

**Pearl Meyer**



**2019 Diversity and Inclusion  
Survey Report**



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## Introduction

Pearl Meyer's Diversity and Inclusion Survey was conducted from November 2018 to January 2019, with input from 256 organizations. The survey provides valuable insights into how companies are managing their diversity and inclusion practices, as well as gender representation, approaches to gender pay equity, and closing the gender pay gap.

## Notes on Terminology

### **Gender Pay Equity** (pages 11-14)

Federal legislation requires equal pay for equal work. In addition to federal requirements to provide equal pay for equal work, recent state legislation (for example CA, NJ, MA) requires equal pay for “comparable” or “substantially similar” work.

### **Gender Pay Gap** (pages 15-16)

Pay gap is a different concept than pay equity. This involves looking at the overall average or median wages for women vs. the overall average or median wages for men. It does not take into account differences in job titles or management responsibility. United Kingdom legislation requires employers to disclose their gender pay gap. Pay gap has also been widely discussed in the press.

## Report Highlights

### **Diversity and Inclusion as an Organizational Priority** (pages 3-4)

- More than two-thirds of organizations reported that diversity and inclusion is either an important priority or among their highest priorities. Only 3.5% of organizations indicated that diversity and inclusion is not a current priority nor expected it to be a future priority.
- Over 65% of companies have an individual tasked with leading the organization's diversity and inclusion efforts whose sole job responsibility is Diversity and Inclusion. This individual typically reports to the Chief Human Resources Officer (CHRO) or Chief Executive Officer (CEO).

### **Gender Pay Equity Practices** (pages 11-12)

- Nearly 90% of organizations have formally evaluated gender pay equity or plan on doing so within the next year.
- The most prevalent methodology used to evaluate gender pay equity is conducting an assessment that groups comparable/like jobs and analyzes pay variations by gender.

### **Gender-Related Communication to the Board** (pages 25-26)

- Fifty-seven percent of organizations provided information on gender-related issues to the board. Organizations typically share information on management, leadership, and overall gender representation with the full board.

## Overall Diversity and Inclusion Practices

Table 1

## Firms Reporting Revenue

	All Firms	Under \$300 M	\$300 M to less than \$1 B	\$1 B to less than \$3 B	\$3 B to less than \$10 B	\$10 B and higher
<b>Number of Companies</b>	256	48	31	42	42	29
<b>The extent diversity and inclusion is an organizational priority:</b>						
Among our highest priorities	25.0%	22.9%	12.9%	14.3%	38.1%	44.8%
An important priority	41.4%	35.4%	45.2%	52.4%	42.9%	44.8%
An issue receiving attention, but not among higher priorities	25.8%	31.3%	32.3%	23.8%	16.7%	13.8%
Not really a priority now, but expect that will change soon	4.3%	2.1%	9.7%	9.5%	16.7%	13.8%
Not a priority	3.5%	8.3%				
<b>Have a formal diversity and inclusion program in the organization (beyond HR)</b>						
Yes	37.1%	20.8%				
No, but considering a formal diversity and inclusion program for 2019	34.0%					
No						
<b>Have an individual tasked with diversity and inclusion</b>						
Yes						
No						

## Overall Diversity and Inclusion Practices

Table 2

## Primary Industry

	Business / Other Services	Consumer Discr / Staples	Financial / Insurance / Real Estate	Healthcare	Industrials / Materials	Technology	Energy / Utilities
<b>Number of Companies</b>	32	23	70	23	40	48	20
<b>The extent diversity and inclusion is an organizational priority:</b>							
Among our highest priorities	50.0%	34.8%	17.1%	13.0%	20.0%	25.0%	25.0%
An important priority	28.1%	52.2%	37.1%	47.8%	40.0%	47.9%	45.0%
An issue receiving attention, but not among higher priorities	18.8%	4.3%	35.7%	21.7%	30.0%	22.9%	15.0%
Not really a priority now, but expect that will change soon		4.3%	4.3%	13.0%	10.0%	10.4%	5.0%
Not a priority	3.1%	4.3%	5.7%	4.3%	0.0%	0.0%	10.0%
<b>Have a formal diversity and inclusion program in the organization (beyond HR)?</b>							
Yes	37.5%	43.5%					
No, but considering a formal diversity and inclusion program for 2019	37.5%						
No							
<b>Have an individual tasked with diversity and inclusion?</b>							
Yes							
No							



## Gender Pay Equity Practices

Table 9

**Firms Reporting Revenue**

	All Firms	Under \$300 M	\$300 M to less than \$1 B	\$1 B to less than \$3 B	\$3 B to less than \$10 B	\$10 B and higher
<b>Number of Companies</b>	256	48	31	42	42	29
<b>Does your organization formally assess gender pay equity?</b>						
Yes, we have evaluated gender pay equity	61.0%	52.1%	55.2%	65.9%	60.5%	69.2%
No, but plan on doing so within the next year	28.9%	33.3%	41.4%	22.0%		
No, and we have no plans to do so	10.2%	14.6%	3.4%			

**Methodology used to evaluate gender pay equity?**

Percent of firms evaluating gender pay equity 85.5%

Statistical analysis to assess the extent to which gender impacts pay, controlling for factors such as job experience

Assessment that compares pay of men and women in similar jobs



## About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management on the alignment of compensation with organizational and leadership strategies, making pay programs a powerful catalyst for value creation and competitive advantage. Our survey team provides organizations with accurate, on-point information supporting effective business decisions. Pearl Meyer's global clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private companies to the Fortune 500 and FTSE 350. The firm has offices in New York, Atlanta, Boston, Charlotte, Chicago, Houston, London, and Los Angeles.

In today's environment it has become increasingly important for organizations to ensure that their approach to identifying, developing and rewarding talent is free from gender bias. Pearl Meyer has the capabilities to conduct analyses, provide guidance and develop communications strategies on this complex and sensitive issue. For more information about Pearl Meyer's consulting services, please contact us at [info@pearlmeyer.com](mailto:info@pearlmeyer.com).

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