

ELIMINATING THE GENDER/RACIAL WAGE GAP: Interventions That Work



*A partnership between Mayor Martin J. Walsh
and the Boston Business Community*



Dear Signers of the 100% Talent Compact,

As we round out our sixth year of working together to make Boston the number one American city for working women, we are also battling a global pandemic that has disproportionately hurt women's financial and career prospects, and that has hit communities of color with particular intensity. The moment urges us to bring new resolve to our affirmative efforts to bolster racial and gender equity in the workplace.

This year, our colleagues, neighbors, family, and friends have called on all communities around the country to end racial discrimination and inequity for Black, indigenous, and people of color, which sadly continue to be everyday occurrences. Many of us have undertaken our own efforts to better understand how our culture's views of race might unconsciously influence our decision-making. Now, it is time for our response - an intersectional, urgent, evidence-based effort to correct the racial disparities in our workplaces alongside gender disparities. The efforts of the Boston Women's Workforce Council, and the data they collect and report, is instrumental to this cause.

In City Hall, I have prioritized the intersecting issues of race and gender by creating the first Equity and Inclusion Office and appointing Dr. Karilyn Crockett to lead it. This new office is at the heart of the City's efforts to build a process for change in the way our government - and our society - works. Systemic change doesn't come from one policy or budget investment, and the Equity and Inclusion cabinet will make these critical analyses part of all of the City's services.

Next year, the Boston Women's Workforce Council will again ask you to provide your organization's pay data for analysis. Our data partner, Boston University and the Rafik B. Hariri Institute for Computing & Computational Science and Engineering, uses groundbreaking technology to anonymize wage information at the employer level. Between today and the day of data submission, we can institute effective policies and practices to help close the wage gap here in Boston.

I hope that this report, which offers a look at evidence-based practices to bolster gender equity in your workplaces, will be a resource for you. In a year that has turned our usual business practices upside down, we have the opportunity to create fresh practices that embody the values we hold. As a 100% Talent Compact Signer, you are part of a group of leaders who have made their commitment to gender equity known. Let's work together with renewed energy to create the Boston we want to see.



Sincerely,

Mayor Martin J. Walsh



Dear Signers of the 100% Talent Compact,

2020 has been a year of change for the Boston Women's Workforce Council (BWWC). It brought new leadership, focus and commitment, all in an environment ravaged by COVID-19 and continued racial injustice. Against this backdrop, our mission is crystal clear: eliminating the gender wage gap, especially among women of color, can no longer be a distant aspiration. Rather, it is an imperative that must happen now if the Boston business community is to flourish once again.

USA Today reported in October that 865,000 women had left the workforce, compared to 216,000 men. Out of the women who dropped out, 324,000 were Latinas and 58,000 were Black women.¹ Lack of available daycare plays a big role in these numbers. Digging deeper, however, it becomes evident that the toll hit women of color even harder because their salaries tended to be so low that even if daycare was available, they couldn't afford it.

The BWWC was started in 2013 as an organization to make Boston the best place for working women. At that time, it was decided that the most promising way to fulfill that mission was to get women paid as much as men. The solution did not lie solely in "equal pay for equal work" which had been the law since 1963. In fact, our goal was to make sure women advanced in the workplace at equitable rates so that when faced with the kind of crises we are encountering today, they could take care of themselves and their families.

The pandemic has uncovered the continued inequities we all know have been in our workforce. You as Compact Signers are not surprised because you have been working to right these wrongs for years. We thank you for your efforts and support and promise a new resolve at the BWWC to help you succeed at what is sure to be a long and dogged process.

The BWWC is now focused on action. We want to be your go-to resource for all information on how to combat the gender wage gap. We will work diligently to bring you the most up-to-date research, practices and speakers in the area of advancing women. Finally, we will make sure you, as Compact Signers, are supported and celebrated for the work you do. Together, we will eliminate the gender wage gap now.



Sincerely,

Kimberly E. Borman

Kimberly Borman
Executive Director
Boston Women's
Workforce Council

¹ Chabeli Carrazana, "865,000 Women Left the Workforce Last Month," n.d., 3.

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EXECUTIVE SUMMARY



“Equal Pay for Equal Work” has been the law nationwide for over 55 years. Many states including Massachusetts have followed suit and passed additional provisions to state laws, such as restricting employers from asking a job candidate what she is paid currently. But is this enough to create an even playing field for women? Data suggests that it is not. Being paid the same for a given position is not the same as having an equal opportunity to participate in the workforce, much less rise to the top.

The Boston Women’s Workforce Council (BWWC) was formed in 2013 as a public-private partnership between the Mayor of Boston and the Boston business community. Our goal is to eliminate the wage gap in Boston and make it the best place in the country for working women. By signing the 100% Talent Compact, employers entering this partnership agree to examine their own data, look for wage equity problems and solve them, and report data anonymously every two years to measure community progress.

How the wage gap is measured is important. If measured by reviewing the salaries paid to men and women in the same position adjusting for experience, education and other factors, wage gaps are in the 4%-5% range.¹ This calculation is called the “Adjusted Wage Gap”.

The BWWC argues that another measurement may be just as important for long term progress. If the salaries paid to women across all positions in a company are compared to those of all men, the so-called “Raw Wage Gap”, differences are seen that reflect not only the salary for a given position but also where women stand in the labor hierarchy. This wage gap metric reveals differences much greater than 5%.

The wage data measured by the BWWC every two years is the aggregate of raw wage gaps for reporting companies. In 2019, the raw wage gap was 30 cents. For every dollar earned by a male employee of the companies that reported, women were paid 70 cents. And it was far worse for women of color, with Black women earning 49 cents and Latinas earning 45 cents to a man’s dollar.

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ACTION SPEAKS LOUDER THAN WORDS

This 2020 report is all about what we can do right now to break down the barriers that prevent working women from achieving the success they deserve. We provide the latest information on interventions that have succeeded in addressing the gender/racial wage gap within like-minded organizations eager to eliminate it. Our intent is to shift the conversation from what might work to what **does** work, as seen in evidenced-based research.

Two of these interventions - the pay audit and wage transparency - speak to strengthening the law already in place regarding equal pay for equal work. The majority, however, focus on the very real, but often difficult to diagnose problems that prevent upward mobility for women. To move the needle, employers must strive to create equal opportunities while also addressing the policies and practices that keep women, particularly women of color, in low level jobs or, as we're seeing today, are causing them to leave the workforce all together. The BWWC believes that the tactics in this report, if implemented, will bring measurable change in ending these inequities.

THE IMPACT OF COVID-19

In 2020, no report on women in the workplace can be written without mentioning COVID-19. The pandemic has had a disproportionate and devastating impact on women, especially women of color, and threatens to eliminate progress made over the past decade.² Women's jobs are 1.8x more vulnerable than men's, likely due to the burden of family care placed on women.³ Attrition sets women back in their careers, and the economic fallout of losing a source of income can have an enduring effect on women and their families. This is a crucial moment for employers to assess the way their policies and practices are fostering inequality and contributing to the differential impact of the pandemic on women.

Unfortunately, there are no evidence-based interventions yet on how to counter the effect of COVID-19 on women in the workforce. We have, therefore, highlighted any proven interventions that, in our expertise, seem likely to be of even more importance in light of the pandemic.

1.8x

Women's jobs are 1.8x more vulnerable than men's, likely due to the burden of family care placed on women.

The BWWC has examined action items identified through research and successfully implemented by employers within five categories:

ASSESSMENT AND ACCOUNTABILITY

To close the gender/racial wage gap, employers will have to make an objective assessment of their own gender/racial wage gap and the factors contributing to it. This is necessary to bridge the difference between claims of commitment to progress and actual change.

DIVERSITY AND INCLUSION

Women are not a monolithic group and the wage gap cannot be understood from gender alone. Fostering diversity and creating inclusive workplaces is key to retaining underrepresented women in the workplace and moving them up the ladder.

HIRING

Implicit and explicit bias against women continues to mar the hiring process, limiting prospective talent and setting the stage for long-term disparities. Hiring interventions work to level the playing field.

RETENTION

Women continue to be held to different standards and experience discrimination in the workplace. Assessing and addressing the effect of company culture on attrition is a necessary step in retaining female talent, a crucial factor in women's career advancement and the raw gender/racial wage gap.

PROMOTION

The raw wage gap is symptomatic of larger structural inequities that impact women at every stage of their careers. Action must be taken to ensure equal opportunity for advancement.

Interventions are not one-size-fits-all and this report cannot serve as a roadmap for every Boston employer. Rather, this will highlight several key barriers to successfully closing the gender/racial wage gap and offer potential solutions.

ASSESSMENT AND ACCOUNTABILITY

RECOMMENDATIONS IN THIS SECTION:

- Calculate both your adjusted wage gap and your raw wage gap
- Evaluate your company culture by conducting confidential surveys
- Set priorities and track success
- Designate a member of leadership accountable for progress



IGNORANCE IS NOT BLISS

Many employers do not know that they have a gender/racial wage gap, whether it be equal pay for equal work or a raw wage gap. Ignorance can no longer be an acceptable excuse for perpetuating these discrepancies. On top of financial data highlighting the gap, 63% of women report being discriminated against at work in the last five years, which most commonly manifested as unequal pay and not being taken seriously by management and company leadership.⁴

Furthermore, nationally representative studies have found that nearly half of employers surveyed did not have accurate data on the women they employed and few kept data on recruitment efforts and attrition rates.⁵

This is not only bad for employees, but also for business. 85% of women and 61% of men reported they would not want to work for a company that had a public reputation for a gender/racial wage gap.⁴ Failing to understand problem areas and implement change may significantly influence the talent that can be recruited and hired.

Compact Signers contributing to the BWWC data effort are helping the Boston business community go through this exercise collectively. However, hard payroll data will not be enough to highlight the full extent of inequity within companies. Employee experiences in the workplace that contribute to disparities must also be examined.

Before implementing any interventions, employers must conduct detailed and objective internal assessments to understand the current state of their wage gap and unique areas in need of change. If disparities are uncovered, a system of accountability must be established to rectify them.

63% of women report being discriminated against at work in the last five years.

RECOMMENDATION:

Calculate both your adjusted wage gap and your raw wage gap

CALCULATE YOUR ADJUSTED WAGE GAP THROUGH A PAY AUDIT

First, employers must assess their adjusted wage gap. As mentioned previously, this is equal pay for equal work and is required by law. However, without regular and accurate data collection, employers may not realize that they are not in compliance.

Conduct a detailed pay audit including salaries and additional forms of compensation. The audit should focus not only on gender, but also on other factors that influence women's pay like race/ethnicity. This will provide a fuller picture of existing inequities.

6 7 8

Salesforce performed a comprehensive analysis of its employees in 2015 which led to salary adjustments for 6% of workers and resulted in a 33% increase in promotions for women.⁸ This analysis was done because members of the senior executive team suspected some sort of wage gap and brought it to the attention of the CEO. The CEO did not believe they had an issue before they conducted the audit.⁹

CALCULATE YOUR RAW WAGE GAP

As discussed previously, calculating the raw wage gap is different than calculating the adjusted wage gap (equal pay for equal work). The raw wage gap compares average total compensation between groups of employees across the organization. For example, the average total compensation for white men vs. the average total compensation for Black women.

Raw Gender Wage Gap

Compute the average total compensation for all men and the average total compensation for all women. Once you have these two numbers you will divide them to find the raw gender wage gap. For example: Say all men at your company make on average \$100,000 and all women make \$88,000. You would divide \$88,000 by \$100,000. It would give you 88% meaning there is a 12% raw gender wage gap.

Raw Race Wage Gap

Compute the average total compensation for all white employees, then find the average total compensation for all people of color employees. Once you have these two numbers you will divide them to find the raw race wage gap. For example: Say all white employees at your company make on average \$110,000 and all people of color make \$72,000. You would divide \$72,000 by \$110,000. It would give you 65% meaning there is a 35% raw race wage gap.

Raw Race and Gender Wage Gap Combined

Compute the average total compensation for all white men, then find the average total compensation for each category: white women, Black women, Black men, Latinx women, and Latinx men. You would divide the average total compensation of these groups by dividing each number by the average total compensation for white men.

RECOMMENDATION:

Evaluate your company culture by conducting confidential surveys

Company culture cannot be determined through financial data alone. Anonymous surveys can be utilized to understand employees' day-to-day experiences of inequality in the workplace and causes of attrition. Employers interested in retaining talent should seek to understand experiences in the workplace, especially those that push women to leave.

Organizational surveys have long been used to gather data within companies for the purposes of assessment and change.¹⁰ The validity of data is directly related to employees' trust in the anonymity of their responses.¹¹ Employers using surveys to assess workplace culture should take steps to ensure employees are comfortable providing honest feedback.

RECOMMENDATION:

Set priorities and track success

After understanding the areas in need of improvement, employers must select targeted interventions and create a set of goals and deliverables just as they would with any other business priority. These goals should be specific, measurable, attainable, relevant, and time-bound.¹²

Setting targets has been found to be effective. In the McKinsey and LeanIn collaborative report "Women in the Workplace 2015", researchers found that organizations with gender targets saw growth in female representation at entry levels, while those without formal targets lost ground.¹³ The UK, a country that has set diversity targets for boards, has 22% of boards that reflect the demographic composition of the country's labor force and population compared to only 7% in the U.S.¹⁴

Targets should be shared not only at the senior levels, but with all employees.¹⁵ Major companies like Twitter, LinkedIn, and Sodexo have all publicly shared their goals for advancing equity in their workplaces.¹⁴ Employers that have been successful in combating the gender wage gap continue to reassess their own progress. Once company goals have been set, data should be collected annually or more frequently to establish patterns and mark progress. This may take the form of raw wage gap assessments, and other items to be discussed later in the report such as inclusivity targets, hiring committee demographics, etc. Make adjustments to these goals when necessary.

Researchers found that organizations with gender targets saw growth in female representation at entry levels, while those without formal targets lost ground.

RECOMMENDATION:

Designate a member of leadership accountable for progress

It is critical that a member or members of company leadership be named responsible for monitoring benchmarks and success should be tied to compensation. This removes ambiguity and incentivizes progress.

Organizations with leadership accountability are 63% more likely to have increased their percentage of women in leadership over the past five years.⁵ The importance of leadership accountability and associated outcomes will be further discussed in the Diversity and Inclusion intervention section.



DIVERSITY AND INCLUSION

RECOMMENDATIONS IN THIS SECTION:

- Hire a full-time diversity manager and appoint department leads
- Conduct anti-bias training
- Set achievable diversity and inclusion targets



THE RAW WAGE GAP GOES BEYOND GENDER

There are multiple interacting factors influencing the raw wage gap for women, such as race/ethnicity, gender identity, and sexual orientation, among others. The intersectional nature of the raw wage gap will require solutions that look beyond gender alone.

Women of color and other historically oppressed groups are demanding change and remaining relevant in the future will hinge on employers taking steps to diversify leadership and fairly compensate their workforce.

DIVERSE COMPANIES PERFORM BETTER AND ATTRACT TALENT

McKinsey research of 366 public companies found that those in the top quartile for ethnic and racial diversity in management were 35% more likely to have financial returns above their industry medians. Furthermore, 67% of job seekers report that workforce diversity is an important factor when evaluating job offers.¹⁶

Fostering diversity and reducing attrition is not about designing interventions for specific groups, but about creating inclusive workplaces. Globally and in the U.S., women are more likely to advance to managerial and senior level positions in companies with “inclusive cultures” which involve bold leadership, comprehensive action, and empowering environments.¹⁷

FINANCIAL PERFORMANCE CORRELATED WITH DIVERSITY

Ethnic diversity



Gender diversity



Gender and ethnic diversity combined



Source: McKinsey Diversity Database 2015

RECOMMENDATION:

Hire a full-time diversity manager and appoint department leads

Dedicated diversity teams get results and have been found to outpace the effectiveness of other workplace initiatives. A study of over 800 firms found that diversity managers and task forces have strong positive effects on managerial diversity among all historically underrepresented groups studied.¹⁸

Monitoring is a key component in the success of these teams. The presence of a diversity manager or task force stimulates “evaluation apprehension” in managers, making them more careful to avoid being seen as biased in hiring and promotion decisions. As mentioned previously, assigning accountability also guarantees that strategies for promoting diversity are being carried out as designed, and that benchmarks are measured.¹⁸

RECOMMENDATION:

Conduct anti-bias training

Conscious and unconscious bias can lead to inequity at every level of a company and encourage attrition. A nationally representative survey of white-collar employees found that 31% of employees who perceived bias planned to leave the company in the next year, compared to 10% of those who did not.¹⁹

Anti-bias training can be a powerful tool, but also can backfire when not implemented correctly. There are two key specifications to consider when implementing anti-bias training.

1. Participation in trainings should be voluntary. Studies have found that mandatory trainings can actually activate bias rather than combat it. Voluntary trainings have been associated with significant gains in representation within management for women and people of color, compared to companies with mandatory training, who have seen their numbers stagnate or even backslide.

2. Managers should be treated as allies. Anti-bias training is more effective when it engages managers in finding solutions.²⁰

Anti-bias training can be a powerful tool, but also can backfire when not implemented correctly.

RECOMMENDATION:

Set achievable diversity and inclusion targets

Only 9% of U.S. companies currently set targets for promotion and hiring of women of color, and even fewer set targets for other underrepresented groups.²¹ Many European countries, especially those in Scandinavia, have successfully used quotas to increase diversity.¹⁴ Targets set by employers should be achievable - those that are realistic based on the local labor market.¹⁴

Diversity in numbers does not automatically equal inclusion. It is important to evaluate company culture as referenced in the previous section to understand workplace experiences beyond numbers.²²



HIRING

RECOMMENDATIONS IN THIS SECTION:

- Remove identifying information like names, gender, etc. from applications
- Implement wage transparency: Publish salary ranges by level in accessible formats
- Recruit a diverse applicant pool and evaluate candidates as a pool;
Hiring team must also be diverse



MEN ARE STILL MORE LIKELY TO BE HIRED FOR EXECUTIVE POSITIONS

Despite the fact that nearly 60% of college graduates are now women, men are still more likely to be hired.¹⁵ Women are chronically clustered in lower-paying occupations, and are more likely to hold jobs without benefits, such as health insurance.²³ Implicit and explicit bias against women continues to mar the hiring process, limiting prospective talent and setting the stage for long-term disparities. All of these factors feed the raw wage gap, and companies must implement new hiring strategies to eliminate it.

RECOMMENDATION:

Remove identifying information like names, gender, etc. from applications

As the screening process becomes increasingly automated, companies should consider removing identifying information from applicants. Gender-blind evaluations have been found to significantly increase the number of women considered for positions. The removal of additional identifying information can be used to increase diversity in hiring as well.

According to a landmark study by the National Bureau of Economic Research, all else being equal, resumes with “white-sounding” names got nearly 50% more callbacks than those with “black-sounding” names.²⁴ Dozens of randomized tests since have had the same results.²⁵

This intervention alone, however, will not solve the hiring problem. Callbacks do not equate to hiring. In a study on ageism, for example, although blinding for age increased interview invitations, older people were still much less likely to be hired after a face to face interview.²⁶

A 2014 study found that managers of both sexes were twice as likely to hire a man as a woman, and lighter skinned applicants with equal qualifications are consistently rated more suitable than darker skinned applicants.^{26 27} This intervention must be combined with wider institutional change that addresses bias beyond the application process. (See anti-bias training section for further suggestions).

RECOMMENDATION:

Implement wage transparency: Publish salary ranges by level in accessible formats

There is a strong base of evidence for the effectiveness of wage transparency as an intervention for combating the adjusted wage gap. The adjusted wage gap is narrower in industries with more transparency. The Federal sector, for example, has seen a significantly decreased wage gap within similar positions since the implementation of mandatory wage transparency.²⁸ Research in Denmark found that, when compared to a control group of companies not mandated to publish salary information, there was a significant decrease in the wage gap for those that were.²⁹ Furthermore, 68% of women sampled said they would be more interested in working for a company that publicly shared their internal salary data.⁴ The BWWC's 2019 Innovative Initiatives Award winner Pharmalogics implemented a pay transparency initiative. Their HR department created a pay range map, verified compensation, and made this information available to staff. It is routinely updated.³⁰

RECOMMENDATION:

Recruit a diverse applicant pool and evaluate candidates as a pool; Hiring team must also be diverse

The diverse-slate approach is an effective hiring tool. Having two or more diverse candidates for a position significantly increases chances that one of those candidates will be hired, but this must be reinforced with policies that support diverse workers long-term.^{31 32} Conversely, if there is only one woman candidate being considered, it is statistically very unlikely she will be hired.³³

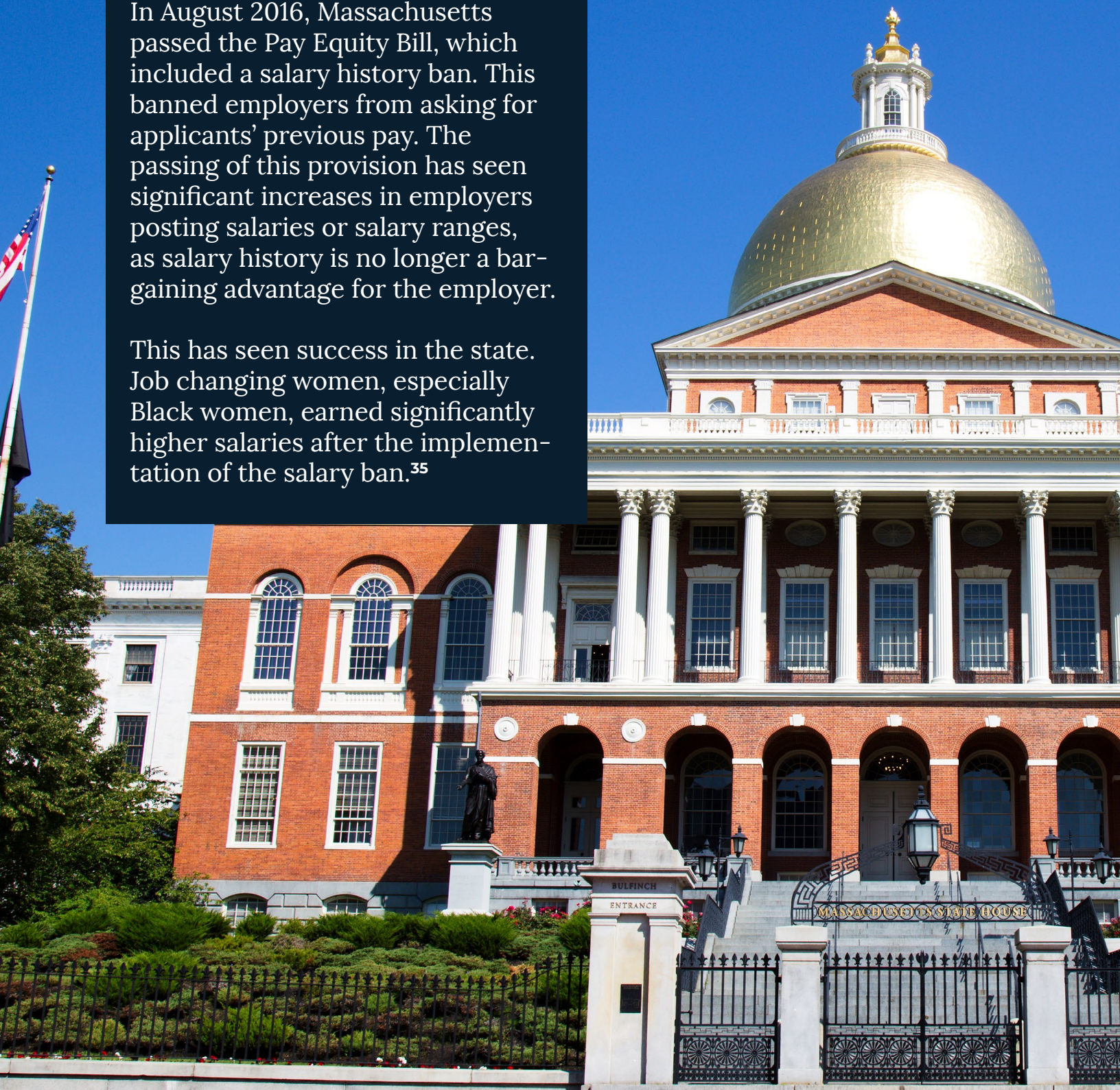
Comparing applicants as a pool has been shown to reduce the influence of stereotypes in the hiring process. Joint/group evaluations are less likely to rely on stereotypes and highlight individual performance.³⁴

Establishing clear criteria and applying it to all applicants in a pool reduces risk of bias in decision making. Evaluation tools should also be easy to use and designed to gather objective, measurable input. For example, a rating scale is generally more effective than an open-ended assessment.¹⁵

MASSACHUSETTS PAY EQUITY SALARY PROVISION

In August 2016, Massachusetts passed the Pay Equity Bill, which included a salary history ban. This banned employers from asking for applicants' previous pay. The passing of this provision has seen significant increases in employers posting salaries or salary ranges, as salary history is no longer a bargaining advantage for the employer.

This has seen success in the state. Job changing women, especially Black women, earned significantly higher salaries after the implementation of the salary ban.³⁵



RETENTION

RECOMMENDATIONS IN THIS SECTION:

- Provide employee-centered flexibility
- Establish a method of safely confidentially reporting discrimination and harassment; Take meaningful action



IF ECONOMICALLY FEASIBLE, WOMEN WILL SWITCH JOBS OR LEAVE WORKFORCE ALTOGETHER WHEN FACED WITH UNFAIR EMPLOYMENT PRACTICES

There is a common misconception that women are leaving the workforce to focus on their families. A recent McKinsey study found that men and women report this at similar rates and that rate is extremely low - 2%.³⁵ Despite this, women's attrition rates remain significantly higher than men's, and rates are highest among Black women and Latinas.

The nationally representative Corporate Leavers Survey has found that over 2 million professionals leave their jobs annually due to unfairness, a loss which costs U.S. employers approximately \$64 billion in turnover each year. This phenomenon has a disproportionate impact on people of color, who are more than three times as likely to leave their jobs solely due to unfairness compared to white men.³⁶

Commonly reported causes of attrition include lack of workplace flexibility, harassment, unequal pay, and inequitable expectations. As discussed previously, expectations for work and home life may be particularly harmful during the current COVID-19 pandemic.³ Failing to provide support and retain women based on workplace policies removes talent and hinders women from progressing up the ladder.



RECOMMENDATION:
Provide employee-centered flexibility

Flexibility policies in the workplace are often to the benefit of the company rather than the employee. Flexibility is more commonly given to men over women, and women are more likely to experience flexibility stigma.³⁷ The New York Center for Talent Innovation found that 69% of women who left positions would have stayed with their companies if they had been given flexible work options.²² To increase retention of women, focus on creating employee-centered programs that increase job flexibility.

Offer onsite or subsidized childcare, childcare referral or backup childcare services

Childcare initiatives decrease female turnover rates.³⁸ Onsite or subsidized care can increase women's participation in the workforce, as well as lower employee stress levels and reduce work absences.³⁹ Cost of care is a key factor and reducing the price of childcare has been shown to increase mothers' participation in the workforce, particularly those in low-income households. Additional benefits include lower reported stress levels and fewer family-related absences.³⁹

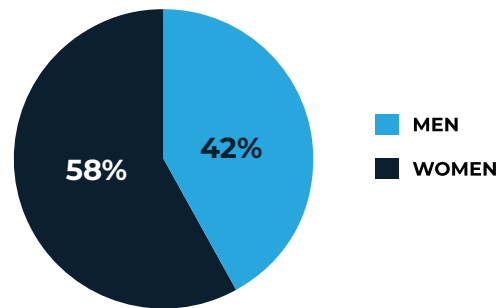
Offer paid family leave

Research from Accenture has found that implementing maternity leave alone is ineffective and may hold women back from career progression, but when companies encourage parental leave for men and women, the negative impact on women's career advancement is reduced.⁵

Use of paid parental leave among fathers in the United States is low, even when it is offered, but companies can implement policies that have been shown to increase uptake. Parental leave should be well-paid, and portions of leave should be reserved as a non-transferable entitlement for the father.⁴⁰

In addition to enabling fathers to take on a more equitable share of childcare, paid family leave is also associated with reduced turnover, increased loyalty, and improved morale.^{41 5}

GENDER BREAKDOWN OF 100% TALENT COMPACT SAMPLE



RECOMMENDATION:

Establish a method of safely confidentially reporting discrimination and harassment; Take meaningful action

Often, reports of discrimination and harassment in the workplace are not taken seriously or there is backlash against the employee who filed the complaint. Retaliation is the most frequent discrimination finding by the US EEOC.⁴¹

This year, a nationally representative survey found that only 29% of workers report management at their organization listened to concerns about discrimination based on race, gender, age, etc. without blame or defensiveness. For white men, this was 42% and for Black women, only 10%.⁴²

Research from New York's Center for Talent Innovation found that 38% of Black professionals felt it was unacceptable to speak about experiences of discrimination in their workplace and were more than twice as likely to report feeling isolated and alienated at work. This was found to foster greater turnover and disengagement.⁴³

This attitude discourages reporting and contributes to attrition. Companies must establish methods of reporting that employees feel comfortable using. Consequences in cases of discrimination and harassment must be meaningful and deterring.

CITY OF BOSTON: PROVIDING AFFORDABLE AND FLEXIBLE CHILD CARE SERVICES

In 1989, Boston's City Hall was one of the first municipal buildings to provide an on-site childcare program.

The City Hall Child Care program grew from the idea that one of the largest challenges for working families was access to quality and affordable childcare. Thus, to alleviate this challenge for city employees, the Women's Commission initiated the City Hall Child Care program. Together with various departments, the program was developed and implemented in 1989.

This program is still thriving today and is operated by the Boston Centers for Youth & Family, with city employees paying monthly fees to have on-site childcare for their children aged three months to seven years old. Many city employees have participated in this program and have positively benefited from the flexibility of on-site care.

Additionally, the City created a program to increase the supply of childcare seats available to middle- and low-income families who disproportionately use the services of family childcare programs, which are more flexible and affordable in nature than other types of care. The Childcare Entrepreneur Fund supports providers by offering financial support and business training to owners of family childcare programs in Boston.

PROMOTING WOMEN UP THE LADDER

RECOMMENDATIONS IN THIS SECTION:

- Create sponsorship programs for underrepresented employees
- Encourage negotiation courses
- Implement comparative reviews with standardized performance criteria
- Achieve equitable gender representation on senior search and compensation committees
- Actively recruit women to executive level and board positions



WOMEN ARE STILL THE MINORITY WHEN IT COMES TO SENIOR EXECUTIVE POSITIONS

The raw wage gap is symptomatic of larger structural inequities that have an impact on women at every stage of their careers. Although the number of women in leadership has grown over the past five years, women remain underrepresented at every level, and women executives receive lower compensation than their male peers even after accounting for differences in experience and performance.¹⁵ Currently, one in five C-suite leaders is a woman, and fewer than one in 30 is a woman of color.³⁶

Underrepresentation persists in spite of the fact that companies with more women in leadership positions have improved financial performance.¹⁷ Action must be taken to ensure equal opportunity for advancement and to provide structural supports that move women up the talent pipeline.

RECOMMENDATION:

Create sponsorship programs for underrepresented employees

Women are significantly less likely to receive the same level of sponsorship as their male colleagues. Sponsors, unlike mentors, actively help others advance by connecting them to important assignments and networks.³⁶ Mentoring relationships are not a significant predictor of women's promotions. Sponsorships are. A key distinction between the two is influence. Mentors can operate at any level in the company and act more as coaches. Sponsors hold positions of power and fight for better opportunities.⁴⁴

Employees are more likely to think they have equal opportunities for growth and advancement when their manager helps them manage their career, showcases their work, and advocates for new opportunities for them on a regular basis.⁴⁵ Those with sponsors are 62% more likely to have asked for and have received a promotion.²² Employees with sponsors are far more likely to say they have opportunities to grow and advance.¹⁵

Those with sponsors are 62% more likely to have asked for and have received a promotion.

RECOMMENDATION:

Encourage negotiation courses

Women remain less likely than men to negotiate their salaries. They begin their careers at a lower starting point and progress more slowly up the pay scale. In a national survey, for women who did attempt to negotiate, 50% received increased salaries.⁴

RECOMMENDATION:

Implement comparative reviews with standardized performance criteria

Though joint/group evaluations are less commonly seen at the promotion stage than the hiring stage, comparative reviews are less likely to rely on stereotypes and highlight individual performance. A study found that only around 8% of employers engaging in joint evaluation chose an under-performing employee for promotion, as compared to 51% of employers engaging in separate evaluation.^{34 45}

Vague or poorly designed performance review criteria encourage managers to rely on stereotypes and personal preferences. Women are more likely to be evaluated based on past performance, whereas men are more likely to be evaluated based on their perceived future potential. Standardized, objective criteria can help mitigate the risk of bias.^{34 47}



RECOMMENDATION:

Achieve equitable gender representation on senior search and compensation committees criteria

The gender wage gap is reduced when compensation committees include women. A study of senior executive compensation at public companies revealed that women executives were better compensated when the compensation committee included women. There was a substantial gap in compensation when the committees included either no women or just one woman.⁴⁶

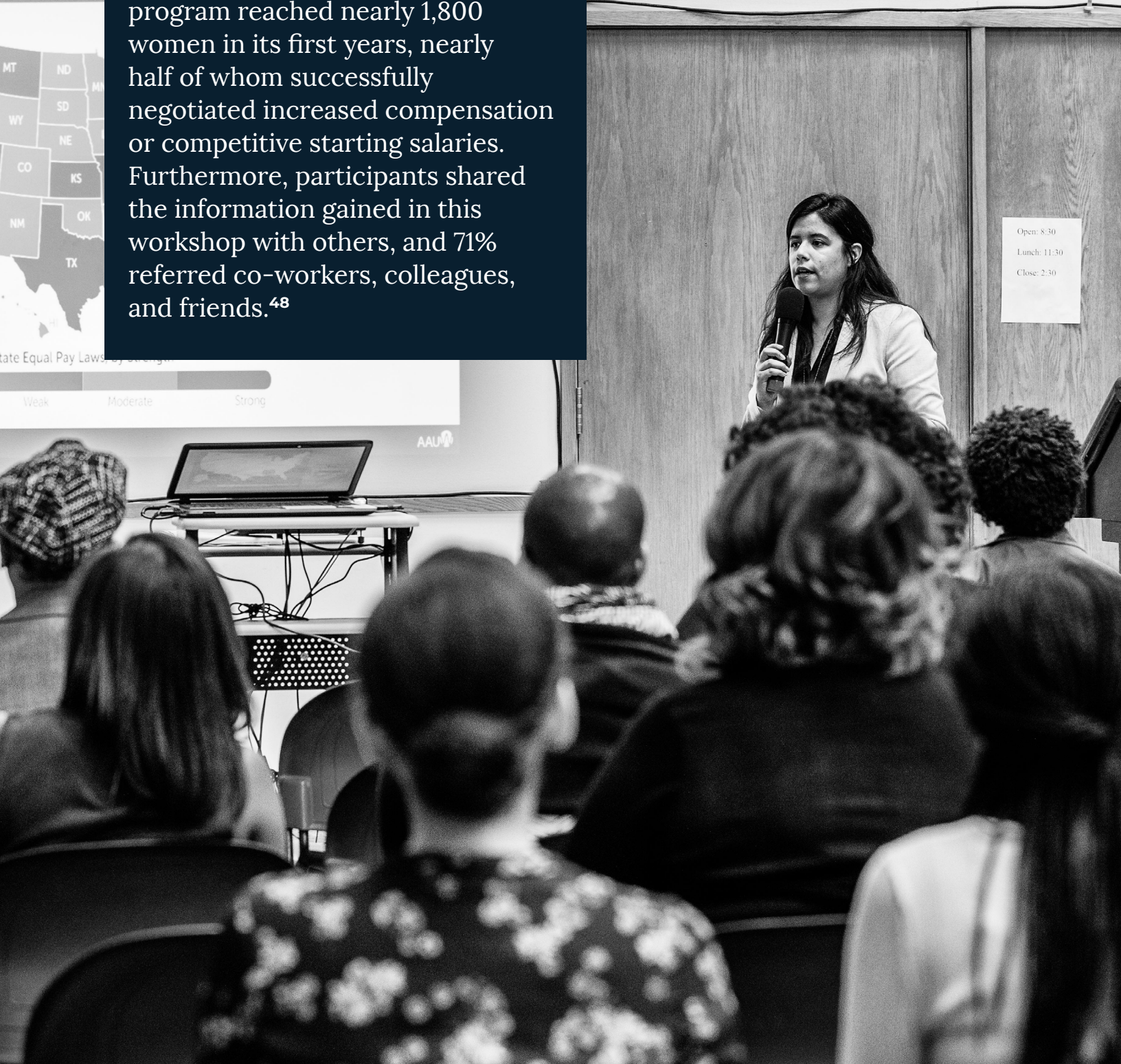
RECOMMENDATION:

Actively recruit women to executive level and board positions

An increase in the proportion of women at senior levels has been shown to lower the likelihood that junior women leave a firm.⁴⁷ Vertex, a 2019 BWWC Innovative Initiatives Award winner, actively sought to include more female candidates to fill several senior level positions in 2017. As of 2019, Vertex has three women in their C-Suite, one-third of board members are women, as well as over half of their global workforce.³⁰



The City of Boston, in conjunction with the American Association of University Women, offer free salary negotiation courses for women who live or work in Boston. This program reached nearly 1,800 women in its first years, nearly half of whom successfully negotiated increased compensation or competitive starting salaries. Furthermore, participants shared the information gained in this workshop with others, and 71% referred co-workers, colleagues, and friends.⁴⁸



CONCLUSION

The root causes of the gender wage gap are complex and underlied by structural inequality that disadvantages women throughout their lives and careers. Employers have a responsibility to address their own practices that undermine women and perpetuate this disparity. They must go beyond delivering equal pay for equal work and instead promise a path to leadership roles that are accompanied by the same kinds of salaries that their male counterparts earn. This means computing both the adjusted wage gap and the raw wage gap, plus implementing interventions to curb both situations. Action, accountability, and a commitment to inclusivity are key. It is time to go beyond gestures and break the cycle that has resulted in stagnation of progress for over a decade.



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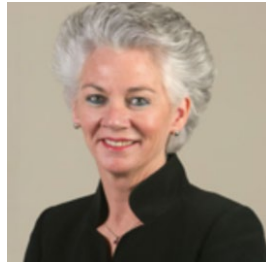
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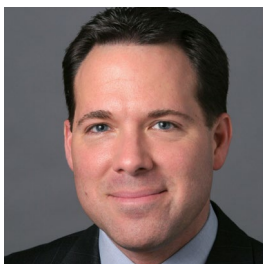
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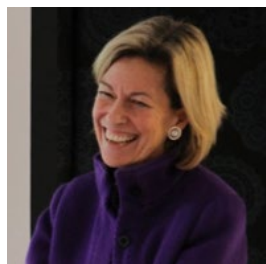
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