

Breaking the Logjam on Diversity & Inclusion

Jannice Koors, *Senior Managing Director and President of Pearl Meyer's Western region*



A discussion on the increasingly urgent topic of diversity and inclusion with Jannice Koors, senior managing director and president of Pearl Meyer's Western region.

Q. Directors are concerned about diversity and inclusion but it's a deep and wide subject. How do they get started?

A: It can be daunting. Boards cannot make these sweeping changes within organizations, but they can help management strategize policies, protocols, and practices and can hold management accountable for progress.

While a holistic approach to D&I goes well beyond the issue of pay, there is one concrete action the compensation committee can take to get the ball rolling. Insist on seeing the results of a gender and racial pay equity/ pay gap assessment. "Pay equity" is defined as equal pay for comparable work and is governed by law so most companies are unlikely to have systemic inequity. However, undertaking that statistical analysis will highlight a problem if one exists.

By contrast, many companies will find they have a "pay gap," which measures the unadjusted difference in pay among various groups. The pay gap analyses and the corresponding detailed information about your employee demographics provide a baseline for measuring improvement and jump-starts the D&I dialog amongst the board, management, and senior HR teams.

Q. How can directors think about the relationship between diversity and inclusion?

A: While the two terms always get lumped together, they're not synonymous. Think of diversity as the "what" and inclusion as the "how." They don't necessarily move in lock-step. You may succeed at recruiting a diverse workforce, but if many feel marginalized, they will leave. Conversely, your geographic location may limit the diversity of your workforce, but if those in underrepresented groups have a seat at the table and can grow and prosper within the organization, you're making progress on inclusion. As a board, it's important to set measures and goals for both diversity and inclusion.

The current unrest highlights the work still to be done.

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About Jannice Koors

Jan is a senior managing director with Pearl Meyer and president of the firm’s Western region. She has 30 years’ experience in executive compensation and governance, and has consulted to companies of all sizes and industries. She advises company boards and management teams on all aspects of strategic human capital decision-making. As an advisor, she helps companies deconstruct their long-term value creation objectives into tailored HR strategies that go beyond simple competitive parity—designing programs that consider a company’s specific business strategy, management talent, and corporate culture.

About Pearl Meyer

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