BWWC
BOSTON WOMEN'S WORKFORCE COUNCIL

2024 Interventions Report

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EXECUTIVE SUMMARY

Keeping the best talent in Boston has always been one of the primary goals of the Boston Women's Workforce Council. If people know that they are going to make a fair wage and be promoted when they deserve it, then they will want to stay in Boston. Therefore, our partnership between the Mayor of Boston and the city's business community focuses on the area that we feel will bring the most promise for retaining talent: **eliminating wage gaps in the workplace**.

We started 10 years ago by targeting gender wage gaps. Since the beginning, however, our work has continually shown that wage gaps go beyond gender. There are multiple identities that influence the likelihood that an employee will receive fair pay and opportunities to move up the ladder, such as race, ethnicity, gender identity, ability, and sexual orientation, among others. Our work, for now, will focus on how gender and race intersect to create unique group experiences in the workplace for employees. For example, while there is a pay gap between white men and white women, white women continue to earn more, on average, than Black men. The intersectional nature of wage gaps requires solutions that look beyond any single factor alone.

In 2020, the BWWC produced an **interventions report** on evidence-based practices successfully implemented by employers nationally to close gender and racial* wage gaps. This report updates that information with the most recent research on novel strategies and previous interventions that continue to drive change. The BWWC believes that the strategies in this report, if implemented, will bring **measurable progress towards equity**.

* The term 'racial wage gap' will be used throughout this report to refer to the wage gap between white and BIPOC employees. Black, Indigenous, and People of Color includes both racial (i.e. Black) and ethnic (i.e. Hispanic or Latinx) groups. Race and ethnicity are not interchangeable concepts, but they are often conflated in the collection of demographic data.

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How Wage Gaps are Measured is Important

Pay audits compare the salaries paid to two different groups of people—for example, men and women—in the same position, often adjusting for experience, education, and other relevant factors. This method reveals an **average global gender wage gap of roughly 5% and varying, often larger, racial wage gaps** [1, 2].

A Raw Wage Gap is calculated to reflect differences not only in salary for a given position, but also where a group stands in the labor hierarchy. This wage gap metric captures lack of promotion into higher-paying positions and often reveals differences much greater than pay audits.

For example, our 2023 raw wage gap report revealed an **overall gender wage gap of 21 cents**, but that women of color, specifically **Black and Latina-identifying women**, earned only **46 cents and 48 cents** to a white man's dollar, respectively. Similarly, Black and Latino-identifying men earned 51 cents and 61 cents, respectively [2]. Our data also showed that **BIPOC† employees** were **overrepresented** in **jobs that did not need training nor provided advancement opportunities**. We believe it is this occupational segregation and lack of advancement to higher paying salaries that keeps wage gaps wide even when people in the same position are being paid similar salaries. The BWWC argues that identifying these raw wage gaps is critical for long-term progress.

† Black, Indigenous, and People of Color (BIPOC) represents a wide variety of racial and ethnic groups with different histories, cultures, and lived experiences. We will use the term BIPOC to broadly represent employees with historically marginalized racial identities but will give examples throughout this report of research findings relevant to specific groups.

Earnings Per $ by Gender and Race

The 2023 gender wage gap in Greater Boston is **21 cents**.

The racial / ethnic pay gap is **27 cents**, six cents higher than the average for all women.

The pay gap for Black / African American and Hispanic women/ Latinas is **54 cent**s and **52 cents** respectively.

$1 — Men
79¢ — Gender Wage Gap
73¢ — Racial Wage Gap
48¢ — Hispanic Women/ Latinas
46¢ — Black / African American Women

Actions Speak Louder than Words

Our intention is to shift the conversation from what might work to what does work, as seen in evidence-based research. To move the needle on wage equity and enable upward mobility, employers must address policies and practices that keep certain groups in low-level jobs or cause them to leave the workforce altogether.

Final Note

Interventions are not one-size-fits-all, and this report cannot serve as a roadmap for every employer. Our hope is that by presenting successful practices that have led to real change, our readers can identify interventions worth testing at their own employers.

The recommendations in this report fall into the following four categories:

1. ASSESSMENT AND ACCOUNTABILITY

To address wage gaps, employers first need to make an objective assessment of their own gaps and the factors contributing to them. This is necessary to bridge the difference between claims of commitment to progress and actual change. We will show that when employers "do the math" they are more likely to see a decrease in both gender and racial wage gaps at their organizations.

2. HIRING

Implicit and explicit bias against women and those with historically marginalized racial identities 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.

3. RETENTION

Underrepresented employees continue to be held to different standards and experience discrimination in the workplace. Assessing and addressing the effect of employer practices on attrition is a necessary step in retaining talent, a crucial factor in career advancement and raw wage gaps.

4. PROMOTION

Raw wage gaps are symptomatic of larger structural inequities that have an impact on women and BIPOC employees at every stage of their careers. Action must be taken to ensure equal opportunity for advancement.

ASSESSMENT AND ACCOUNTABILITY

Many employers are unaware of pay disparities and other practices contributing to negative employee experiences in their own employers. As of 2023, less than a third of employers report conducting internal wage gap assessments [3]. Ignorance can no longer be an acceptable excuse for perpetuating pay discrepancies.

Before implementing interventions, employers must understand the unique areas in need of change to leverage their resources most effectively. Conducting detailed and objective internal assessments and establishing a system of accountability are the first steps in achieving equity.

Recommendation: Do the Math—Equal Pay for Equal Work and The Raw Wage Gap

Equal pay for equal work is required by law. However, without regular and accurate data collection, employers may not realize they are out of compliance. Employers should 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 employee pay, like their race, and the intersection of the two. This will provide a fuller picture of any existing inequities [4]. More details on how to conduct a pay audit can be found in the Appendix on page 35.

Pay audits followed by restorative action leads to real results. One of Boston's 2024 Equity Impact Award winners, Trillium Asset Management, conducted their first gender wage equity analysis in 2015 and has committed to doing so every 2 years since. In that time, they have expanded to include other factors, such as race and ethnicity, and share the results with their employees. In their 2022 report, Trillium found no significant gender gap in compensation [5].

Calculating Raw Wage Gaps

As mentioned previously, computing raw wage gaps at your workplace can help to decipher what is causing them. Calculating a raw wage gap is as easy as finding the average total compensation for all members of one group and the average total compensation for all members of the reference group. Those numbers are then divided to find the raw wage gap.

For example, if all men at your employer make $100,000 per year on average and all women $88,000, divide $88,000 by $100,000. This would give you 88% meaning there is a 12% raw gender wage gap.

To obtain your raw racial wage gap, compute the average total compensation for all white employees, then find the average total compensation for each category: Black employees, Latinx employees, etc. Divide the average total compensation of each group by the average for white employees. This process can be repeated to calculate the gap between any groups and is an important step for employers to know which employees are being disadvantaged in the workplace.

$$\frac{\text{Total compensation for all full-time women}}{\text{\# of full-time women}} = \text{Average compensation for all women}$$

Employer Wage Gap Calculator Lightning Tutorial: https://youtu.be/4TzwJqF7Rwo

Recommendation: Evaluate Employee Experiences

Payroll data does not tell the complete story. Employer policies and practices set the tone for hiring, retaining, and promoting employees, but may not be experienced in the same way by all. As an illustration, Covid-era hybrid work policies have had both positive and negative consequences for women that are unique compared to the experiences of men working in hybrid positions [6]. Similarly, BIPOC employees have unique experience with hybrid work compared with their white peers. These consequences will be discussed in detail in the Retention section below.

Employers have become increasingly vocal about investing in equity training and initiatives. However, studies show that BIPOC employees, particularly women of color, continue to feel undervalued, unsupported, and often unsafe in the workplace [7-9].

Conducting surveys and interviews on employer culture, as well as how policies and initiatives are experienced, may help identify areas where some employees are unintentionally being disadvantaged compared to their peers. This means collecting quantitative data – hard numbers – as well as qualitative data – written narratives [10]. Although numbers are easier to collect and analyze, they often fail to accurately capture daily workplace experiences.

Three steps are recommended to comprehensively evaluate employee experiences [10]:

1. **Conduct surveys** that can be disaggregated by your groups of interest. This means including demographics such as race and gender, as well as multiple-choice and open-ended questions. Surveys should be anonymous and unidentifiable.

2. **Conduct employee focus groups or interviews.** Speaking with employees individually or in small groups allows employers to gain a deeper understanding of issues identified through survey data.

3. **Use web-scraping tools to analyze external review sites.** Reviews from employees and applicants can help highlight what employers are doing well and where there is room for improvement.

Recommendation: Set Priorities & Designate Accountability

It is critical to set priorities and track successes when addressing wage gaps. After understanding 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, and informed by pay and survey data [11, 12].

Setting targets is effective. In McKinsey and LeanIn's 2023 Women in the Workplace report, researchers found that top-performing employers were significantly more likely to set diverse hiring goals, regularly gather feedback from employees, and track outcomes [13].

Targets should be transparent and shared with all employees. Awareness is key for employee investment in addressing challenges, and signals to underrepresented members that the employer is invested in their success [13]. Major employers like Pfizer and LinkedIn have publicly shared their goals for advancing equity in their workplaces [14].

Once goals have been set, data should be regularly collected and analyzed. Make adjustments to your goals when necessary. A member or members of employer leadership should be named responsible for monitoring these benchmarks and success should be tied to compensation. This removes ambiguity and incentivizes progress [15].

HIRING

Implicit and explicit bias continues to taint the hiring process, limiting prospective talent, feeding raw wage gaps, and setting the stage for long-term disparities. Employers must implement new hiring strategies in order to increase representation and close their wage gaps.

Recommendation: Recruit a Diverse Applicant Pool and Evaluate Candidates Objectively

Diverse employers attract talent. Between **65-70%** of job seekers report that employer commitment to diversity and inclusion is an important factor when evaluating job offers [16] and this is particularly important to younger employees [17].

If your employer is not attracting a diverse applicant pool, try the following tactics [18-20].

1. **Broaden recruiting efforts** by going outside of traditional channels. Research has found that employers often recruit from universities attended by current employer leadership or refer those in their own social circles [21]. To diversify your hiring, attend events that feature women, recruit from historically Black colleges and Hispanic-serving institutions, host your own recruiting events, or utilize diverse job boards.

2. **Develop relationships** with diverse organizations in your industry.

3. **Ensure job descriptions are accurate** and that qualifications aren't unnecessarily limiting your candidate pool. Women, for example, are significantly less likely to apply to positions when they don't meet every listed requirement [22].

4. **Highlight commitment to diversity and inclusion** in recruitment materials and job descriptions.

5. **Showcase diverse leaders** at your employer.

Additional recommendations can be found in the Appendix on page 35.

HIRING (CONTD.)

After recruiting a diverse applicant pool, establish clear, objective evaluation criteria to reduce risk of bias in decision-making. Evaluation tools should 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 [23].

Create diverse hiring committees and inform committees of specific hiring goals [20, 21]. Comparing applicants as a pool has been shown to reduce the influence of stereotypes in the hiring process. Group evaluations are less likely to rely on stereotypes and highlight individual performance [24].

This intervention must be combined with **wider institutional change** that addresses bias beyond the application process.

Mass Tech Leadership Council— Top 10 Diversity Board List

1   **DIVERSITY.COM**
2   **DIVERSITY JOB BOARD**
3   **PROFESSIONAL DIVERSITY NETWORK**
4   **TECH LADIES**
5   **BLACKJOBS.COM**
6   **HBCU CONNECT**
7   **HISPANIC/LATINO PROFESSIONAL ASSOCIATION**
8   **LGBTCONNECT.COM**
9   **INCLUSIVELY.COM**
10 **RECRUITMILITARY.COM**

DEI Initiatives

Diversity, **Equity**, and **Inclusion** (DEI) initiatives aim to create a more equitable workplace by addressing systemic biases, promoting diverse representation, and fostering an inclusive culture. While these initiatives are crucial for achieving fair and diverse work environments, they have also become polarizing in recent years. Misunderstandings about the goals and methods of DEI can lead to skepticism and misinformation. Reports of poorly executed or superficial DEI programs can fuel perceptions that these initiatives are mere "box-ticking" exercises without substantive impact.

A diverse workforce brings a variety of perspectives and experiences, fostering creativity, innovation, and problem-solving. Inclusive workplaces improve employee morale, satisfaction, and retention by making all employees feel valued and supported. This can lead to higher productivity and reduced turnover [16].

While DEI initiatives face polarization, their importance in fostering equitable, inclusive, and high-performing workplaces remains clear. Additional recommendations can be found in the Retention section.

Recommendation: Pay Transparency—Provide Salary Ranges & Eliminate Salary History

The raw wage gap is largely driven by the overconcentration of women and those with historically marginalized racial identities in lower-paying positions and industries without opportunity for advancement. However, there is still a pay gap when comparing white men to other employees with the same job. Pay transparency policies can help address this gap by allowing employees to identify when they are not being fairly compensated [26].

These policies also attract talent. In a recent poll, 68% of women sampled said they would be more interested in working for a employer that publicly shared their internal salary data [27]. In another survey, **65% of organizations said listing pay ranges resulted in larger and more competitive candidate pools** [28].

Similarly, salary history questions can perpetuate wage disparities by anchoring future salaries to previous, potentially discriminatory, pay levels [29]. In some states, like Massachusetts, salary history questions are already illegal. However, twenty-eight states have no restrictions on salary history questions [30].

The benefits of salary history bans can be undermined by proxy questions, such as asking for salary expectations. A recent experiment found that offers made based on salary expectations were lower than those not based on salary expectations, and that this was particularly pronounced for women [29].

There is a strong base of evidence for the effectiveness of this type of transparency as an intervention for combating wage gaps, which are narrower in industries with more transparency. The federal sector, for example, has seen a continuously decreasing wage gap between similar positions since the implementation of mandatory wage transparency [31].

Employers implementing this intervention should:

1. Provide accurate salary ranges for all posted positions
2. Eliminate salary history questions from the application and hiring process
3. Remove proxy questions, such as salary expectations

Pay Transparency

As of 2024, **12** states and the District of Columbia have salary transparency laws on the books, including Massachusetts' newly passed legislation requiring employers with 25 or more employees to disclose salary ranges in all job postings [30].

RETENTION

Hiring diverse talent is only the first step. **Retaining** women and BIPOC employees is essential for maintaining the optimal workforce and reducing disparities in pay, job opportunities, and career advancement.

Attrition is bad for the bottom line. Replacing a single employee can cost up to two times that employee's annual salary [32]. To limit unnecessary turnover, employers must address drivers of attrition, particularly for underrepresented workers.

There is a **common misconception** that women are leaving the workforce to focus on their families. However, evidence suggests that women and men report this at very similar rates [33, 34]. Despite this, women's attrition rates remain significantly higher than men's [35].

Marginalized employees see similarly elevated attrition. Black employees at Google, for example, where they make up under 3% of the workforce, have attrition rates 13% above the national average [36]. Nationally, rates of attrition are highest among Black women and Latinas [37]. This trend was particularly pronounced during COVID-19, when over-concentration in frontline jobs unlikely to transition to remote work, combined with responsibility for childcare for women in particular [38], led to disproportionate employment losses [39, 40].

As the economy continues to recover from the pandemic, it is critical that employers take action to retain their diverse workforces. An inclusive workforce allows employers to tap into different perspectives and talents, leading to increased creativity and better employer performance [35, 41]. In a study following employers from 2013-2022, those in the top quarter for diversity outperformed those in the bottom quarter by approximately 29% annually [41].

Commonly reported causes of attrition include **lack of workplace flexibility**, **harassment**, **unequal pay**, and **inequitable expectations**.

Recommendation: Encourage Paid Family Leave

The U.S. is the only high-income country in the world without federally mandated family leave. The Family and Medical Leave Act (FMLA) guarantees 12 weeks of unpaid leave, but only half of workers are eligible [57]. Employers can provide paid family leave in order to retain their employees.

Extensive research has found that gender pay gaps become largest when women have children [58]. With this "motherhood penalty" women lose earnings after childbirth and those losses persist over time. There is no corresponding financial loss for fathers [59].

Paid maternity leave contributes to women's job satisfaction and decreases turnover rates [60], but research has shown that implementing maternity leave alone may hold women back from career progression. However, when employers encourage family leave for all parents, the negative impact on women's career advancement is reduced [61].

Men must also be encouraged to take paid family leave.

In order for family leave to have an impact, it needs to be utilized by men. Studies have shown that even the most generous family leave benefits can have negative consequences when fathers don't take advantage of them [62]. When men take paternity leave, it helps to destigmatize leave for women and allows men to take on a more equitable share of caregiving responsibilities [63]. Use of paid leave in the United States is over 30% lower among men than women [64], but employers 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 [65].

Black, Latinx, and Native American workers are less likely to have access to paid leave or to have the financial resources to take unpaid leave compared to their white and Asian peers [66 - 69]. Analyses of nationally representative datasets have found that disparities in paid family leave by race and ethnicity are only partially explained by differences in other demographic factors, such as level of education. This is a problem for Black mothers in particular, more than 80% of whom are primary or co-breadwinners in their households. **Research has shown that 55% of parental leave for Black women is unpaid, resulting in approximately $866 million annually in lost wages** [70]. Providing paid leave to a diverse workforce could help address gender and racial wage gaps stemming from childcare responsibilities and inequitable access to resources.

Recommendation: Provide or Subsidize Childcare

Childcare initiatives decrease female turnover rates [71]. Onsite or subsidized care can increase women's participation in the workforce, as well as lower employee stress levels and reduce work absences [72].

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. A statistical review of previous studies found that provision of childcare programs increased women's employment anywhere from 5-47% [73]. Additional benefits include lower reported stress levels and fewer family-related absences, which cost employers in the U.S. over $3 billion each year [74].

On-site childcare may be particularly helpful for those working nontraditional hours when formal childcare facilities typically don't operate. Latinx parents, for example, are overrepresented in positions with nonstandard work hours [75].

More and more employers are opting to include childcare benefits to support working parents [76]. These fringe benefits increase retention. **A recent study found 73% of employees would stay with their current employer if they provided childcare benefits** [77].

The form that childcare interventions might take depends on a number of employer-specific factors, such as budget, current facilities, and employee needs. Some options employers can offer include **onsite care, subsidized offsite care, or reserved slots for their employees in local programs**. For guidance on how to design a comprehensive childcare benefits package, see recommendations from the U.S. Chamber of Commerce on Appendix page 35.

City of Boston: Providing Affordable and Flexible Childcare 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 originally 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.

Boston City Hall, Photo Credit: Wikimedia Commons

Recommendation: Take Organizational Accountability for Workplace Culture

To retain a diverse workforce, organizations must address workplace culture. Conscious and unconscious bias can lead to inequity at every level of a employer and encourage attrition. The most successful employers focus on promoting inclusive cultures [78].

A recent study from Deloitte found that 40% of employees would leave their employer for a more diverse and inclusive workplace. Highly inclusive workplaces are significantly more capable of meeting financial targets, have increased employee engagement, are more innovative, and enjoy a more positive reputation [79].

Employers build the foundation of inclusion by hiring a diverse workforce. Workplace composition can drive attrition for BIPOC employees. In a recent study of over 9,000 employees in professional services, researchers found that after controlling for relevant characteristics, Black employees were 32% more likely than their white coworkers to leave the employer within two years and were 26% less likely to be promoted. The difference was most stark when comparing Black and white women, with Black women 51% more likely to turn over. These rates were influenced by workforce demographics. Black women working in spaces with more white coworkers were significantly more likely to leave the employer and less likely to be promoted as the share of white coworkers increased. Black women on whiter teams were more likely to be labeled as low performers [35].

Is Anti-Bias Training Effective?

Once you have your diverse workforce, take meaningful action to create a safe and inclusive employer culture. Many workplaces conduct anti-bias training. However, there is little evidence to support the effectiveness of anti-bias training in increasing workplace diversity or changing behaviors [80]. In fact, these short-term, prescriptive trainings can even backfire, exacerbating biases. One reason trainings often fail is that they place responsibility on individuals [81]. This fails to address the role organizational policies and practices play in maintaining inequality [82]. Inequality is often embedded in the structures of organizations. Interventions should address challenges beyond individual attitudes. The most successful employers focus on broader efforts to create inclusive workplaces [78].

Inclusion Requires Action

A commitment to diversity and inclusion means taking complaints seriously. Some of the most common forms of differential treatment in the workplace are harassment and discrimination. These experiences reduce earnings and career progression, and contribute to worker turnover, negatively impacting the economy [83]. National polls have found that over 2 million professionals leave their jobs annually due to unfairness, a loss which costs U.S. employers roughly $1 trillion each year [32]. This phenomenon has a disproportionate impact on people of color, who are more than three times as likely than white men to leave their jobs solely due to unfairness [84]. 64% of sexual harassment charges end in job loss of the reporter [85].

Employers have a responsibility to promptly and thoroughly investigate allegations of discrimination and harassment. However, reports are often not taken seriously or there is backlash against the employee who filed the complaint. A leadership training and research firm, Leadership IQ, surveyed more than 5,000 workers and found that only 29% reported management listening to employee concerns about discrimination without blame or defensiveness [86]. According to the US EEOC, retaliation is the most frequent basis of discrimination claims, accounting for approximately 56% in 2022 [87].

This attitude discourages reporting and contributes to attrition. To ensure safe workplaces and retain talent, employers must establish methods of reporting that employees feel comfortable using. Consequences in cases of discrimination and harassment must be meaningful and deterring. Recommended steps for addressing complaints can be found in the Appendix on page 35.

Allyship

Allyship is crucial for fostering equality and creating **inclusive** workplaces. This means actively supporting and advocating for colleagues, helping to address systemic biases, and promoting a culture of **fairness**.

In 2022, 61% of employees in the United States reported witnessing discrimination in the workplace [87].

Allies can help challenge these discriminatory practices in the workplace that hinder advancement among their female and BIPOC peers. By standing up against inappropriate behavior and supporting affected colleagues, they create a safer work environment.

Three important aspects of **allyship** include [88, 89].

1. Holding themselves accountable for their own actions and interpersonal relationships in the workplace

2. Holding team members and leaders accountable for discriminatory behavior. This means calling out inappropriate actions and publicly advocating for their diverse colleagues

3. Demanding organizational policies to eliminate bias

Allyship is vital for creating a more **equitable** and **inclusive** workplace. By actively supporting and advocating for their colleagues, allies can help address systemic biases, promote equality, and enhance organizational performance. Allyship benefits everyone by fostering a culture of **respect**, **collaboration**, and **mutual support**, ultimately leading to a more productive and innovative work environment.

PROMOTION

Although progress has been made over the past decade in most industries, women and BIPOC individuals are still in the minority when it comes to managerial and senior executive positions. For every 100 men promoted to manager, only 83 women are promoted [13]. **In 2021, 66.2% of female managers and 71.9% male managers were white** [90]. **Today, just 1 in 4 executives are women and only 1 in 20 women of color** [13].

Employers in the top quartile for gender diversity on their executive teams are 25% more likely to have above-average profitability. Gains from racial diversity are even larger, with employers in the top quartile 36% more likely to outperform in profitability [78].

Raw wage gaps are symptomatic of larger structural inequalities that impact marginalized employees at every stage of their careers. Lack of promotion compounds wage gaps over time, affecting lifelong economic security. Action must be taken to ensure equal opportunity for advancement and to provide structural supports that move underrepresented employees through the talent pipeline.
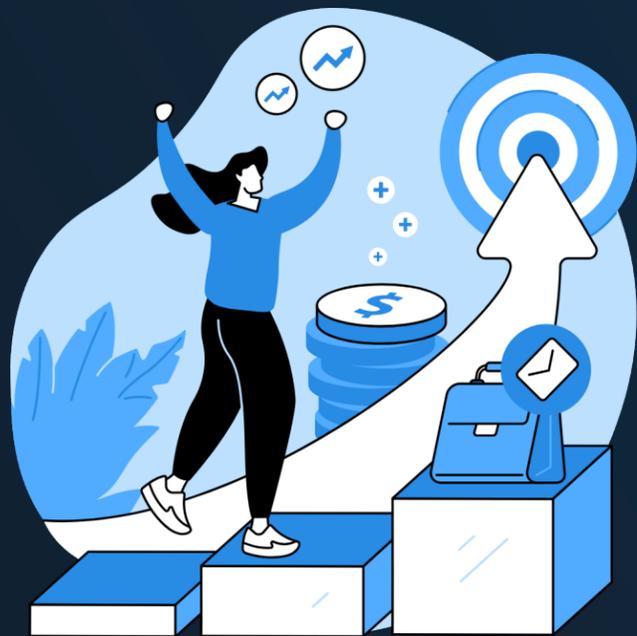
Recommendation: Create Sponsorship Programs

Women and BIPOC employees are significantly less likely to receive the same level of sponsorship as their male and white colleagues [91]. Sponsorship differs from mentorship. Sponsors actively help others advance by connecting them to important assignments and networks. In the words of London Business School professor Herminia Ibarra: **"While a mentor is someone who has knowledge and will share it with you, a sponsor is a person who has power and will use it for you"** [92]. Sponsorships, unlike mentorships, are a significant predictor of women's promotions.

According to a 2023 Gallup poll, 42% of women reported having a mentor, while only 25% had a sponsor [93]. This is still much higher than BIPOC employees, only 8% of whom report having a sponsor [94]. Employees with sponsors are far more likely to say they have opportunities to grow and advance and are 62% more likely to have asked for and received a promotion compared to those without sponsors [95, 96].

Employers should create sponsorship programs and ensure equitable access to sponsors. Sponsors and employees should be matched based on shared interests and other relevant criteria rather than sponsors selecting sponsees themselves [21].

Six steps for a **successful** sponsorship program provided by *Her New Standard* include:

1. Evaluate your employer's talent development strategy

2. Set clear expectations and define how you will measure success

3. Communicate the importance of investment in sponsorship with leadership

4. Combat unconscious bias

5. Give both sponsors and sponsees ownership in the match-making process

6. Provide tools and education for sponsors can be effective in their role

Recommendation: Implement Standardized Performance Reviews

Performance reviews and promotions should be based on objective and transparent criteria [29]. Vague or poorly designed criteria encourage managers to rely on stereotypes and personal preferences. In these cases, women are more likely to be evaluated based on past performance, while men are more likely to be evaluated based on perceived future potential [97]. Standardized, objective criteria can help mitigate the risk of bias.

Though joint evaluations are much 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 [24].

Feedback on employee performance should be transparent. Honest and consistent discussions between managers and employees on goals, objectives, and performance drive engagement and profits. Employers should create a clear development path including what skills and experiences are needed to advance [98].

Recommendation: Actively Recruit Underrepresented Employees to Executive Level Positions

When employer boards are gender-balanced, they are roughly 20% more likely to have improved business outcomes, such as profitability and reputation [99]. Similar benefits have been identified from racially diverse executive teams [100], including enhanced creativity, innovation, and problem solving [101].

Since 2015, the number of women in the C-suite has increased significantly. However, as previously cited, just 1 in 4 executives are women and only 1 in 20 women of color [13]. A recent study found that women score as high as men on the factors that determine who become CEO, yet are 28% less likely to be hired [102]. Studies show that employers with more women in leadership are more profitable, socially responsible, and lower their likelihood of female attrition [103].

The majority of corporate boards remain unrepresentative of the U.S. population. Among the country's 83 largest employers, executive boards have an average of 25% non-white board members, compared to 40% of the general population. Employers should set diversity targets against the U.S. population rather than lower targets based on averages from other employers [101].

Employers can reduce their wage gaps and maximize their business outcomes by promoting women and BIPOC employees to the top.

CONCLUSION

The **root causes** of the gender and racial wage gap are complex and symptomatic of structural inequality that disadvantages women and those with historically marginalized racial identities throughout their lives and careers. Employers have a **responsibility** to address their own practices that undermine certain employees 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 counterparts earn.

This path can be littered with barriers. However, our goal at the BWWC is to make sure our members have the tools and resources needed to eliminate both tangible and intangible challenges to achieving wage equity. This report is meant to offer evidence-based options to reach that goal. We hope you will find strategies worth implementing in the coming year.

APPENDIX

Suggested steps to complete a pay audit: https://www.skadden.com/-/media/files/publications/2019/09/conducting_a_pay_equity_audit.pdf

Suggestions for hiring a more diverse workforce: https://diversity.berkeley.edu/sites/default/files/recruiting_a_more_diverse_workforce_uhs.pdf

Suggestions to take action against discrimination: https://www.forbes.com/sites/allbusiness/2017/11/13/15-key-steps-for-companies-responding-to-sexual-harassment-or-discrimination-allegations/

Resources for establishing childcare benefits: https://www.uschamber.com/workforce/employer-guide-to-childcare-assistance-and-tax-credits

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