

Be prepared to explain why new hires earn more than existing staff

Sometimes, it takes a little extra money to reel in the very best applicants.

If you find you have to pay more to fill open positions than incumbent employees are currently making, be ready with a good explanation for why new hires command bigger paychecks than staff members who were hired years earlier.

Recent case: Tadesse was born in Ethiopia but is now a U.S. citizen. He has a Ph.D. in economics and works as an associate professor of economics at a university.

At the time he was hired over a decade ago, he received a starting salary of \$68,000, the amount budgeted for his position at the time. He got a raise to \$70,380 the next year and had remained at that level ever since.

In 2013, another professor retired and the university sought a replacement. It hired a South Korean with a Ph.D. in finance and extensive private-sector experience as an assistant professor.

That's one rank lower than Tadesse, but the new faculty member earned a salary of \$75,000.

Tadesse filed a lawsuit alleging discrimination.

However, the university explained that it did not use faculty ranking as the measure of salary. Instead, it used a predetermined and approved salary level for each position, a level that is established before candidates are even interviewed and selected. That, it claimed, made the new hire's racial, ethnic or other classification irrelevant.

The court agreed and dismissed Tadesse's claim of bias. (*Mengistu v. MVSU*, 5th Cir., 2018)