



## **How to Advance Your DEI Efforts Through Pay Equity**

**Diversity and Inclusion**

**Employment and Labor**

**Litigation and Dispute Resolution**



The landscape of the US workforce has changed dramatically in the last year and a half. Women, particularly women of color, have seen the greatest disproportionate adversities. The unprecedented convergence of crises has shone a light on the systemic inequities in the workplace.

Pandemic-related job losses have disproportionately affected [minorities, women, and other vulnerable workers](#). Women have accounted for nearly 56 percent of workforce exits since the start of the pandemic, despite making up just 48 percent of the workforce. Women, who are more likely to be caregivers, have been forced to leave the labor market or downsize their careers deepening those inequities and widening the persistent pay gap.

Despite the surging Delta variant, businesses are shifting their focus to initiatives to drive recovery and move forward. [Decades of research reveals](#) that diverse and inclusive workforces are more competitive, innovative, and will ultimately equate to greater financial gains. Committing to building a diverse, equitable, and inclusive workforce is the key to economic recovery in a post-pandemic world.

Essentially, when diverse people are brought together to solve problems in groups, they expose each other to different information, opinions, and perspectives. Gender equality has a fundamental bearing on whether or not economies and societies thrive. Employers can implement the below tools to halt further workplace inequities and curb the damage that has been caused by the pandemic.

## **Conduct pay equity audits**

Pre-pandemic, the average US female employee earned only [81 cents](#) for every dollar the average male employee made. The pandemic's disproportionate economic toll on women could create an even larger gender wage gap during and following the economic downturn. Recessions historically

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moderately decrease the wage disparity since they tend to have a greater impact on men.

It is often said that “you can’t manage what you can’t measure.”

While normal recessions close the gap by two percentage points, the pandemic’s recession is projected to widen the gap by five percentage points.

[Economists](#) project that the average female worker will earn about 76 cents for every dollar the average male worker makes, and it will take more than 10 years for the wage gap to close to what it was before the pandemic.

It is often said that “you can’t manage what you can’t measure.” Research shows that companies that measure representation and pay equity understand where they are and can determine what initiatives will move the needle.

Employers that conduct good-faith pay audits within their company now can help decrease future litigation, correct pay inequities, improve morale, and forge a better brand relationship with employees that ultimately strengthens sustainability for the future.

To this end, employers should examine the employee base and perform an analysis to help it understand the size of the pay gaps and how it breaks along gender and racial lines with respect to, among other things, promotion, attrition, and performance.

## **Get commitment from leaders**

To see results, company leaders must set the expectations that will transform the organizational culture. Leaders must embrace the discomfort that comes with having difficult conversations. Leaders should develop programs that address the inequities of under-represented groups and offer support through their career paths including sponsorship and mentorship programs.

[Accenture](#) recently released its “Getting to Equal 2018” report, which finds that several factors contribute to narrowing gender and pay equity gap, including:

- Bold leadership setting diversity goals and ensuring more female representation at top levels;
- Involvement across the organization in women’s networks (employee resource groups); and
- A culture that trusts the individual to make decisions.

## **Practice transparency**

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As the next generation filters into the workforce, employers should be mindful of the demand for transparency. [Surveys](#) reveal that employees are seeking more transparency from their employers — so much so that 58 percent would consider switching jobs for a company with more pay transparency than their current employer.

Following a pay audit, employers should consider publicly announcing the results and the efforts to improve. Get to the root cause of the inequity and talk with employees and other leadership about how to neutralize the bias when making hiring and compensation decisions.

[Join a global community of female lawyers at ACC's Women In The House \(WITH\) Network.](#)

## **Train leadership**

Unconscious bias training for managers can help them recognize how their own biases and experiences may be affecting their decision-making on hiring, opportunities for growth within the organization, compensation, and promotions in way that have unintended consequences.

Employers should define clear performance metrics on what defines good performance, ensure thorough unconscious bias training, and confirm that prejudices do not influence what defines good performance.

## **Build a diverse talent pool through flexibility**

After more than a year of remote work, employers should consider their stance on remote work and how that impacts gender parity for their organization. Women are more likely than men to elect to continue remote work because of the flexibility.

Indeed, [nearly 60 percent](#) of women polled said that they would look for another job if they were not allowed to continue remote work.

The same [survey](#) found that nearly seven of 10 workers believed that more remote work policies will benefit gender equality in the workplace.

Remote work policies should be developed under a lens of diversity, equity, and inclusion as they could broaden and deepen the talent pool of potential workers.

Women are more likely than men to elect to continue remote work because of the flexibility.

[Studies](#) have shown that remote work options diminish burnout to work, personal life, and COVID-19, particularly impacting women of color who are more likely to be caregivers.

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For employers to have inclusive remote work policies, they should ensure that promotions and other career-advancing opportunities are available to all employees, regardless of their physical preference in the workplace. Tracking who is getting advancement opportunities is critical to countering that bias towards necessary face time.

## **Act now to stimulate recovery**

The time is now for employers to focus their efforts on building a diverse, inclusive workforce. Getting this right could be significant for businesses, employees, and the US economy for generations to come. According to [McKinsey](#), narrowing the gender gap by 2025 would generate an additional US\$12 trillion in the GDP by that time. Furthermore, increasing financial inclusion for Black Americans would create approximately US\$2 billion in potential revenue.

Working mothers comprised nearly a third of the female workforce in the United States in 2020, so employers cannot afford to ignore or minimize the hardships that millions of women face. Though the pandemic is still raging, employers must act now to combat the ongoing decline of equality in the workplace.

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[Candice Pinares-Baez](#)



Director of Business Affairs for Employment and Litigation

Hard Rock International

**Candice Pinares-Baez** is director of Business Affairs for Employment and Litigation at Hard Rock International where she works to minimize legal exposure and manages litigation when it arises. She helps Hard Rock International build global and inclusive teams, reinforce their dynamic brand, and ensure the workplace is a place for employees to both learn and thrive.

[Emily N. Litzinger](#)



Partner

Fisher Phillips

**Emily N. Litzinger** is a partner in the national labor and employment law firm Fisher Phillips and practices out of the Louisville office. She is a trusted adviser and experienced litigator who counsels and defends employers through the intricacies of labor and employment law and works with her clients to develop preventative strategies to ensure compliance and avoid costly litigation. Litzinger is passionate about the advancement of women in both the legal profession and the workplace and has written and presented extensively on the pandemic's impact on women in the workforce and is an advocate for gender equality in the workplace.