

workhuman®

5 Steps Toward Greater Pay Equity

THE LATEST RESEARCH INDICATES
THERE'S STILL A LOT OF WORK TO DO



If there's one workplace issue that touches people across industries, it's pay equity – or the lack thereof.

One in four people (including one in three women in senior or middle management) who responded to a recent Workhuman® survey said they have felt discriminated against in their career. One way in which this discrimination occurs is through pay inequity as a result of unconscious and conscious bias and ingrained HR, talent management, and reward and recognition practices.

Here are five steps you can take to increase pay equity for your humans.

ONE

Bring more voices into the mix.

Gender differences are huge, but they're not the be-all, end-all of pay equity. This year's survey found that 52% of respondents felt discriminated against for their age, 30% for their gender identity, 29% for their race, 20% for their political views, and 9% for their sexual orientation.

By exposing your employees to different humans across all spectrums – a decision rooted in your hiring practices – you will help mitigate the bias that can lead to inequitable pay decisions.





TWO

Untie bonuses from salary rate.

Bonuses are often given as a percentage of annual earnings, so a person with an inequitable wage will earn a similarly disparate bonus. Workhuman research found that female survey respondents in senior management or executive positions (with the exception of those in the United Kingdom) are less likely than their male peers to receive a bonus in the highest bracket. To mitigate this, put more total compensation into crowdsourced rewards, using them in lieu of annual or quarterly bonuses.

THREE

Measure data around recognition and rewards.

Homegrown or do-it-yourself solutions, such as that stack of gift cards in the VP's office, actually exacerbate inequity. These systems are susceptible to bias because the rewards are not counted as part of total compensation and are often not visible across the organization. If you're going to use employee rewards, it's essential you have tools in place to collect, measure, and learn from data about how they're awarded.





FOUR

Create a culture infused with respect, regardless of industry.

Pay equity varies by industry: According to survey data, half of women in IT, nearly half of women in biotech, and all women in hospitality feel hiring and promotions in their industry are based on gender and/or race. When the people who make hiring and payroll decisions are expected to treat every human respectfully, treating them equitably automatically rolls up into the decision-making process.

FIVE

Allocate just one penny per salary dollar to crowdsourced recognition.

Setting aside 1% of payroll for a holistic, human-friendly recognition and rewards solution that offers an equal chance for all is one of the best ways to combat pay inequity across ages, genders, races, and other magnets for unconscious bias and discrimination. That way, you can measure equity by easily spotting outliers and assisting people leaders in giving equal attention and consideration to everyone on their teams.



This is just the beginning. Check out this in-depth white paper, [“Pay Equity Challenges,”](#) for more insights into how to create the framework and opportunity for everyone to earn equitable wages and rewards for exceptional work.



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