

Pay Equity Playbook

Joining Forces to **Close the Pay Gap**—Now



Working Together to Demand Change

Women Business Collaborative was born of a powerful movement to demand equity for women in the workplace. As part of that movement, we have harnessed a collective commitment to work for social change by addressing barriers to equity and equality and providing road maps for solutions.

We believe that through our collaborative thinking and actions we will see improvement for women in the workplace, and that is a powerful statement: All of us, pulling together, can make change happen, now and for the future.

The results of the Women Business Collaborative approach are solid and measurable. Going into our fourth year, the WBC is now 83 partner organizations strong. We are the first-ever alliance of women-in-business focused organizations pushing for equal position, pay and power. This is only possible because of the support of WBC Partner Organizations who commit to accelerate action—action that has a sustainable impact for all women.

We are proud to salute our 65+ sponsors and over 500 Advisory Council Champions. We highlight best practices and address challenges by convenings, events and webinars, and by publishing and disseminating a broad range of resources. These include reports on such topics as women in the C-suite and women joining boards, and our Resources for Parity guides, including *The Fundamentals of Capital*, *Repairing the Broken Rung* and *Building the Pipeline of Women Tech Leaders*.

Tracking and highlighting best practices is the direct result of collaboration between our partner organizations and advisors. We are #WBCFasterTogether. We celebrate our progress to date and encourage you to be a part of our future success.



Gwen K. Young
Chief Executive Officer
Women Business Collaborative

Achieving Equity Faster Together

Mark your calendars for 2059. The gender wage gap is not expected to close for another 36 years. For Black and Hispanic women, the deadline is a whole century away.

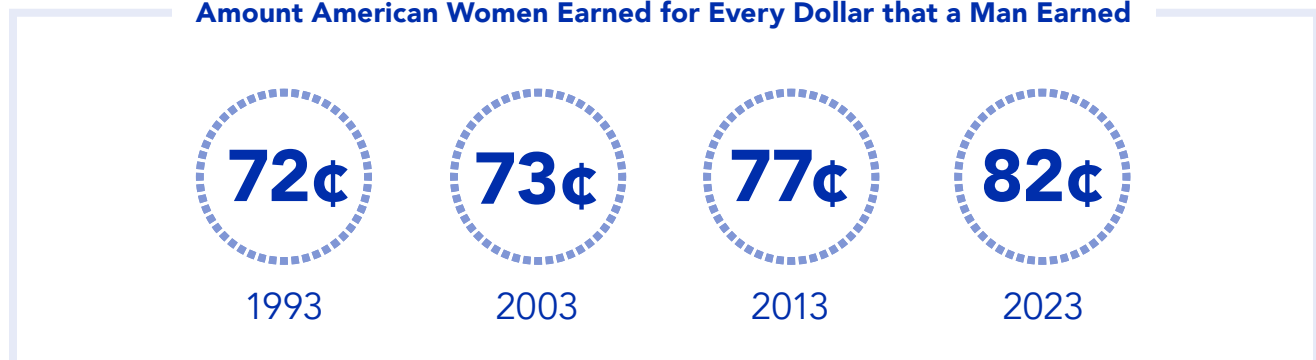
This is not acceptable. We must move at a faster pace.

The call for pay equity emerged as a political cry in the United States in 1860 under the slogan “Equal Pay for Equal Work.” Has progress been made? Yes. But that progress has been halting and slow.

According to the Bureau of Labor Statistics, it’s estimated that American women currently earn around 82 cents for every dollar that a man earns. A decade ago it was 77 cents. Two decades ago it was 73 cents. And three decades ago, it was 72 cents. In addition, current statistics show that for Black women this number remains around 67 cents and is even lower for Hispanic women at 57 cents. The reasons behind these pay gaps are deeply rooted and complex. However, we can no longer afford to creep along at a penny or two a time. Too much is at stake as businesses are expected to move at an unprecedented speed and meet ever-growing employee expectations.

The world is changing, the pace of change is accelerating, and we are in a deeply polarized time. Economic anxieties, enormous disparities in wealth, a profound lack of trust in the media and distrust of the integrity of societal institutions have fueled unrest. The need to make course corrections is clear, but governments are no longer in a position to go it alone: People have lost confidence in politicians to enact fair policies and are looking to corporate leaders to achieve meaningful change.

Amount American Women Earned for Every Dollar that a Man Earned



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Doing things the way they have always been done simply won't work for Millennials and Gen Z employees. They expect and demand pay equity and will not tolerate outdated practices. They will roar if they see unfairness in the workplace.

Why pay equity? One of the largest—and most critical—line items for your organization is what you pay your employees. Pay is a big part of communicating how you value them. It's critical, then, to prove to them that you pay them fairly for their contribution to your organization's success. Pay equity is a moral imperative. It is also good for business. Diversity and inclusion are levers to boost performance, and pay equity helps businesses attract and retain a strong, diverse and motivated workforce. Policies that promote pay equity are beneficial because:

- » Pay equity promotes trust across all pay bands
- » Developing a culture of transparency further contributes to a sense of fairness
- » High-performing employees are motivated by confidence in their company
- » Higher retention means less time and money are spent recruiting, hiring and training
- » A diverse workforce is well-positioned to serve a diverse client base

And another reason to work toward pay equity? The workforce is changing. Millennials and Gen Z employees will soon make up a large segment of the workforce, and doing things the way they have always been done simply won't work for them. They expect and demand pay equity and will not tolerate outdated practices. They will roar if they see unfairness in the workplace.

Fairness is practically tangible. According to a 2023 Moody's analysis, the wage gap costs the global economy 7 trillion dollars. Investors can see it, prospective employees can see it, and top talent within the company know when they are paid equitably and fairly. To attract and retain the best, companies must get on board with a strategy to achieve pay equity and follow through with concrete plans to reach 100% of pay equity across all levels of the company with all types of compensation.

Core values matter. When companies are able to (proudly) say that they have achieved pay equity, they strengthen their brand, both internally and externally. Investors take notice as do their employees.

Actions matter. While DEI is ubiquitous, those organizations that are able to deliver pay equity through thoughtful, comprehensive analysis and remediation will be in a more competitive position than those who ignore the importance of equal pay for equal work. In addition, there is an increasing push for fairness seen in new legislation. Companies must be ready to proactively adjust their policies to align with state and national legislation.

Ultimately, pay is more than just about money. It is about fairness and it is equally about good business practices that improve the bottom line. A high performing, diverse, motivated and loyal workforce is one that has trust in the integrity and transparency of their company. Strategies that center pay equity in the corporate culture do just that.

The time to close the pay gap is upon us. The time is now.

Pay Parity Proclamation

WBC and our partners have taken a stand and are dedicated to making pay equity a reality. This is our pledge and commitment.

We call on all companies, organizations and governments to:

- Publish all pay bands internally for all levels of employees.*
- Conduct and publish analyses of both raw and adjusted pay gaps for women and underrepresented populations including part-time and contract employees.
- Annually report progress.
- Publish the number and percentages of women and minorities in each pay band.
- Use objective criteria and transparent methodology and pay calculators to determine pay levels.
- Adapt existing policies and processes to:
 - >> Ensure recruitment guidelines do not inquire about previous salary history.
 - >> Post salary ranges in all job postings.
 - >> Disallow salary negotiation for new hires unless predetermined pay bands are published.
 - >> Set aside funds to equalize pay.

** For raw and adjusted pay measuring underrepresented populations wherever it is legally permitted and the company has a significant local presence.*

GLOSSARY

Raw pay gap: The gender pay (or wage) gap is the pay disparity between men and women expressed as a percentage of male earnings. Often the pay gap is presented as the average difference between men and women's median earnings in a given year. This summary statistic is considered the raw, or unadjusted gender pay gap because it does not account for factors that may affect earnings (e.g., hours worked, age, etc.). It is a measure of representation focusing on the opportunity gap. The raw figure differs from the adjusted, or "unexplained" gender pay gap, which accounts for these variables.

Adjusted pay gap: The adjusted pay gap takes into consideration an employee's age, education level, years of work experience, occupation, industry, location, company and job title, and calendar year of the reported salary. It measures pay for work of equal value.

Getting Started

Here's what we know for sure: achieving pay equity takes time, and it takes commitment from the top down. The answers are there, but they will require work from all levels of the organization and, most importantly, input from every rung of the organization. Helping marginalized groups move up the ladder demands more than publishing job opportunities. Corporations need to understand what the barriers are to mobility and boldly rethink some age-old practices and requirements that may hinder career advancement.

Achieving pay equity takes great leadership. It also makes good financial sense. Companies that work to achieve greater equity for women are able to attract and retain top talent.

To build a robust pay equity strategy:

1. Develop a road map with concrete steps.

It is not enough to simply say that you care, or point to a DEI statement. In today's workplace, fairness must be actively demonstrated as part of a company's core values.

- » Create a strategy and operating philosophy that is embraced by senior leadership and communicated throughout the company.
- » Transparency about pay equity showcases the company's leadership in achieving a fair workplace.

2. Conduct a pay equity audit.

It is important to implement a pay equity analysis—a statistical way of identifying pay gaps within an organization. A pay equity analysis cross references pay scales against gender, race, roles, age, demographics and locations to determine if there are discrepancies that cannot be explained in a non-discriminatory way, and whether any disparities require a correction.

- » Run your data analyses based on a wide range of protected characteristic parameters such as gender, race, LGBTQ+ status and disabilities status—as well as intersections of these characteristics—and look at all types of pay, not just base compensation.
- » If you don't have all the data, run a pay equity analysis of what you do have. This will point to what information needs to be collected moving forward and will get you started in the process. It will also help establish a baseline.

3. Be inclusive.

Strive for a chorus of voices, hearing from all levels of your organization as you listen to attitudes about compensation and career opportunities within your company. Change must come from the top down, but it is important to engage managers, supervisors and all levels of employees in the analysis. This does not mean you necessarily have to share confidential information with all of these stakeholders. Instead, outline key messages about the process and expected outcomes to ensure you are educating and obtaining buy-in to the process.

4. Provide managers with adequate training.

Coach managers and supervisors on your pay policies and pay equity processes so they can have informed and authentic conversations with their subordinates about why they are paid what they're paid. Managers and supervisors are on the frontline of performance reviews, which impacts pay decisions for their subordinates. Training, such as role-playing, office hours and FAQs, can help ensure that managers conduct performance reviews fairly, transparently and equitably.

5. Do your research—and share your research.

Analyze the market to benchmark your company's pay ranges against salaries and compensations at other organizations to ensure fair and competitive pay as you move forward with new hires.

- » Publish all pay bands internally for all levels of employees.
- » Conduct and publish analyses of pay gaps for women and underestimated populations, including part-time and contract employees.
- » Pay equity assessments are on an upward trend: 32% of the largest companies disclose they conduct analyses, up from 23% in 2021.

6. Review compensations, both in salaries and benefits, and job descriptions.

Take a hard look at job descriptions and various forms of compensation.

- » Is there equal pay for equal work? Are you paying men and women for what you say you are paying them for? Are you delivering pay in practice that favors one group over another? Take a deep dive into pay policies at all levels of the company.
- » Publish the number and percentages of women and minorities in each pay band.
- » Use objective criteria and transparent methodology and pay calculators to determine pay levels.

7. Utilize experts, software and tools.

A consultant brings in a new, objective voice. There are also sophisticated software tools that can run the pay equity analysis, guide equitable pay decisions for starting pay and promotions, and help proactively assess pay policies to prevent new disparities. Transformation starts at the top, but everyone, at all levels of the company, should be engaged in a pay equity philosophy of equal pay for equal work.

8. Communicate your core values of fairness.

Explain what you are doing and why you are running a pay equity analysis. Some may not be familiar with these concepts, so it is important to educate employees on this aspect of corporate culture.

- » Communicate often with employees throughout the year, not just at an annual review.
- » Maintain pay equity by embedding it in every compensation decision throughout the year.
- » Hold periodic trainings on particular aspects of pay equity. Short webinars of 15-20 minutes tend to be far more effective than hour-long trainings.

Here to Help: WBC Partners and Resources

Catalyst

What gets measured gets managed. That's why Catalyst supports companies' efforts to drive pay equity through two programs that promote the adoption of key performance indicators to measure diversity and gender equity. [Measuring for Change](#) is a community of corporations and leaders committed to sharing strategies for measuring representation and fair pay. [Catalyst CEO Champions For Change](#) pledge to advance more women into all levels of leadership.

EDGE Certified Foundation

Within the EDGE Certification framework, the EDGE Certified Foundation upholds pay equity by delivering clients proprietary tools and expert guidance. Their methodology aligns with EU, Swiss and local standards. This year, they partnered with champion of equality, Billie Jean King, to advance the cause.

Equal Right Advocates

Equal Rights Advocates fights for gender justice in workplaces and schools across the country. Since 1974, they've been fighting on the front lines of social justice to protect and advance rights and opportunities for women, girls and people of all gender identities through groundbreaking legal cases and bold legislation that sets the stage for the rest of the nation.

Gender Fair

Gender Fair provides companies and individuals a trusted independent party to discern which are progressing on equality, and help those that aren't the fastest with ways to improve. Gender Fair's binary rating and 100-point scoring system provide both an at-a-glance decision making tool for which companies to support and a benchmarking and goal-tracking system for companies. Equal pay is a key metric in Gender Fair's overall standard as consumers rated this the #1 issue based on a national survey.

OpenComp

OpenComp is a compensation intelligence software platform that helps bring clarity at every point of compensation decision making. As part of its commitment to closing the gender pay gap, OpenComp launched the [OPEN Imperative \(Organizations for Pay Equity Now\)](#) coalition, which provides best practice resources and free pay equity assessments to all members.

Syndio

Syndio provides technology and expert guidance that helps companies measure, achieve and sustain all facets of workplace equity. More than 300 companies, including 30% of Fortune's Most Admired Companies, rely on Syndio's platform to close pay and opportunity gaps, mitigate legal risk, and turn DE&I goals into tangible results.

What's Next?

Women Business Collaborative, together with our partners, is positioned to support businesses as they take the steps to create a robust pay equity strategy. Whether a company is well on its way to pay equity or just beginning the journey, WBC can provide access to connections, tools and trainings through collaboration with our partners leading the way in pay equity.

Women Business Collaborative is committed to advancing equal position, pay and power for women in business by:

1. Convening our partners through our Gender and Pay Parity Action Initiative to discuss how to continue to support businesses on their journey to pay equity.
2. Highlighting and recognizing companies that are creating lasting change through their commitment to pay equity.
3. Building and aggregating resources that are designed to break the systems and barriers that are the foundation of pay inequity.

This is just the beginning. Help us build the next generation of purposeful companies committed to fair and intentional practices.

Contact us to learn more:

info@wbcollaborative.org



Women Business Collaborative (WBC) is an unprecedented alliance of 80+ women's business organizations and hundreds of business leaders building a movement to achieve **equal position, pay and power for all women in business**. Through collaboration, advocacy, action and accountability, we mobilize thousands of diverse professional women and men, business organizations, and public and private companies to accelerate change.

wbcollaborative.org