

6 Reasons Why Organizations Should Care About Fair Pay

The push for various forms of fair pay is intensifying around the world and workers are increasingly sensitive to fair pay issues. There are significant competitive advantages for fair paying companies—and disadvantages for companies with less-than-stellar reputations. Here are six reasons why it's time to pay attention to pay.

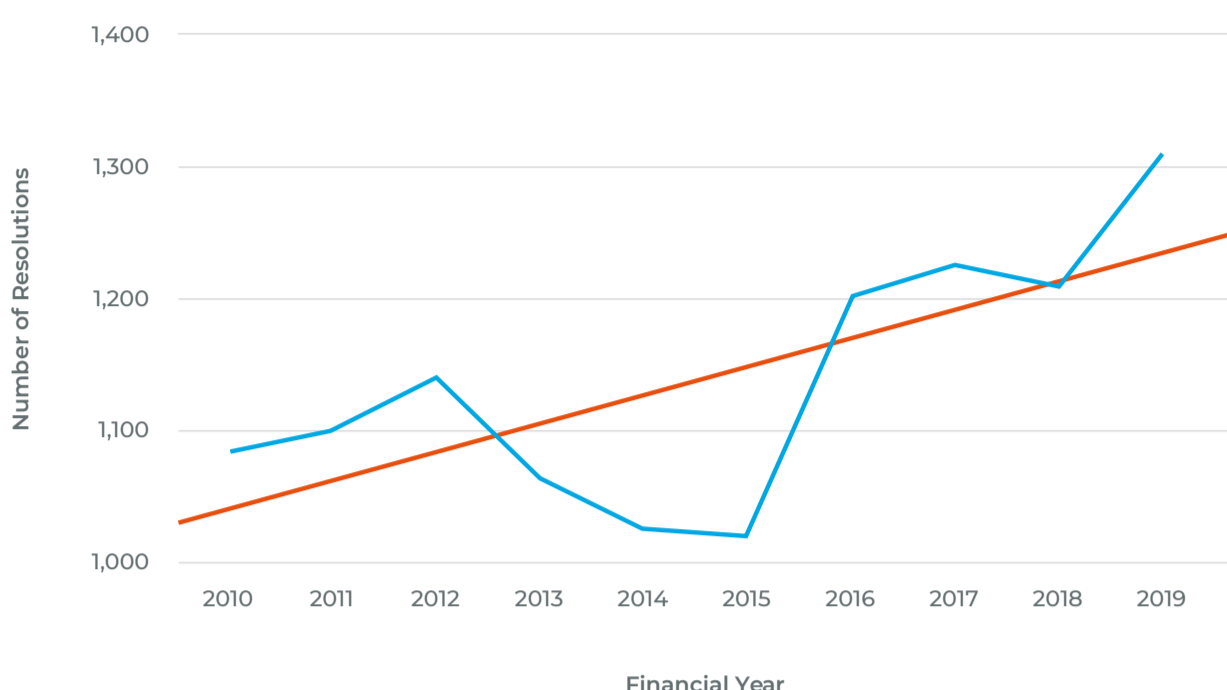


1

More Organizations Are Getting Charged

- In 2019, the EEOC resolved 1,310 charges under the Equal Pay Act.
- This is up from 1,083 in 2010, with a rising trend throughout the last decade.

Number of EEOC Resolutions vs Financial Year 2010 to 2019



Source: U.S. Equal Employment Opportunity Commission



2

You're in the Minority If You're Not Paying Fairly

- 60% of companies are actively addressing pay equity issues.
- Most others (33%) have pay equity management on their radar, though they haven't yet taken action.

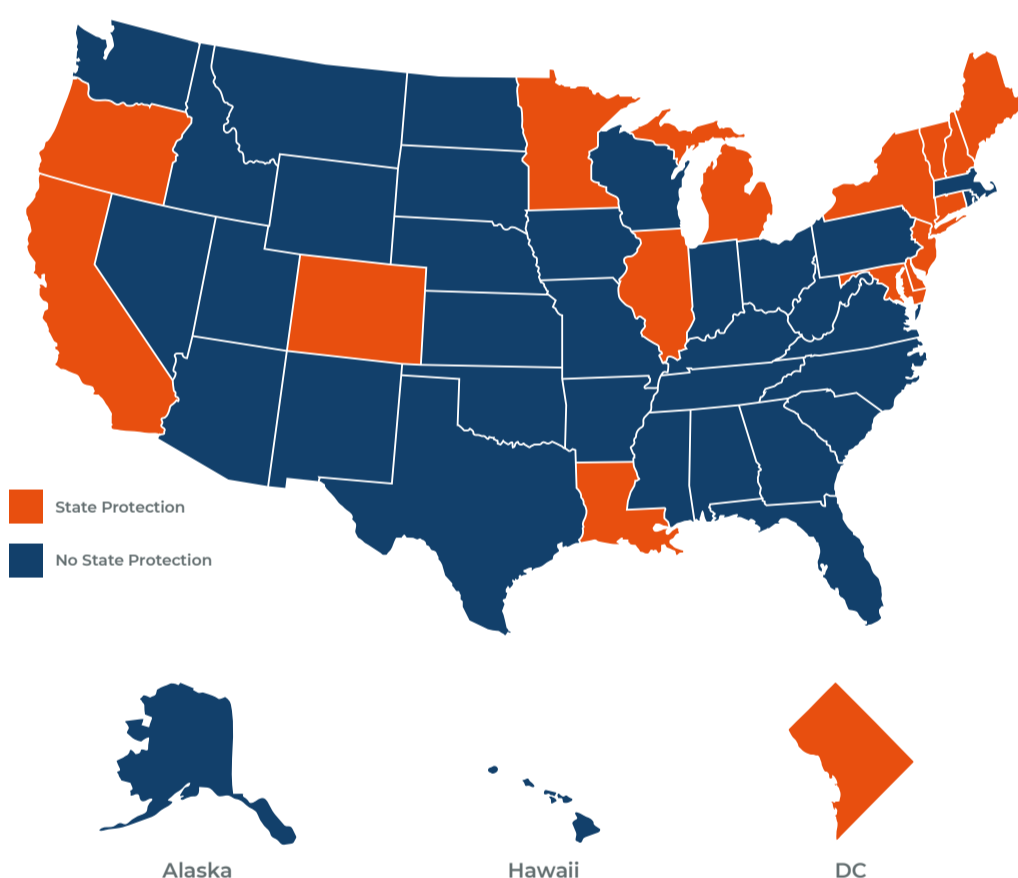


3

Pay Transparency Laws and Policies Are Becoming the Norm

- 67% of employers have made or plan to make their pay decisions more transparent.
- In Norway, tax records are publicly available.
- Germany and Ontario, Canada have the Wage Transparency Act.
- In the US, 16 States have pay transparency protections.

States with Equal Pay and Pay Transparency Protections



Source: U.S. Department of Labor



4

Employees Trust Fair Pay Employers

- The two primary reasons for engaging in pay equity management are legal compliance and building or maintaining a culture of trust.
- 41% of C-suite respondents stated trust as their primary reason for pursuing pay equity.



5

Fair Pay Is Profitable

- Profitability increases an estimated 15% for firms with at least 30% women in the C-suite.
- Top quartile companies on executive team ethnic/cultural diversity are 33% more likely to have above-average profitability than companies in the bottom quartile.
- Higher profits are 43% more likely for companies with the greatest ethnic/cultural diversity on their boards.



6

Unfair Pay Comes With Significant Costs

- The OFCCP collected a record \$40 million in class settlements during 2019. This included:
 - Goldman Sachs agreeing to pay 10 million due to alleged gender- and race-based pay discrimination
 - Dell agreeing to pay 7 million due to alleged gender- and race-based pay discrimination
 - Intel agreeing to pay 5 million due to alleged gender- and race-based pay discrimination.

It's time to start reaping the rewards and avoid the pitfalls of unfair pay in your organization. Steer your business towards pay equity and learn everything you need to know about defining, measuring, and propagating fair pay with our white paper:

'Cultivating Fair Pay in the Workplace: Your Guide to Global Pay Equity'

Download today from affirmity.com/resources

Sources:

- <https://www.eeoc.gov/statistics/equal-pay-act-charges-charges-filed-eeoc-includes-concurrent-charges-title-vii-adea-ada>
- <https://www.willistowerswatson.com/en-US/Insights/2018/06/2018-getting-compensation-right-survey-global-findings-report>
- <https://www.dol.gov/agencies/wb/equal-pay-protections>
- <https://www.kornferry.com/about-us/press/worldatwork-and-korn-ferry-release-results-of-2019-survey-of-pay-equity-practices>
- <https://www.piee.com/commentary/op-eds/study-firms-more-women-c-suite-are-more-profitable>
- <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity#>