



Addressing Pay Inequity Across Genders

BRIDGING THE GAP WITH RECOGNITION AND INNOVATION





Pay inequity across genders remains a significant challenge in the modern workplace. Despite strides made in diversity and inclusion efforts, gender pay gaps persist, impacting countless employees and undermining organizational progress.

This paper delves into the issue of pay inequity, backed by Workhuman® iQ and third-party data, and explores how features within a world-class recognition solution can play a role in identifying and rectifying these discrepancies.

The persistence of gender pay inequity

Pay inequity is rooted in our culture, remaining a deeply entrenched challenge in today's workforce.

On average in 2023, women working full-time, year-round are paid 83.7% of what men are paid. This inequity is even greater for Black and Hispanic women.

Source: [U.S. Department of Labor](#), 2023

These disparities have manifested in other aspects of employment, including recognition. Data from Workhuman's team of researchers and industrial-organizational psychologists shows that, despite progress in promoting diversity and inclusion, recognition awards tend to be disproportionately distributed across genders. This pattern is a clear indicator that pay inequity is still ingrained in workplace practices and decision-making processes.

Understanding the challenge

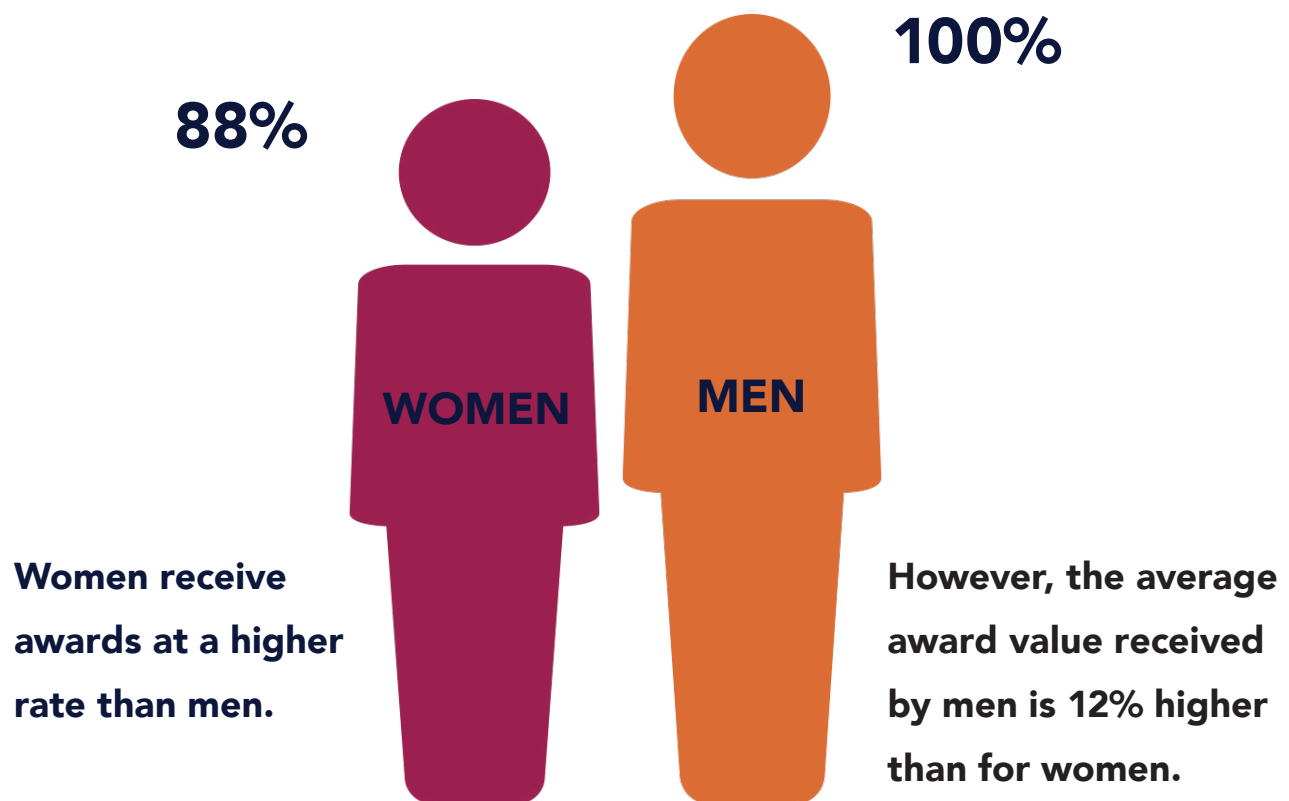
Addressing gender pay inequity requires a nuanced understanding of its underlying drivers. One significant factor is occupational segregation, the divide among jobs based on demographics, which leads to certain industries or roles being dominated by a specific gender. This contributes to the wage gap because positions traditionally held by men tend to offer higher salaries and rewards.

Systemic biases, such as unconscious bias and stereotype threat, also play a role in perpetuating pay inequity. These biases can influence hiring, promotions, performance evaluations, and recognition moments, resulting in unequal compensation for equally qualified employees of different genders.

Women hold only 25% of the five main C-suite positions – meaning 75% of leaders responsible for bettering the workplace for all are men.

Source: "The Human Workplace Index: Women in the Workplace," Workhuman, 2022

A cross-client study of more than 500k employees found that the average award value received by men is 12% higher than that received by women. Therefore, broadly, awards received by women have lower monetary value.



Source: Workhuman research, 2019

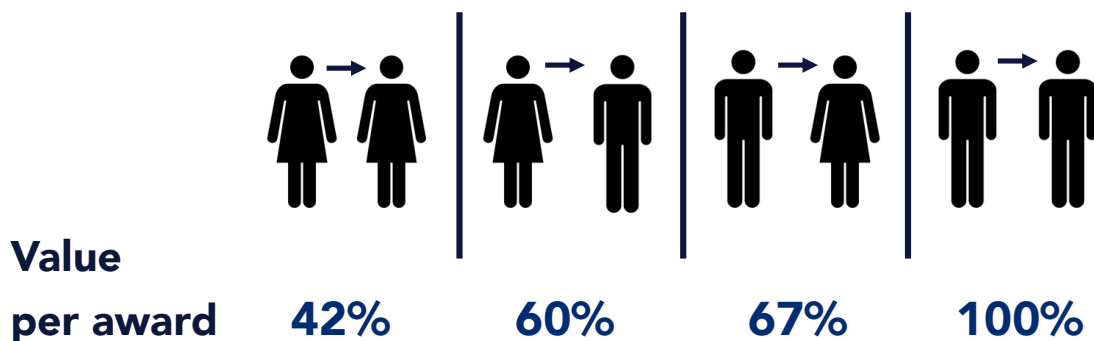
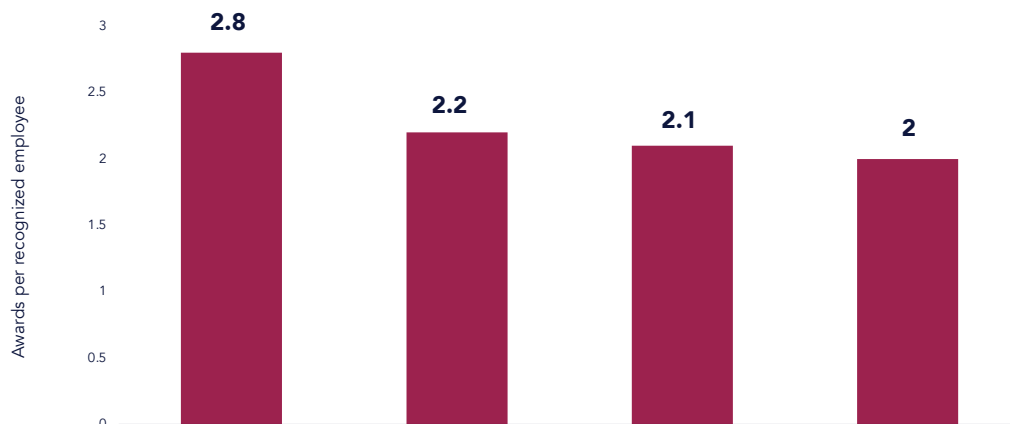
Leveraging insights to address inequity

All change begins with truth and information. The Workhuman iQ research team plays a pivotal role in combating gender pay inequity with insight into the reality of the issue. Through extensive research and analysis, they uncover the subtle patterns and trends that perpetuate pay disparities across genders. By leveraging this data, the research team helps organizations gain a comprehensive understanding of their recognition programs and unearth any hidden gender-related discrepancies.

The following graph shows data from a cross-client study based on more than 500k employees. On average, men are more empowered to give higher-value awards, though they do so in less volume than women, and critically, they give 33% less in award value to women than to men.

Pay equity is complicated.

Women give other women the highest number of awards, but the lowest value.



Source: Workhuman research, 2019

Creating a culture of equity

Addressing pay inequity is not just about rectifying past imbalances – it is also about fostering an inclusive culture where all employees are treated equitably. By utilizing insights into your workplace, such as those provided by Workhuman iQ, and the guidance from innovative solutions such as Award Advisor and Inclusion Advisor, organizations can implement corrective actions to create a more inclusive and supportive work environment.

Award Advisor empowers users to navigate the platform effectively, ensuring that recognition awards are distributed fairly, irrespective of gender. By providing guidance on the appropriate award level, Award Advisor helps eliminate any potential bias that might otherwise influence recognition decisions.

When an employee sends an award, it includes a written award message. According to Workhuman iQ data, implicit bias is in 20-30% of written communications in the workplace. Inclusion Advisor works to mitigate this by using artificial intelligence to identify words or phrases in an award message that may be perceived as biased, flag them, and suggest alternatives. It's an intuitive, high-impact, micro-coaching solution that educates employees and ingrains inclusion awareness into your culture.



More than 65% of the people who get the micro-coaching use it to benefit the inclusive nature of their comments or recognition.

CHRISTOPHER CARDARELLI
Executive Director, Global Diversity, Equity & Inclusion
Merck

Source: Workhuman Live, Atlanta, 2022

Empowering organizations leads to change

Through the combined power of data-driven insights and innovative technology, you can enable your organization to build a more equitable and inclusive workplace – one where all employees are recognized and rewarded fairly, regardless of gender. By embracing diversity and inclusivity, organizations can not only close the gender pay gap but also foster a stronger, more engaged, and more productive workforce.

Ready to elevate equity in your workplace? Start here with the research, insight, and strategies that will help guide your efforts.

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