

# Workplace Equity Study

October 2020



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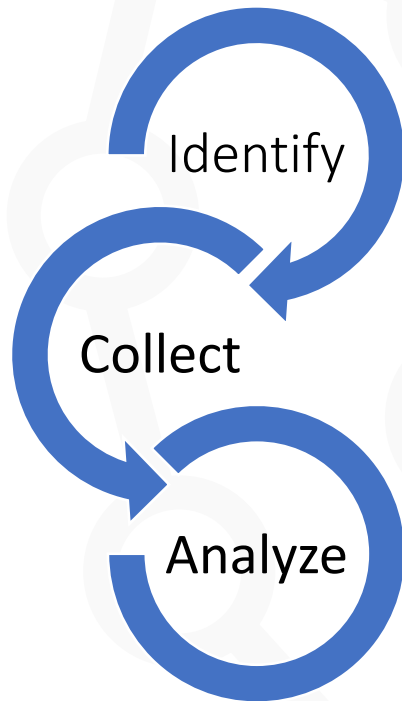


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# Methodology



WorldatWork, in partnership with Korn Ferry, invited its broader membership and customer base to participate in an electronic survey on pay and workplace equity. Email invitations were sent directly to participants on 9/09/2020 and results were collected over a 22-day period.

A total of 964 responses were received, representing organizations of different sizes and across multiple industries. The survey has a 3% overall margin of error at a confidence level of 95%. Sample sizes vary by question.



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# Key Findings: Pay Equity

- Of all organizations surveyed, a majority (60%) are taking action on pay equity management
- Most organizations engaged in pay equity management are primarily focused on pay equity analysis and pay equity adjustments, and ensuring quality in job evaluation; however, fewer are focused on communicating results internally and externally
- Primary objectives of pay equity management processes are to be ethical, followed by limiting and removing bias between protected employee classes
- Most organizations conduct pay equity analyses on an annual basis and have not delayed this analytic work due to the pandemic or economic downturn
- Potential costs in addressing pay inequities is seen as the top challenge in this work followed by addressing underlying drivers of pay equity gaps and the use of manager discretion in making pay decisions
- Use of basic descriptive statistics (e.g. averages, medians) is the most common analysis methodology utilized across most groups. Larger organizations favor use of multivariate regression analysis.
- Most organizations do not broadly communicate the intent and general findings of pay equity work to most employees



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# Key Findings: Diversity, Equity and Inclusion (DE&I)

- Of surveyed organizations, 70% are taking action on DE&I initiatives
- Organizations engaged in DE&I initiatives are primarily focused on defining strategy, policies and practices, providing unconscious bias training and developing processes to ensure diverse candidate pools for talent acquisition
- Primary objectives of DE&I initiatives are to build and maintain a culture of trust and removing bias between groups of employees
- There is a broad range of leadership involvement and impact on DE&I initiatives
  - About a third of organizations report limited leader involvement
  - Less than a third report that leaders are key DE&I change agents
- Most organizations report conducting DE&I audits annually; however, a high percentage do not have a formal audit cadence established
- There are several key challenges in executing DE&I initiatives including costs in resourcing, implementing and sustaining DE&I initiatives and lack of an overarching DE&I philosophy and strategy
- Half of organizations report that they do not have metrics in place to measure the effectiveness of DE&I initiatives. Of organizations with metrics in place, they are split between lagging and leading/predictive indicators of success.



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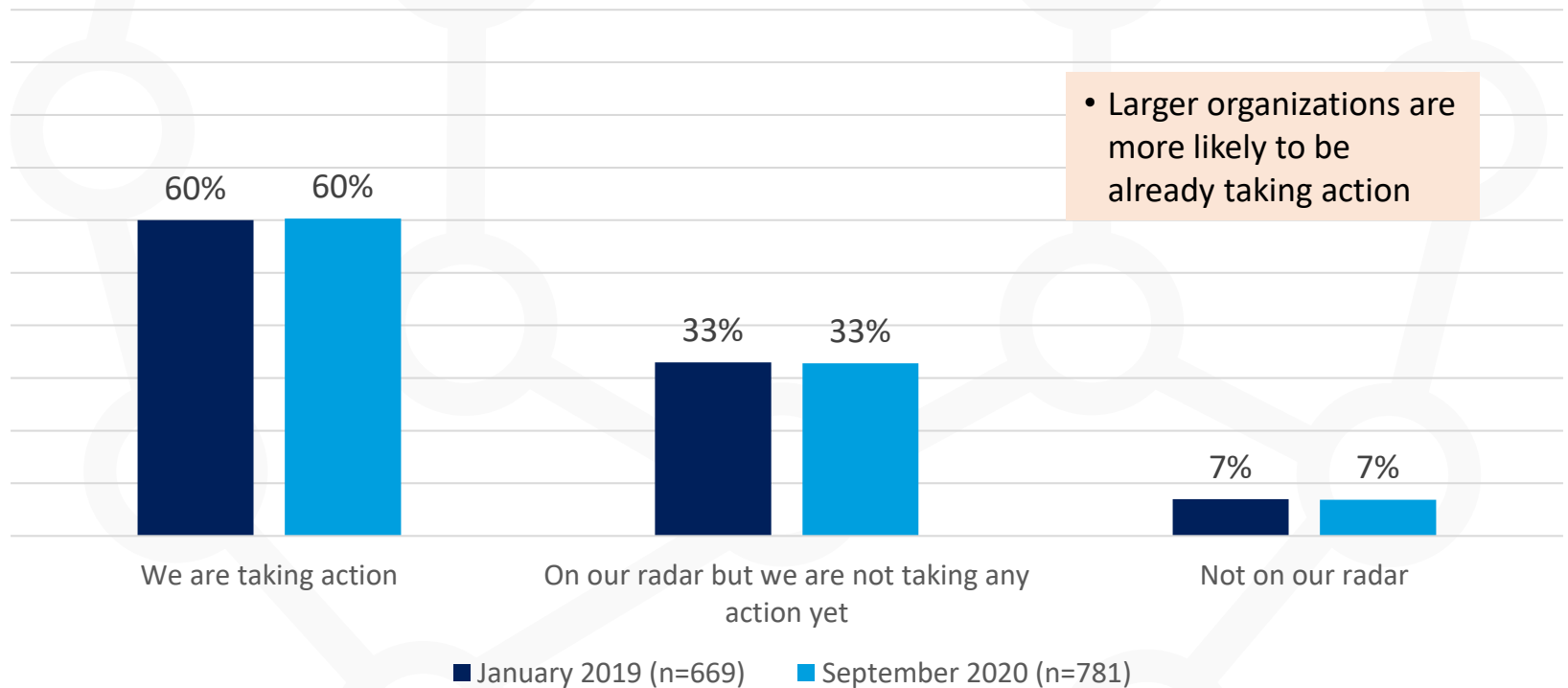
# Pay Equity



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# Most organizations are acting on pay equity

Which of the following statements reflects your organization's focus on pay equity management?



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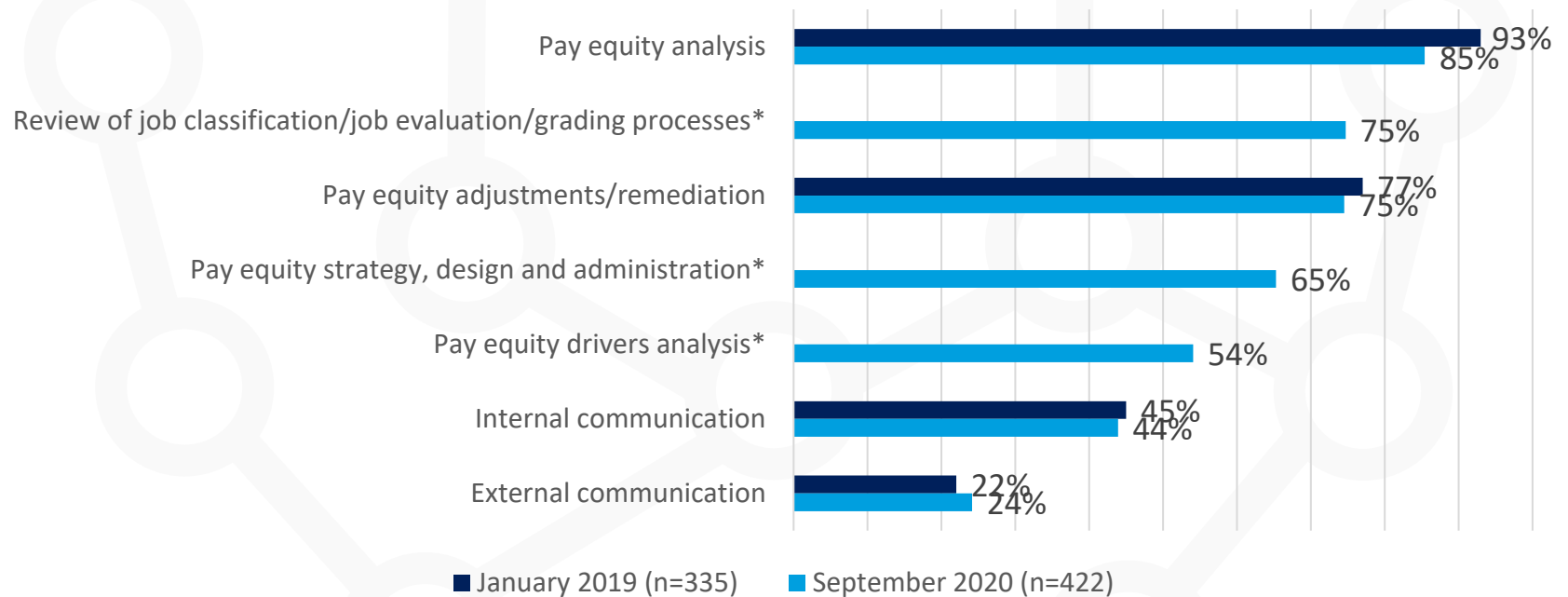


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# Pay equity focus primarily in analysis and remediation

Please indicate your organization's activity level for the following pay equity-related actions over the past 12 months.

## Percent Conducted or Ongoing



\* New answer options added in September 2020



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# Multiple objectives in undertaking pay equity – particularly ethical concerns

*How influential are each of the following on your organization’s decision to conduct pay equity analyses?*

	Not Influential	Somewhat Influential	Moderately Influential	Very Influential	Extremely Influential
It is the right thing to do ethically	2%	3%	11%	36%	48%
To remove bias against protected classes	4%	7%	16%	43%	30%
To build/maintain a culture of trust	1%	8%	15%	47%	29%
It makes economic/business sense	6%	9%	20%	40%	26%
To close the overall (raw) wage gaps by gender	8%	8%	21%	41%	23%
To close the overall (raw) wage gap by ethnicity	12%	9%	22%	36%	21%
To mitigate legal risk	9%	18%	22%	35%	16%
To align our actions with employee expectations	3%	11%	27%	44%	15%

n = 390



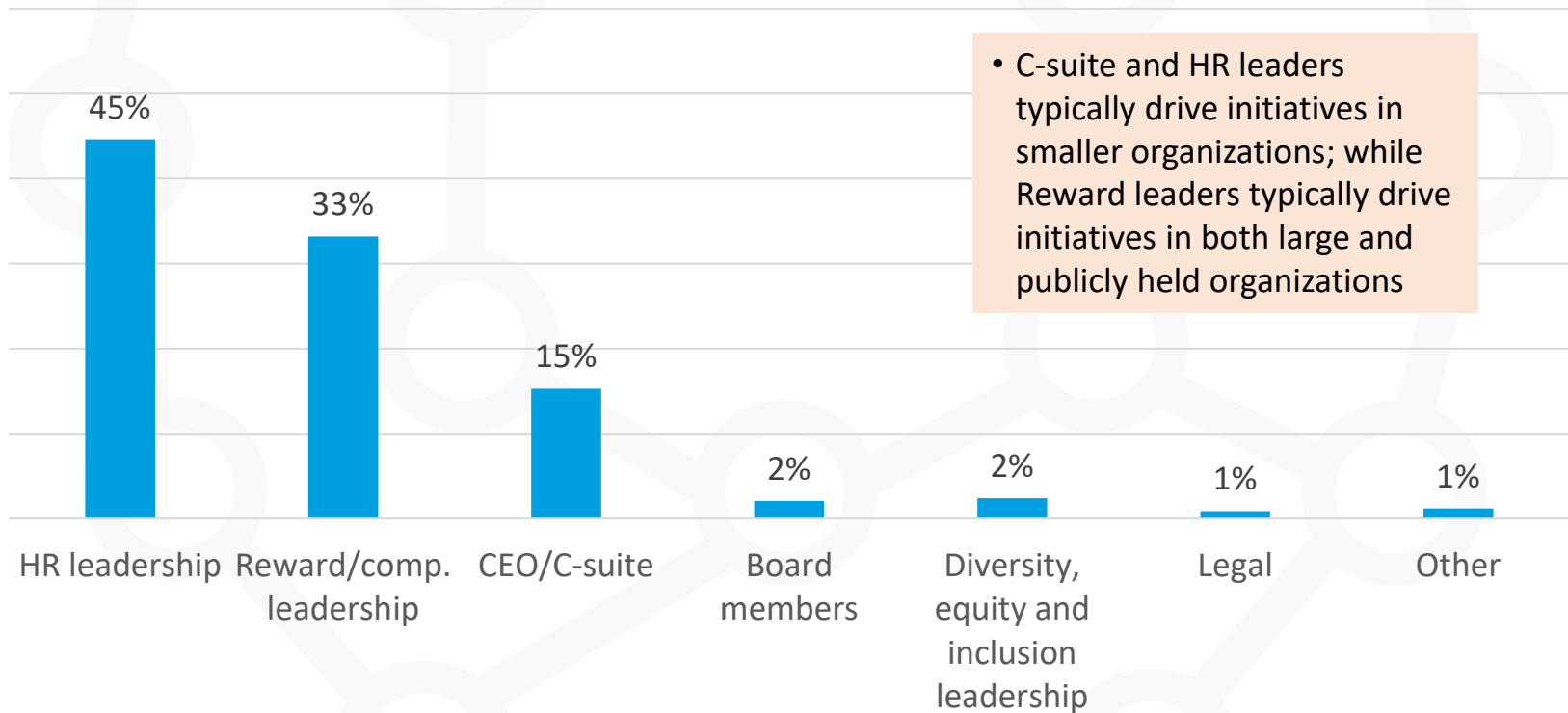
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# HR/Reward are primary drivers of pay equity work

Who from your organization is the primary group driving and owning pay equity initiatives?



n = 334



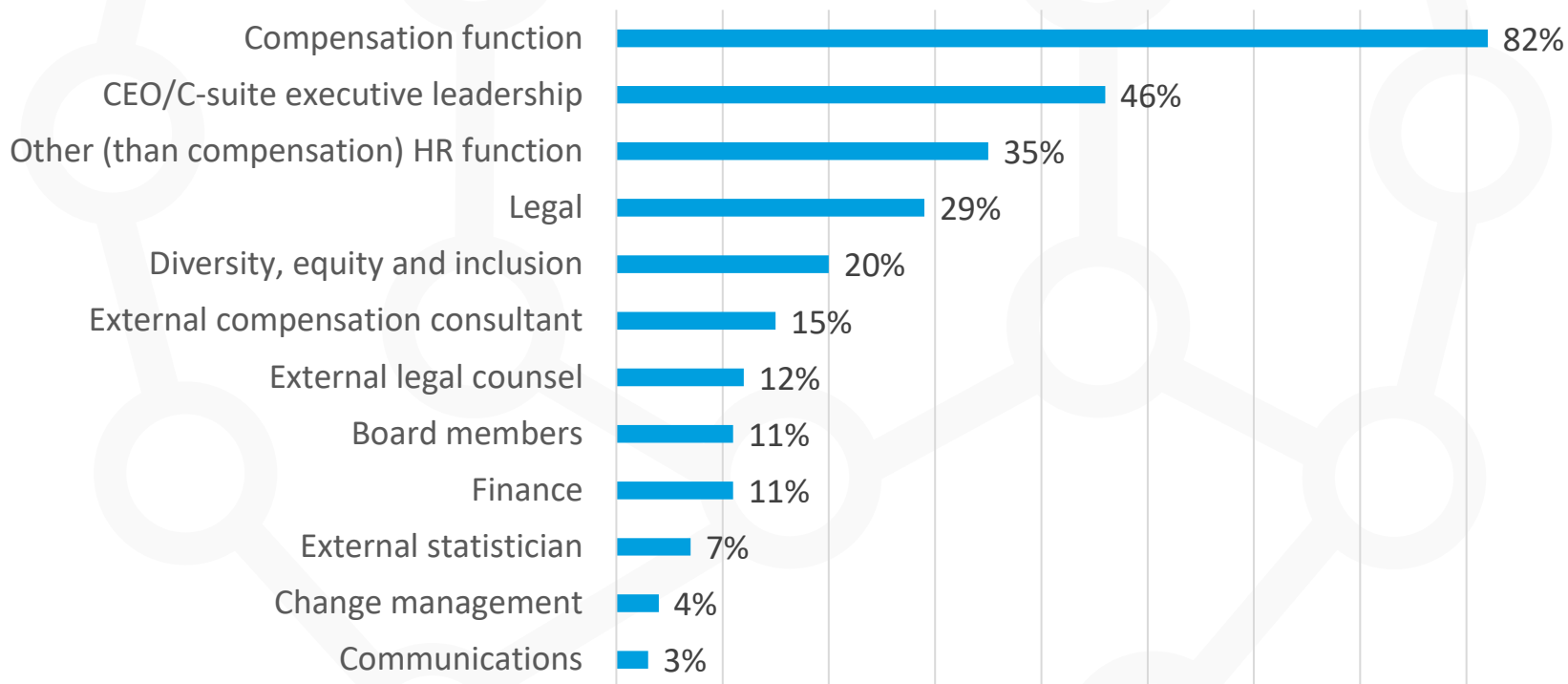
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# Reward function typically assesses and manages pay equity work

Who from your organization is typically involved in assessing or managing pay equity activities?  
(Please select all that apply.)



n = 336



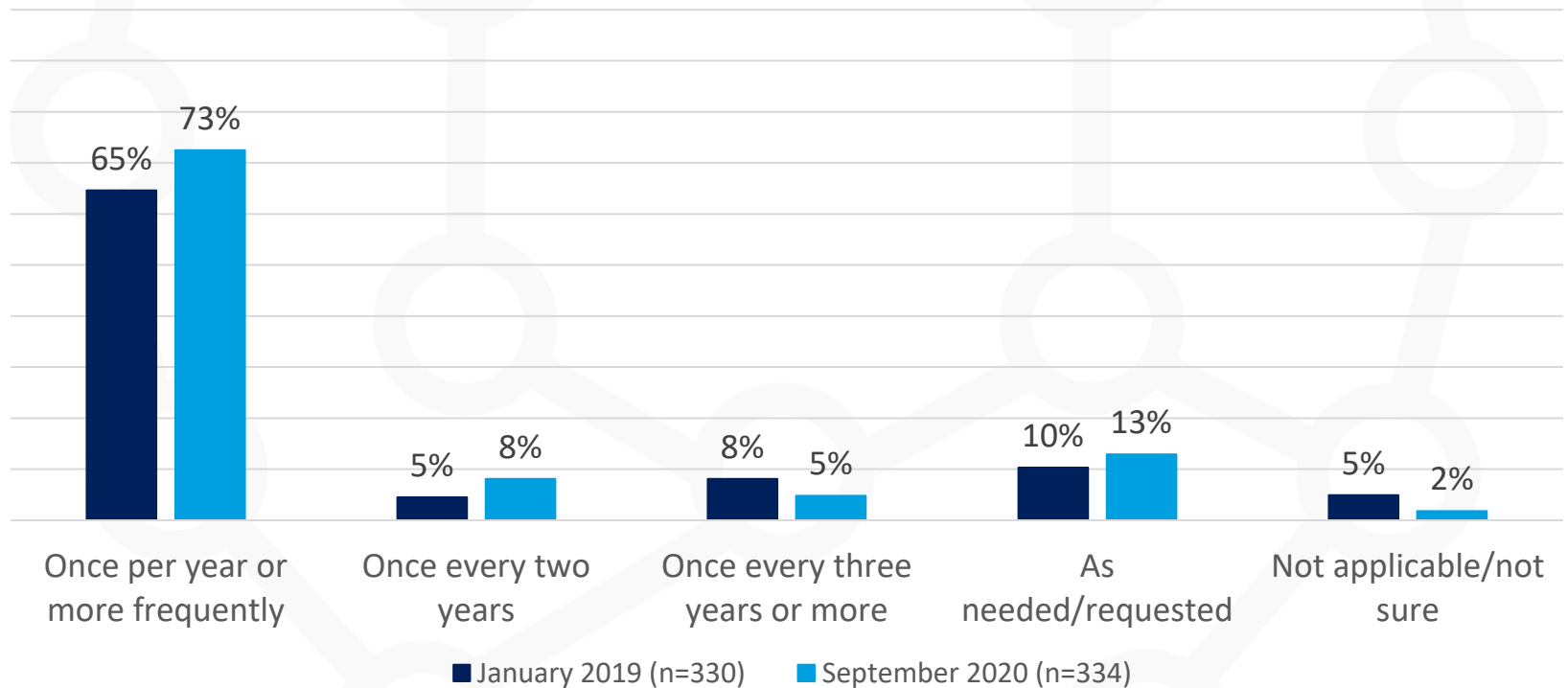
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# Pay equity analyses are typically conducted annually

*How often does your organization typically conduct compensation analysis for discrepancies in pay equity?*



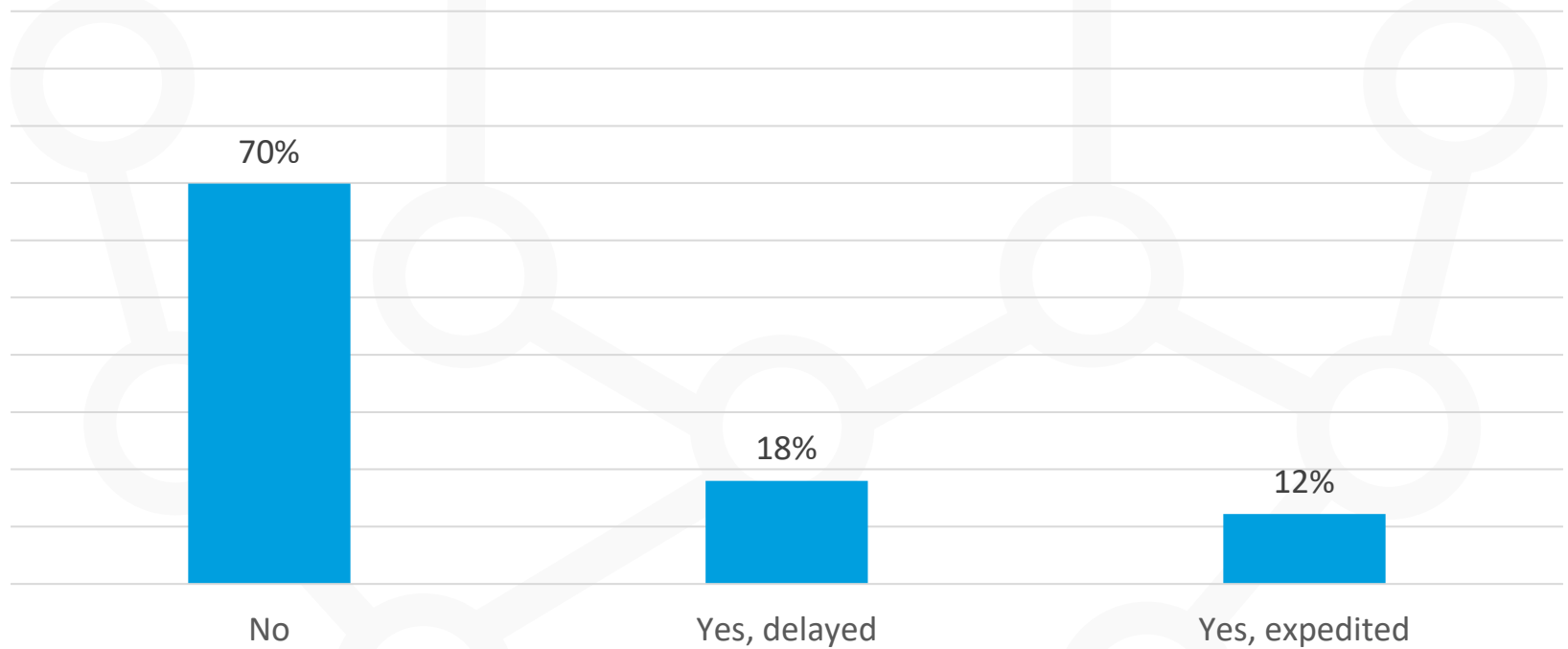
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# Recent events have not slowed analytic work

*Due to recent events (e.g. pandemic, workforce changes, diversity and inclusion agenda, racial equity commitments) has your organization decided to delay or expedite when you would typically conduct compensation analysis for gaps in pay equity?*



n = 345



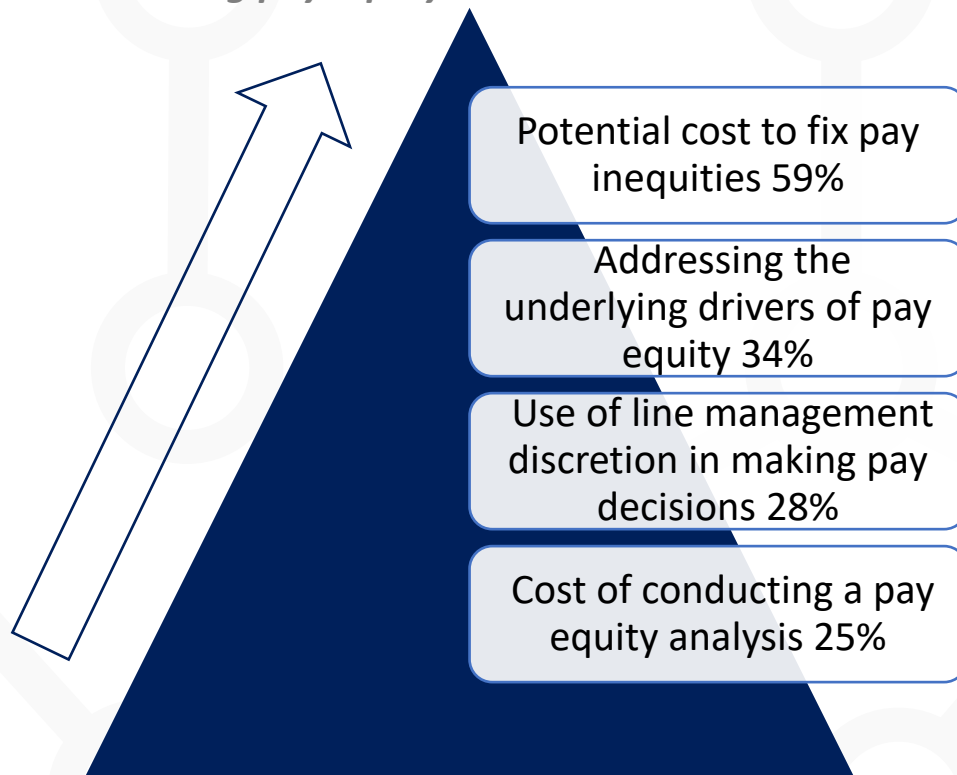
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# Potential costs in addressing pay inequities seen as the top concern by organizations

*Please rank the following items in order of the level of difficulty they present at your organization when establishing pay equity.*



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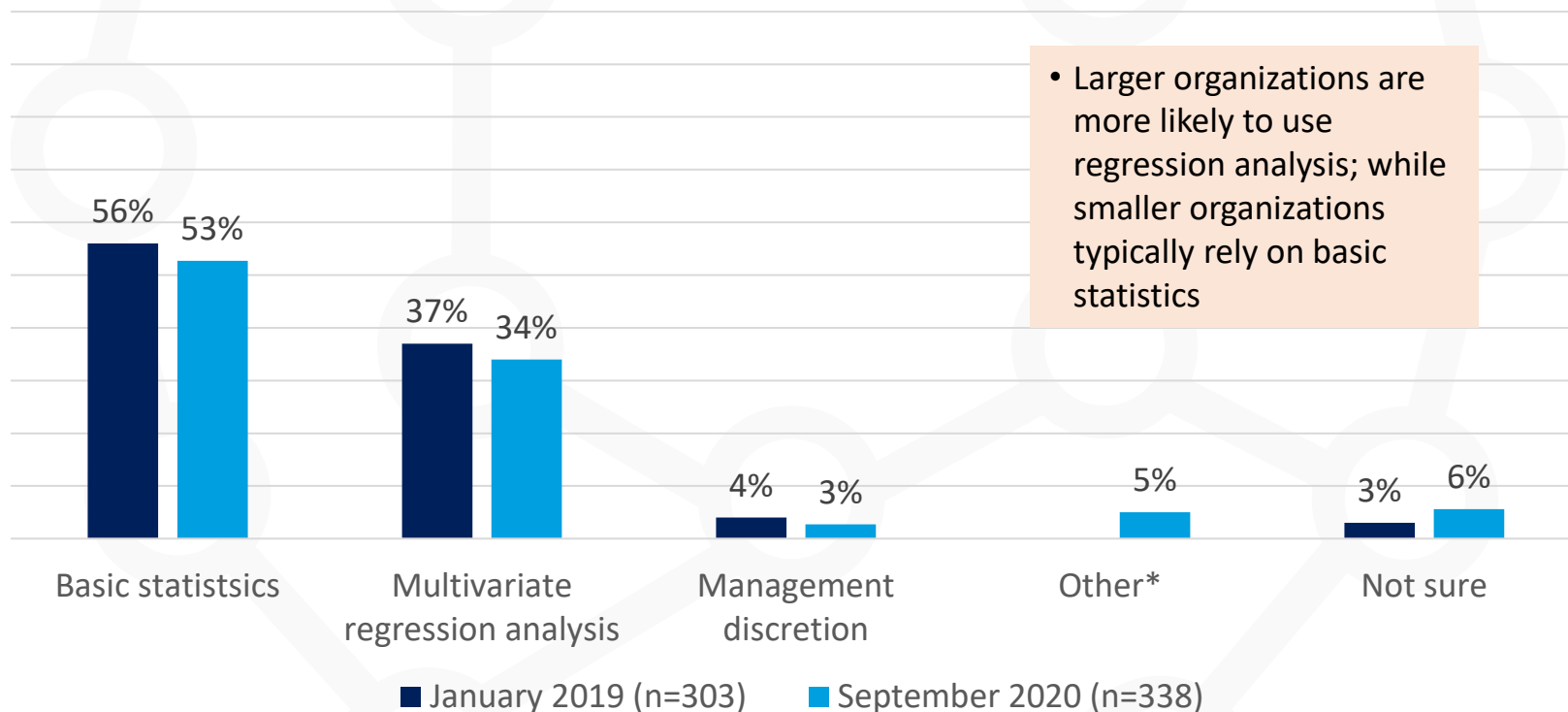
n = 338

*Order represents percentage of respondents ranking items in top 3 of importance.*

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# Basic statistics and multivariate regression are primary analysis tools

What is the primary analysis methodology utilized for pay equity?



• Larger organizations are more likely to use regression analysis; while smaller organizations typically rely on basic statistics



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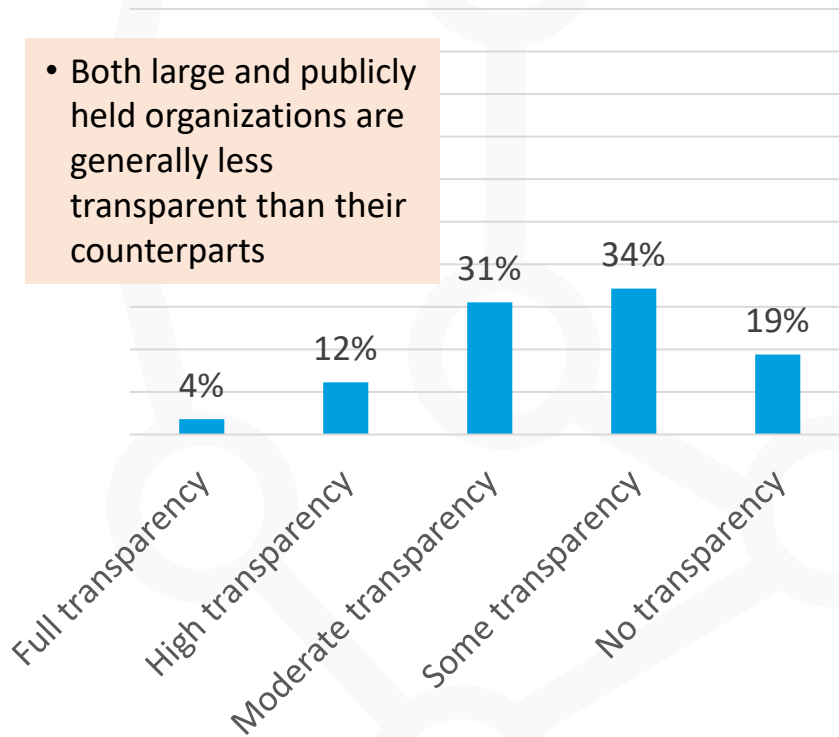
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\*Answer option added in September 2020

# Most organizations limit transparency in pay equity communications

*When communicating pay equity initiatives, how much do you share with the broader employee workforce?*

- Both large and publicly held organizations are generally less transparent than their counterparts



- **Full transparency** (e.g. pay equity and policies are shared, individual pay levels and increases are shared)
- **High transparency** (e.g. pay equity strategy and policies are shared, high-level pay equity analysis findings are shared, but not individual pay levels increases)
- **Moderate transparency** (e.g. pay equity strategy and policies are shared with employees)
- **Some transparency** (e.g. managers may be aware that a pay equity management process exists, but most employees are not)
- **No transparency** (e.g. most managers and employees are not aware of a pay equity management process)

n = 335



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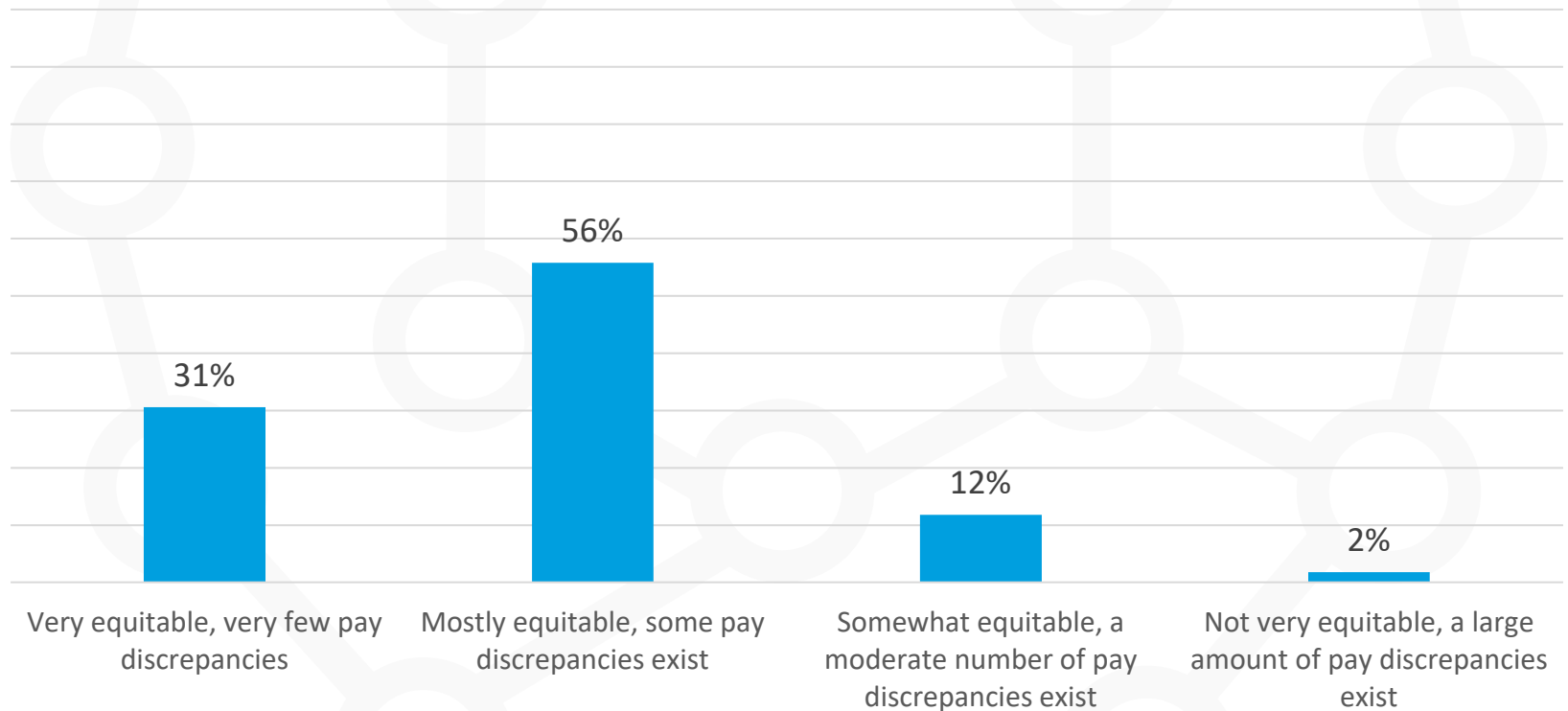


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# Most organizations give themselves reasonable marks for pay equity management

*How equitable do you feel the current pay practices are at your organization?*



n = 389



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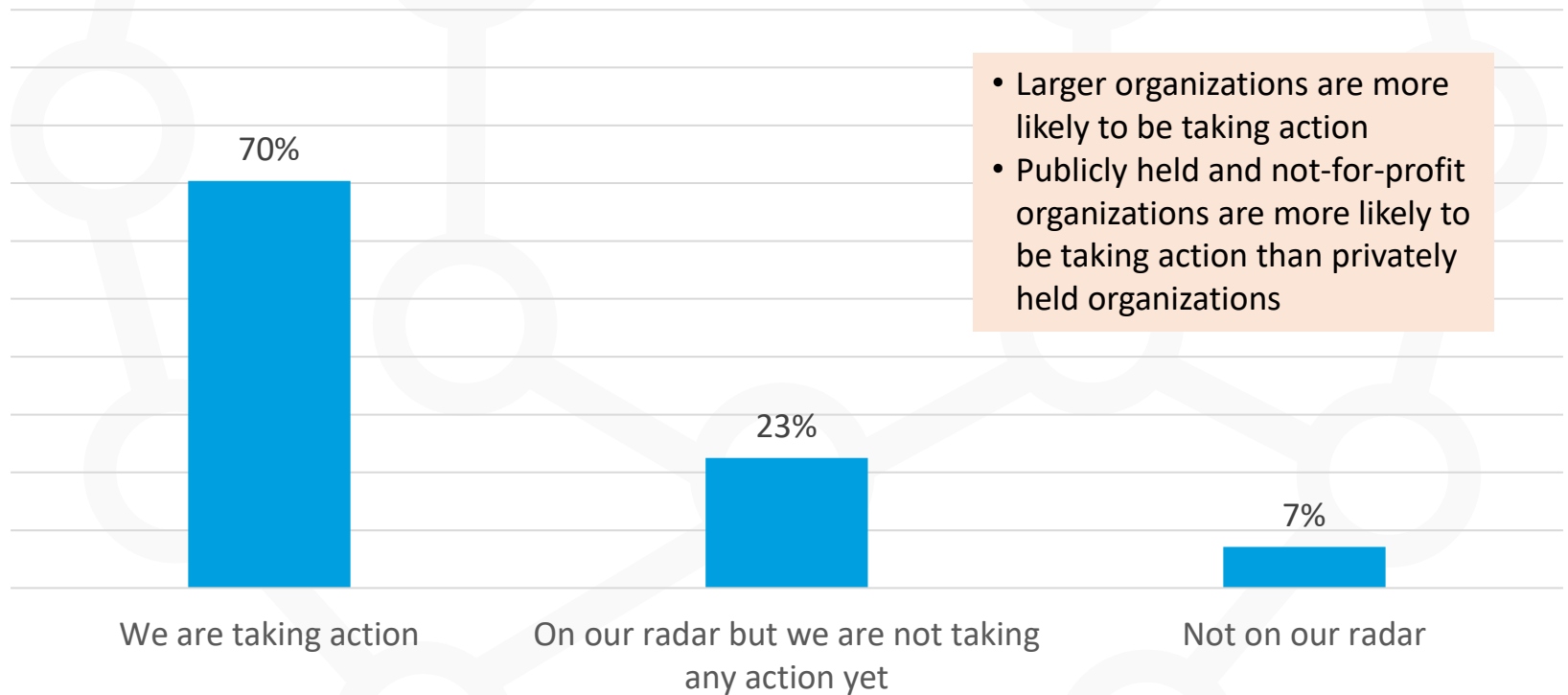
# Diversity, Equity and Inclusion (DE&I)



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# Majority of organizations are acting on DE&I

*Which of the following statements reflects your organization's focus on diversity, equity and inclusion (DE&I) initiatives?*



n = 737



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# DE&I strategy development, unconscious bias training and diverse candidate pools cited as top actions

Indicate your organization's activity level for the following DE&I actions over the past 12 months.



n = 463



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# Most organizations cite more than one objective for DE&I initiatives

*How influential are each of the following on your organization's commitment to DE&I initiatives?*

	<b>Not Influential</b>	<b>Somewhat Influential</b>	<b>Moderately Influential</b>	<b>Very Influential</b>	<b>Extremely Influential</b>
To build/maintain a culture of trust	1%	5%	13%	34%	47%
To remove bias against protected classes	2%	6%	17%	33%	42%
To align our actions with employee expectations	2%	7%	23%	40%	29%
It makes economic/business sense	5%	10%	26%	33%	26%
To improve business performance	5%	10%	25%	34%	26%
To mitigate legal risk	9%	22%	33%	26%	11%

n = 432



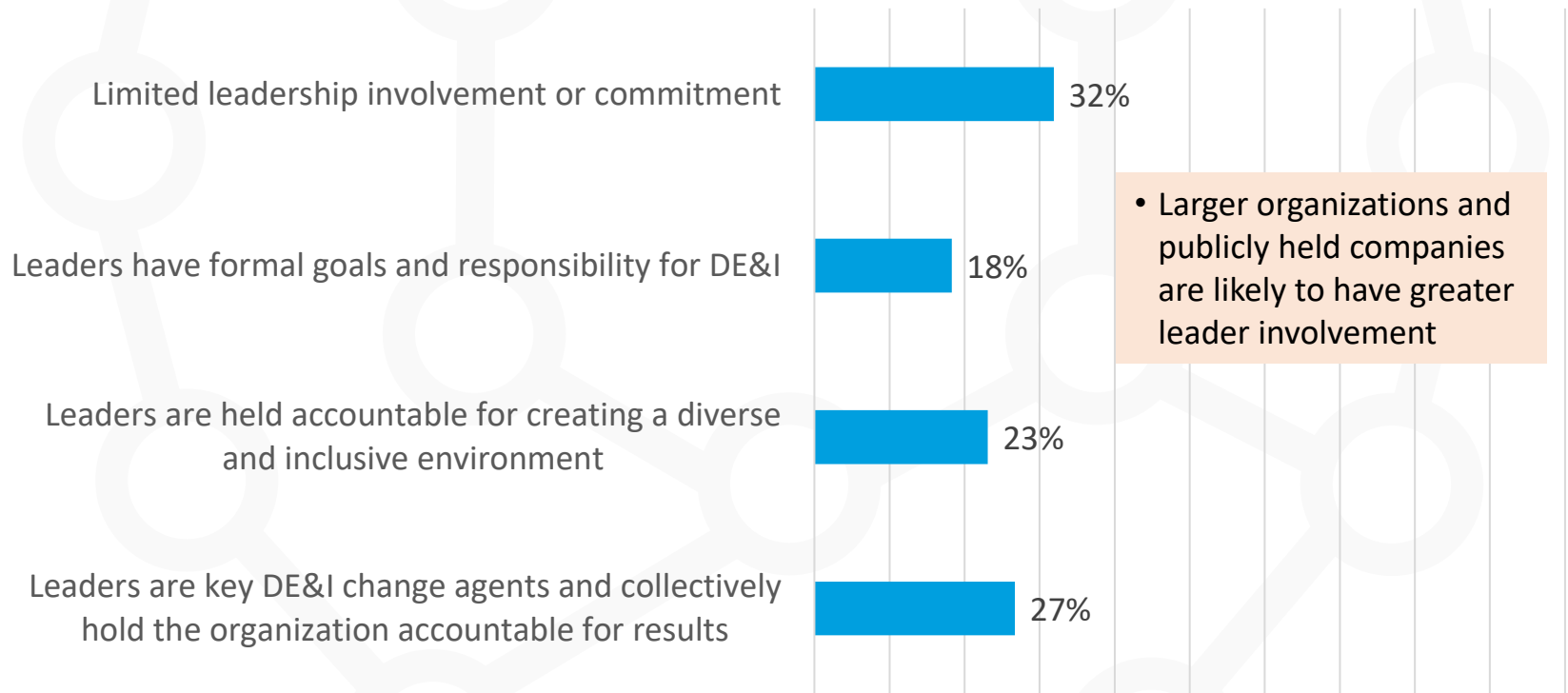
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# No consistent level of leadership involvement in DE&I efforts

What is the level of leadership involvement in DE&I efforts?



n = 442



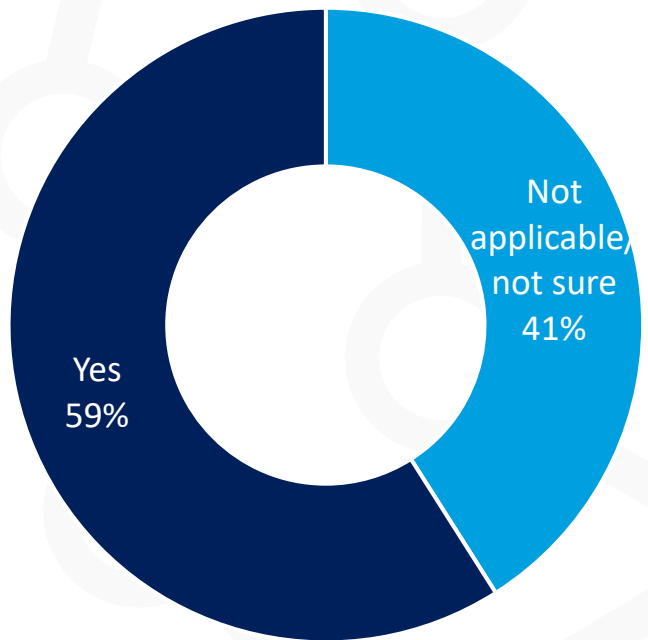
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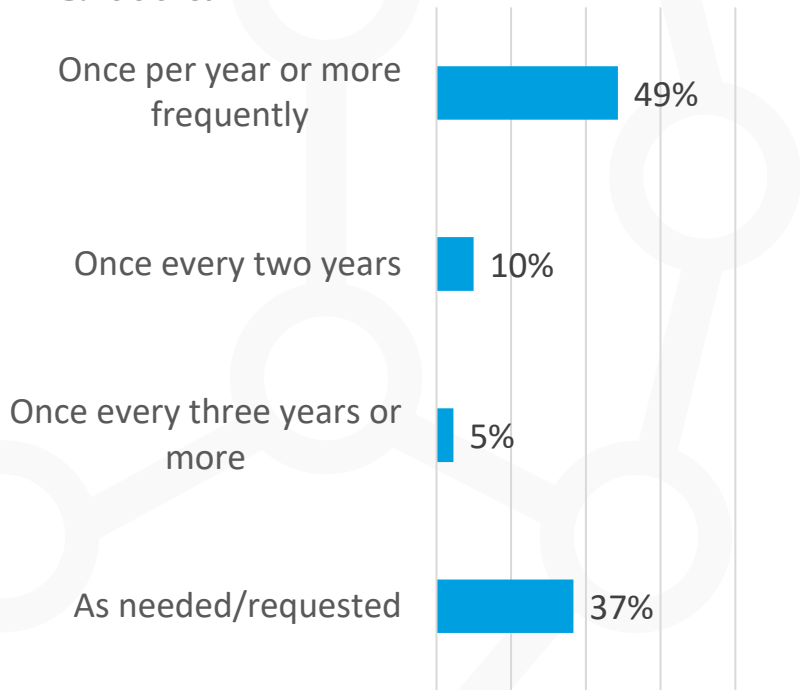
# Only 29% of respondents indicated their organization conducts a DE&I audit once per year or more often

*Does your organization conduct a DE&I audit?*



n = 442

*How often does your organization conduct a DE&I audit?*



n = 259



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# Unlike pay equity, there are multiple barriers being cited at a high frequency

*Please rank the following items in order of the level of difficulty they present at your organization when establishing DE&I initiatives.*



n = 413

*Order represents percentage of respondents ranking items in top 3 of importance.*



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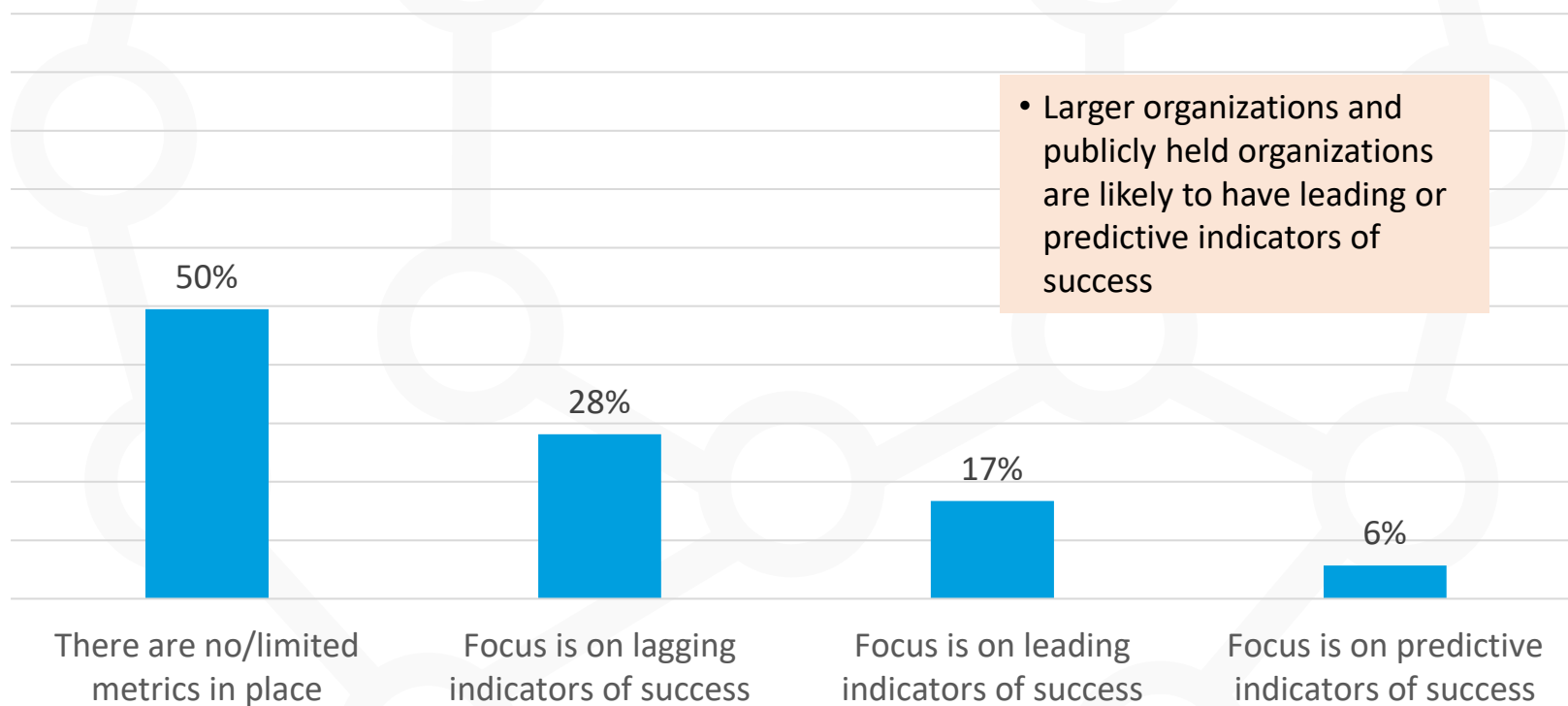


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# Many organizations do not yet have DE&I scorecard metrics in place

*What type of metrics are in place to measure DE&I results?*



n = 442



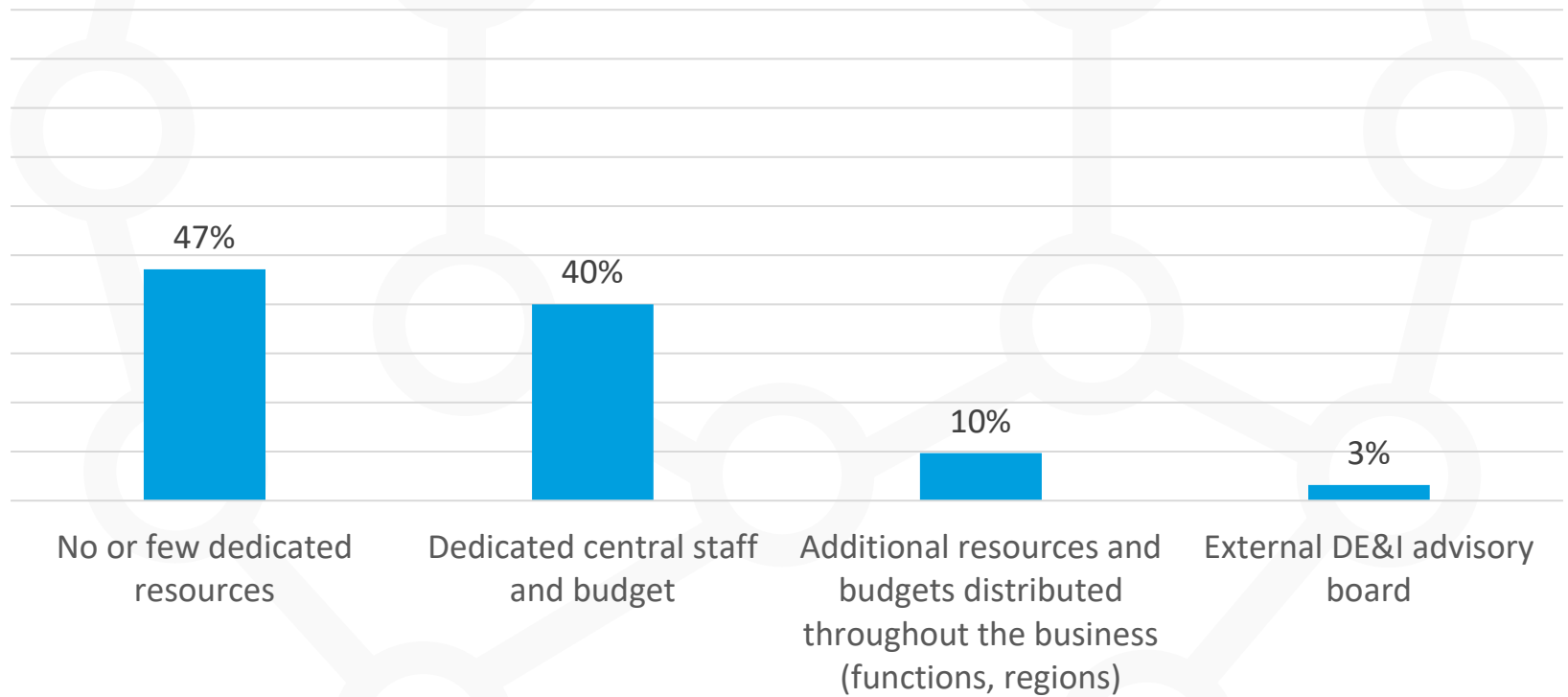
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# DE&I resourcing is limited

What is the level of resourcing/staffing of DE&I efforts?



n = 442



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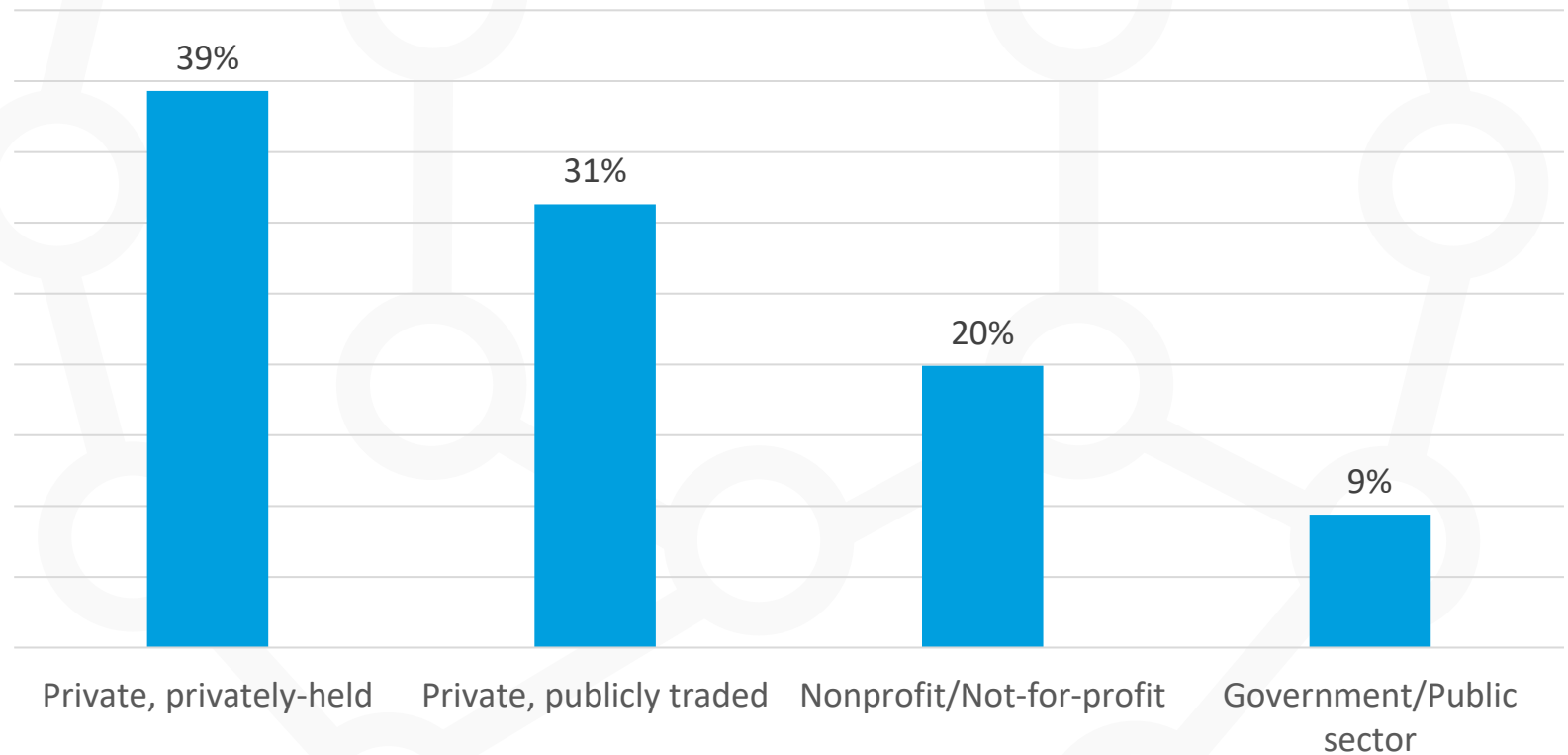
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# Respondent Profile



# Organization type

Your organization is:



n = 638



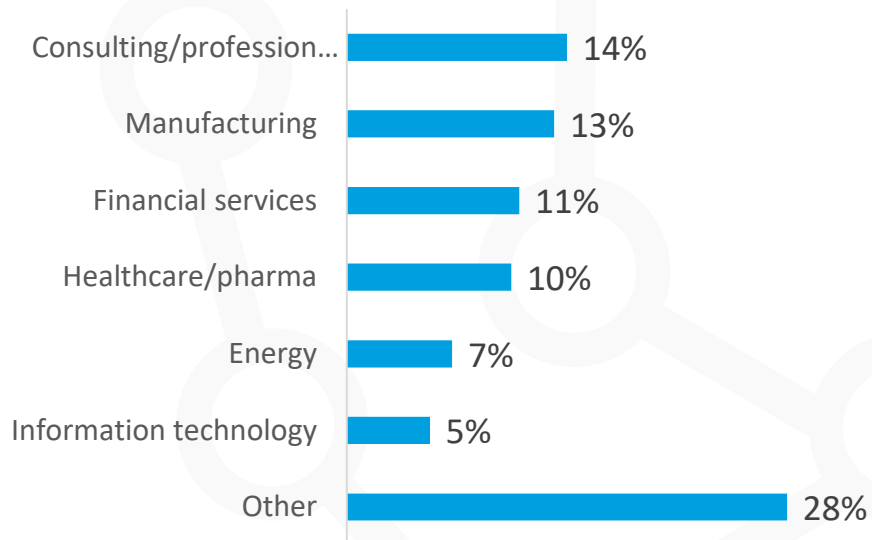
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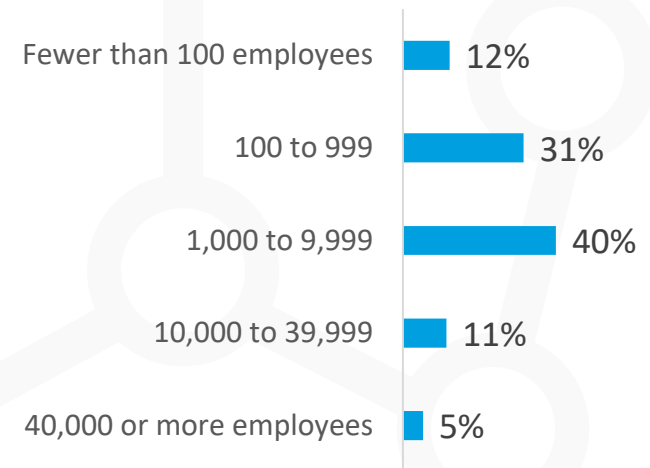
# Organization industry and size

*Under which industry does your organization fall?*



*Only industries with at least 5% of responding organizations are listed here.* n = 638

*How many full-time equivalent (FTE) employees does your organization have?*



n = 638



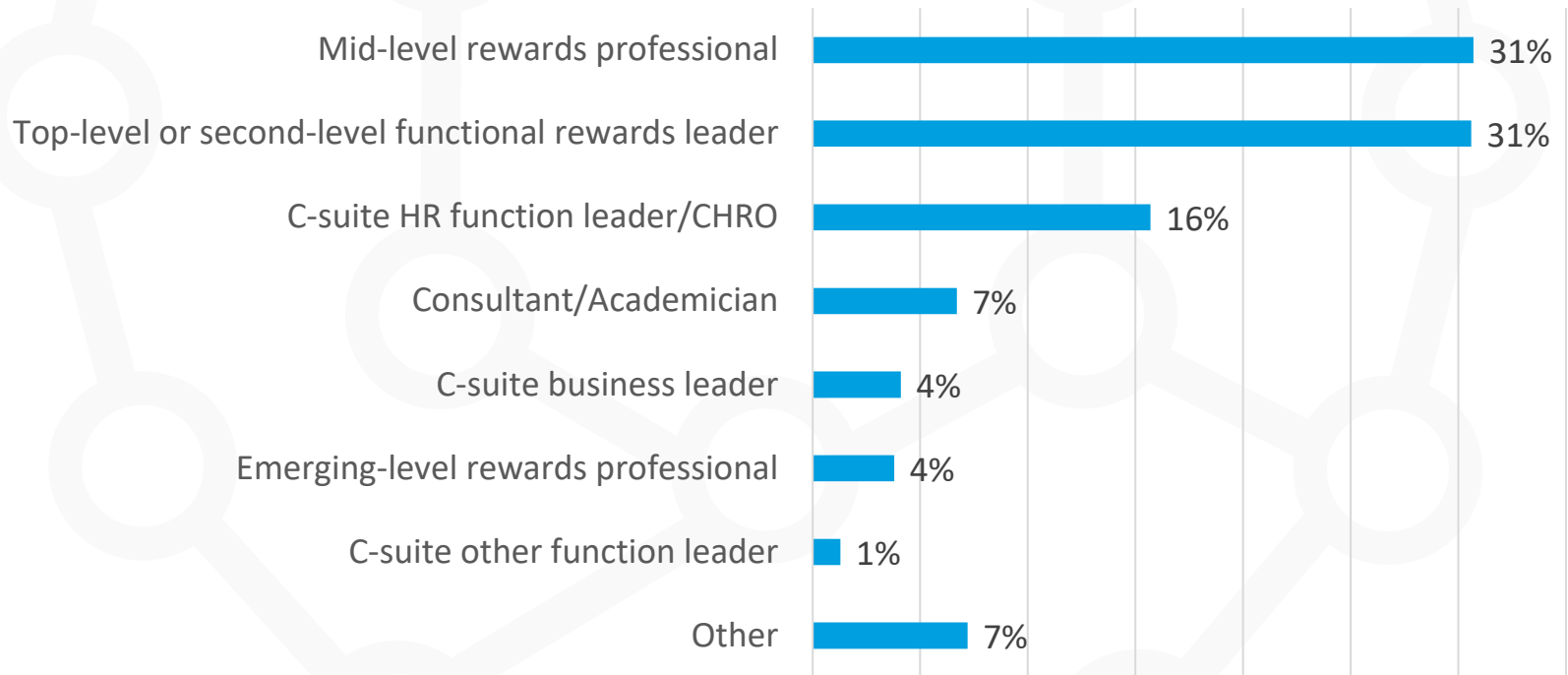
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# Level of responsibility

*Please choose the term that best describes your current level of responsibility (consultants please choose the Consultant category, regardless of your responsibility level within the organization).*



n = 638



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# Contact Us



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[Click here to begin.](#)

Sincerely,

The WorldatWork Research Team



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