

Consulting Services for Gender Pay Issues

The Current Environment

While gender-based pay inequities have long been an issue, the topic has recently generated much more visibility and attention. In 2018, the UK required employers to disclose median pay and bonuses for men and women. And while most US states have had pay equality laws in place for years, over half have recently made their laws more robust, including broadening the definition from “equal work” to work that is “substantially” similar or “comparable.” Proxy advisory firms and institutional investors have been pushing for disclosure of gender pay statistics, with some high-profile organizations voluntarily making such disclosures. The broader #metoo environment around sexual harassment/discrimination has also served to brighten the spotlight on this issue.

Media attention and public disclosures have frequently been focused on the “gender pay gap,” which has generally been reported as 80%—meaning that on average, women are paid 80% of what men are paid. State and federal legislation focuses on “gender pay equity” and ensuring that men and women who perform equal or substantially similar work are paid the same, unless factors such as performance, experience, and location can reasonably explain pay variations. This distinction between pay gap and pay equity is important.

Pearl Meyer consultants have the experience, expertise, and analytical skills to help organizations navigate these two complex and nuanced issues.

Our Approach

We employ structured processes to collect, review, and analyze data that forms the basis for understanding an organization’s status with respect to gender pay equity and their gender pay gap. This process relies on extensive experience in assessing the factors used to define job comparability.

Our work goes beyond these analytics to further assess an organization’s HR practices and programs, with an eye toward fostering a gender-neutral environment. We work with clients to identify changes to at-risk programs/processes. We also provide communication strategy advice and content development support to help ensure business- and culture-appropriate messages are delivered effectively across the spectrum of workforce stakeholders.

While the focus on our services is directed toward gender pay issues, we recognize that these same issues can apply to other groups (e.g., race or ethnicity) and the services and processes described can be expanded.

Our Services

Pay Equity Assessment – Based on applicable legislative guidance and our experience, our services are designed to:

- Understand current compensation philosophy and programs;
- Review and assess available employee and job demographics in detail;
- Test and identify the factors/variables with the strongest relationship to pay;
- Assess statistical significance of gender and race on pay; and
- Model the remediation options and costs (if warranted).

Pay Gap Assessment – Understanding an organization’s current state of gender parity provides a helpful benchmark for organizations to assess progress over time. Our approach incorporates this analysis, while also uncovering the underlying reasons for a pay gap, and identifying the longer-term actions required to create sustainable change. Our services help organizations:

- Understand the current environment, pay parity objectives, and employee perceptions;
- Assess the gender pay gap—overall and by function;
- Analyze the representation of women vs. men by hierarchical level and occupation;
- Conduct an in-depth review of HR policies (e.g., new hire pay practices and guidelines, including historical actions; promotional policies, including historical practices; succession planning processes and oversight; and training and development opportunities, effectiveness, and participation levels);
- Enact policy and practice enhancements that create both short- and long-term change; and
- Develop dashboard tools to help assess progress over time.

Communication and Implementation Strategies – Gender pay parity is complex, personal, and nuanced, requiring careful planning for communication, including:

- Defining short- and long-term objectives of communication;
- Identifying all potential stakeholder audiences, both internally and externally;
- Understanding current communication processes, platforms, and approaches to identify potential risks/challenges;
- Identifying the appropriate level of transparency to ensure clarity and credibility, while not creating undue organizational risk; and
- Building a message platform to help ensure key themes are being delivered and reinforced consistent with the organization’s culture.

For more information and to find out how Pearl Meyer can help you navigate the maze of gender-related compensation issues, visit pearlmeyer.com or contact the Pearl Meyer office nearest you.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management on the alignment of compensation with business and leadership strategy, making pay programs a powerful catalyst for value creation and competitive advantage. Pearl Meyer’s global clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private companies to the Fortune 500 and FTSE 350. The firm has offices in Atlanta, Baltimore, Boston, Charlotte, Chicago, Houston, London, Los Angeles, New York, Raleigh, and San Jose.

ATLANTA
(770) 261-4080
atlanta@pearlmeyer.com

BALTIMORE
(410) 494-4100
baltimore@pearlmeyer.com

BOSTON
(508) 460-9600
boston@pearlmeyer.com

CHARLOTTE
(704) 844-6626
charlotte@pearlmeyer.com

CHICAGO
(312) 242-3050
chicago@pearlmeyer.com

HOUSTON
(713) 568-2200
houston@pearlmeyer.com

LONDON
+44 (0)20 3384 6711
london@pearlmeyer.com

LOS ANGELES
(213) 438-6500
losangeles@pearlmeyer.com

NEW YORK
(212) 644-2300
newyork@pearlmeyer.com

RALEIGH
(919) 644-6962
raleigh@pearlmeyer.com

SAN JOSE
(669) 800-5074
sanjose@pearlmeyer.com

For more information on Pearl Meyer, visit us at www.pearlmeyer.com or contact us at (212) 644-2300.