

EQUAL PAY DAY 2024: WHAT HAPPENS IN THE WORKPLACE



In our survey,
74% agreed
women face discrimination
in the labor market.



Organizations are committed to fair pay:
75% regularly audit for pay equity.



Characteristics most commonly assessed in pay equity audits:



"I trust that my organization pays people equally for equal work, regardless of their gender, race, ethnicity, disability status, age or sexual orientation."

31% of HR professionals agree.



Pay equity training may not reach people managers.

Employees' direct managers are vital advocates for fair pay for their team members. But they are the least likely to receive formal training in how to make appropriate pay decisions.



Who receives formal training on these topics at your organization?

| How to make business-related pay decisions | How to properly document pay decisions | The importance of pay equity |
|--|--|------------------------------|
| HR: 90% | HR: 48% | HR: 48% |
| Senior Leaders: 76% | Senior Leaders: 41% | Senior Leaders: 40% |
| People Managers: 68% | People Managers: 36% | People Managers: 36% |

Making Business-Related Pay Decisions: You Decide

How likely would you be to take action in each comparison of four senior managers below? What would you tend to do?

- Give lower-paid employees a raise.
- Evaluate other things (experience, tenure, etc.).
- Take no action.



CASE 1: Two men, two women. Same "very good" performance ratings. The men make more.

| | | | | |
|-------------------------|--------|--------|-------|-------|
| Last performance review | ★★★★★ | ★★★★★ | ★★★★★ | ★★★★★ |
| Gender | ♂ | ♂ | ♀ | ♀ |
| Current salary | \$\$\$ | \$\$\$ | \$\$ | \$\$ |

HR professionals said: 91% are somewhat/very likely to take action. Of those, 76% would give the women a raise and 23% would evaluate other things.

CASE 2: Four women. Same "very good" performance ratings. Two women make more.

| | | | | |
|-------------------------|--------|--------|-------|-------|
| Last performance review | ★★★★★ | ★★★★★ | ★★★★★ | ★★★★★ |
| Gender | ♀ | ♀ | ♀ | ♀ |
| Current salary | \$\$\$ | \$\$\$ | \$\$ | \$\$ |

HR professionals said: 66% are somewhat/very likely to take action. Of those, 57% would give the lower-paid women a raise and 28% would evaluate other things.

CASE 3: Four women. Two women have "very good" performance ratings and two have "good" ratings. The higher-performing women make more.

| | | | | |
|-------------------------|--------|--------|------|------|
| Last performance review | ★★★★★ | ★★★★★ | ★★★★ | ★★★★ |
| Gender | ♀ | ♀ | ♀ | ♀ |
| Current salary | \$\$\$ | \$\$\$ | \$\$ | \$\$ |

HR professionals said: 32% are somewhat/very likely to take action. Of those, 43% would give the lower-paid women a raise and 24% would evaluate other things.

HR professionals' decisions show they understand pay equity. They are much more likely to address a pay discrepancy when it is not explained by a job-related factor (performance rating).

Pay inequities lead to retention issues, and only by implementing consistent processes and evaluation of the inequities can companies enact change.

Learn more about solutions offered from SHRM Enterprise Solutions to support **Leadership Development Programs/Trainings** and **Programs geared toward advancing Women Leaders.**

Methodology

A total of 777 surveys was completed from Dec. 1 to Dec. 4, 2023. The survey was fielded electronically using the SHRM Voice of Work Research Panel to U.S.-based HR professionals working for organizations as paid employees. Respondents represented organizations of all sizes, with 52% working for organizations having 250 or more employees.

