for this establishm	Is this establishm ent the employer' s headquart	Job	Race/Ethni		Number of Employees	Mean - Hourly	Median - Hourly		Row-Level Clarifying
Name* 🔻 l			City* ~	State* *	ZIP Code *	Code* *	Activity *	ent* *	year?	year?' *			city/Se: *			Rate* *	Rate* *		Remarks *
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#### Annual Reporting: Labor Contractor Employees Example

## Labor Contractor Employee Report – Excel template with instructions and examples





#### Fines and Claims



Failure to post pay scales on job postings= Fines range from \$100 to \$10,000 per violation.



Failure to submit the required pay data reports= \$100 per employee for a first violation, and up to \$200 per employee for violations after that.



#### Civil Rights Department information

- Pay data reporting homepage:
  - https://calcivilrights.ca.gov/paydatareporting/
- Portal:
  - https://pdr.calcivilrights.ca.gov/s/
- FAQs:
  - https://calcivilrights.ca.gov/paydatareporting/faqs/
- Excel templates:
  - https://calcivilrights.ca.gov/paydatareporting/pdr-excel-templates/



### **Any Questions?**



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Save the date: Wednesday, June 14th

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