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Women-owned firm gets into pay equity

Scharf, Banks, Marmor starts new practice to keep pace with EEOC

BY LAUREN P. DUNCAN
Law Bulletin staff writer

The pay gap among women and minorities in American workplaces has been the subject of political and professional discussions for decades.

The movement to close that gap is burgeoning with the recent passage of state and federal laws aimed at addressing pay equity issues within companies.

That's why Scharf, Banks, Marmor LLC — a majority women-owned firm — this week launched its new pay equity practice designed at helping firms and companies make changes ahead of impending employment laws that deal with equal pay.

"Pay equity is beginning to emerge as a compliance issue," said founding partner Stephanie A. Scharf. "We actually think that the world has reached a tipping point.

"I know that pay equity has been on the radar, kind of bubbling along for a number of years, but the confluence of corporations really wanting to keep the best talent and advance the best talent — and the pressure points now from a lot of business groups and legal groups and professional associations to make sure that women and minorities are getting advanced commensurate with their talent and getting paid commensurate with their talent — that has kind of brought everything together and made this practice, we think, extremely timely."

Scharf noted that the firm developed the practice not only in response to a growing need among companies, but because the firm's team members are already skilled in various areas of employment law. One of those members is founding partner Sarah R. Marmor, who has extensive knowledge in employment laws across the country.

Marmor said that a focus from the Obama administration on pay equity, as well as a new Equal Employment Opportunity Commission regulation that will require big businesses to provide certain data about how employees are paid, has brought the issue of equal pay to the forefront of company leaders' minds. She said that, while in the past, it may have been difficult for some attorneys to get companies they represent to focus on pay equity policies, the EEOC regulation has "crystallized that focus."

Scharf added that in addition to certain regulations that will require companies to take a closer look at their policies that affect employee pay and placement, she said it also made sense for the firm to develop the practice because companies are becoming more proactive about addressing their pay equity practices.

"It's the concept of talent," Scharf said. "Businesses want to have the best talent and one of the ways in which they can ensure having the best talent is making sure that their pay equity policies and practices are working the way businesses would like those programs to work."

An example of a full-scale implementation of a corporate pay equity program would involve the firm's pay equity practice team working with a company for about 30 weeks on everything from evaluating a company's current practices, strategizing how to meet their new goals through modified or new policies and to establish

Stephanie A. Scharf

Sarah R. Marmor

training plans. The team would be able work with companies on smaller projects that involve pay equity issues as well.

Although the process would vary between each of the businesses the firm works with, Marmor said the first step in the process would be to address the question of why a pay equity issue exists within a company.

"Part of the reason there is some energy behind this right now is because the new EEOC reporting is not going to start for a little over a year, and what that means is that businesses have some time to really analyze the facts about their businesses and give some real thought about why the numbers may be what they are," Marmor said.

Some major businesses are likely aware that their EEOC reporting will show there is a disparity among pay at their companies, she said.

"And then the question becomes 'why,' and sometimes there are valid reasons for it, but sometimes, there are problematic reasons for it," Marmor said.

The reasons for an equity issue at a company are not always obvious, Scharf said, but asking why it exists is the "most important question to answer, because that's the only way it can be validly fixed."

Marmor expects there will be additional legislation regarding equity issues across different states. One of the firm's goals in establishing the practice is to "capture something that's very culturally important today," she said.

Marmor added that the Scharf, Banks, Marmor team's own experience as a majority women-owned firm brings an added element to their new practice.

"I think we bring an interesting and unusual perspective that makes us somewhat unique in the marketplace, because you can have big law firms who have sort of big employment practices but (they) have not had to struggle with these questions the same way we have," she said.

Scharf, Banks, Marmor was founded in 2012. The core team that will be working on the pay equity practice include Scharf, Marmor, human resources specialist Kwame Salter, partner Theodore L. "Ted" Banks and attorney Rebecca L. Ford-Terry.

"All of us love to practice law and we like to practice law in a way that fits our clients' needs and we see this as a very important, growing need where we can help," Scharf said.