

Key Findings

COOQUAL

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Equity Series, Part 1

Equity at Work

Fulfilling Its Promise
through Process

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Spurred by global movements calling attention to vast social inequities in the summer of 2020, companies made sweeping promises to drive fairness in the workplace (and society). But racial equity requires more than just momentum; it requires massive culture change at the institutional and interpersonal levels.

“Today, DE&I is good business. Employees, customers, clients are clamoring for it. There are market pressures for companies to get this right.”

- Edgar Ndjatou, Executive Director,
Workplace Fairness

In Coqual's first report of our Equity series, we start at the institutional level, examining three key processes in the arc of an individual's career: performance evaluations, promotions, and pay. For all employees to feel these processes are fair, institutions must first reimagine them,

and then reinforce them with policies that drive accountability for an equitable workplace. To do that, top leaders must drive the work, with the full operational support of human resources (HR) and diversity, equity, and inclusion (DE&I) practitioners. Because providing equity can be detail-oriented, technical, and wide-ranging, leaders rarely know what to prioritize. We've uncovered the practices that promote feelings of fairness among employees of different backgrounds, so companies can get started in the most effective way.

The HR Practitioner Perspective

Recruitment and hiring have been central to DE&I strategy for decades, but talent leaders know it's time to expand their attention to other parts of the employee life cycle, particularly promotions. While hiring can seem like a quick solution, without resources dedicated to the promotion and retention of talented professionals

of all backgrounds, the results rarely last. For years, Coqual has called on companies to focus more on the advancement of existing employees and leaders, rather than rely solely on recruitment, to diversify their companies. In the pursuit of equity, this imbalance in corporate effort remains.

Top response from DE&I specialists:

Where do you see the biggest inequity in the talent life cycle?

Promotions

Where does your company focus its efforts in addressing inequity?

Hiring

The Payoffs to Getting Equity Right

Rooting out inequity in institutional processes isn't easy, but it carries enormous payoffs. Professionals who think their companies' processes are more fair, we find, also feel greater engagement, loyalty, and trust, and are more likely to intend to stay at their companies.

“It's critical that we acknowledge how much failing to address inequity will cost.”

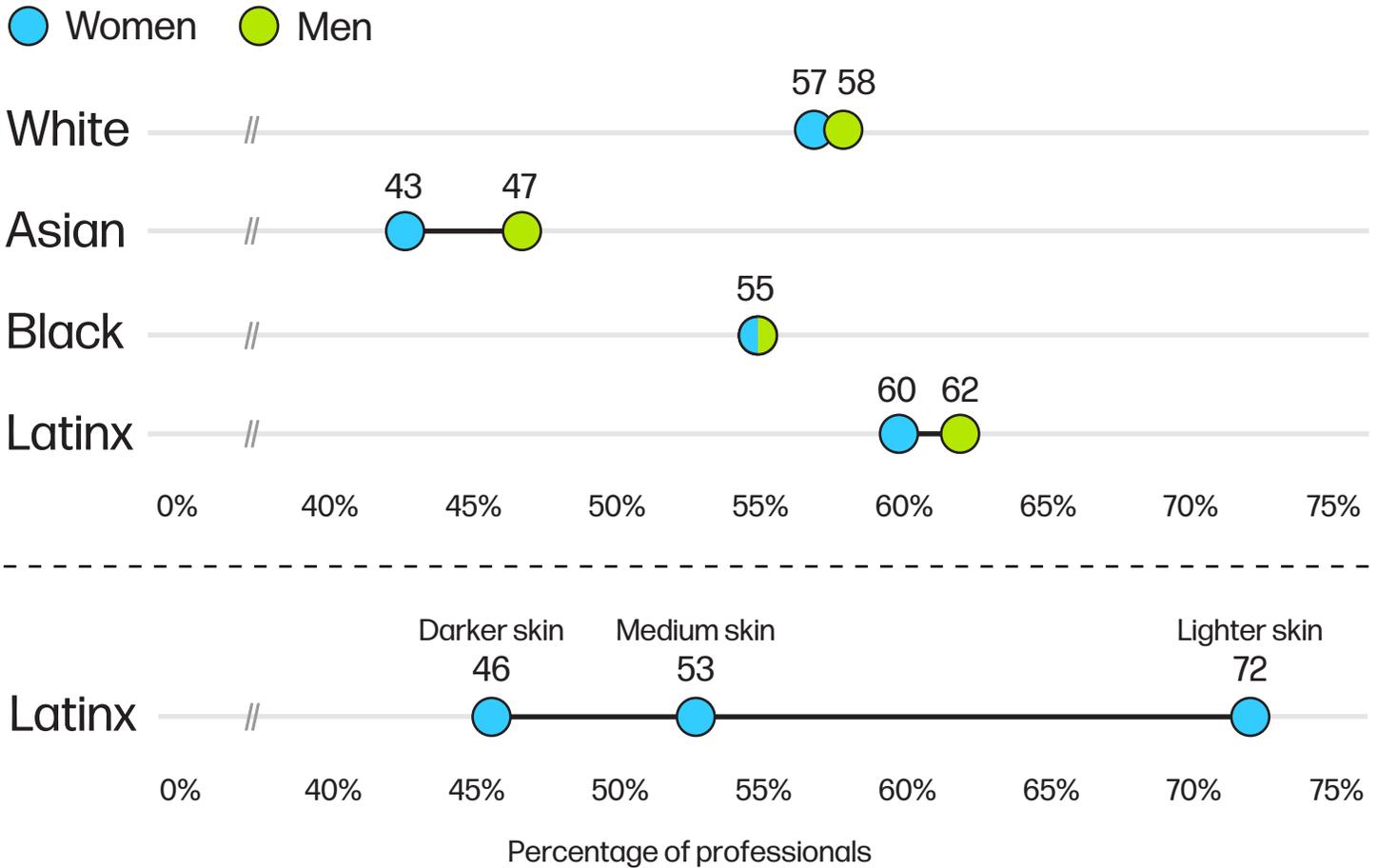
- Janessa Cox-Irvin, Global Head of Diversity & Inclusion and Corporate Citizenship, AllianceBernstein

Inequity in Performance Evaluations

Performance evaluations are crucial to an individual's career prospects. They inform who is promoted, developed, even laid off. But not everyone is assessed fairly, we find, depending on their race. Feeling their contributions are often overlooked, Asian professionals are the least likely of any group to feel their

evaluations reflect their contributions. Among Latinx professionals, there are signs of colorism in performance evaluations. Latinx professionals with darker skin are 36% less likely than those with lighter skin to say their evaluations reflect their contributions to the company.

Professionals who say their evaluations reflect their contributions to the company



Driving Perceptions of Fairness in Performance Evaluations

To understand what drives equity in performance evaluations, we examined the company practices that predict perceptions of fairness for employees of different racial backgrounds.

Strength of predictor



When a cell is white, the practice is still tied to perceptions of fairness for that group. But it is not statistically significant when considered alongside the other practices.

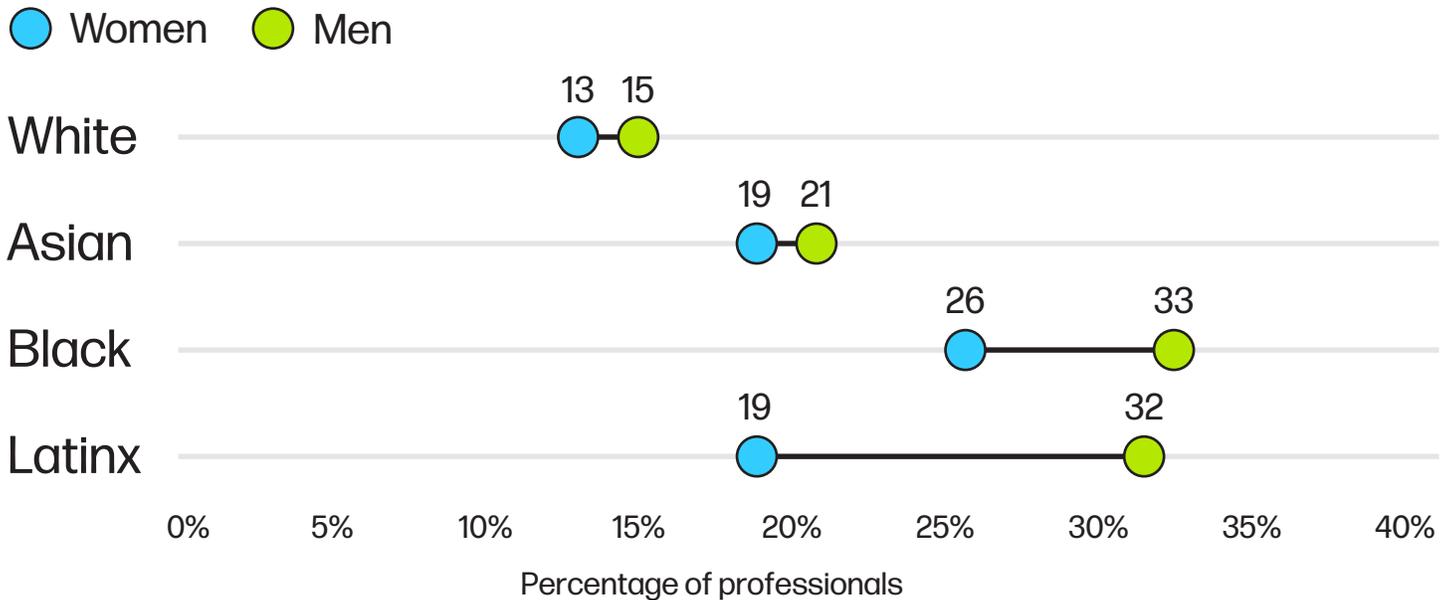
	White	Asian	Black	Latinx
Confidential ways to give feedback about managers	Light Blue	Light Blue	White	White
Accountability for company policy violations regardless of seniority or performance	Light Blue	Dark Blue	White	White
Advice or training on how to give feedback	Light Blue	White	Light Blue	White
360 performance reviews	White	White	Dark Blue	Dark Blue
Actionable feedback in performance evaluations	Light Blue	Light Blue	Dark Blue	Light Blue

Inequity in Promotions

Promotions is the biggest area of inequity in the talent life cycle at companies, according to the DE&I experts in our focus groups. Inequities in promotions

exist across a number of groups, we find: about one in three Black and Latinx men say that their time to promotion is longer than that of their peers.

Professionals who say their time to promotion is longer than their peers'



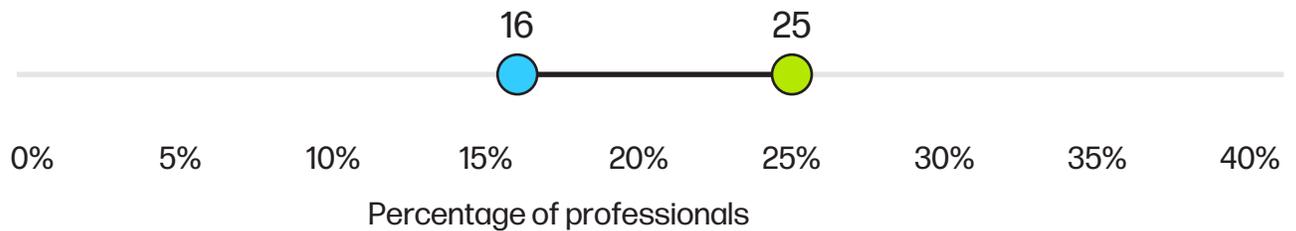
“There are less than 10 people of color in my division. We have been passed over for recognition, advancement, and promotions. We are losing talent.”

- Black Millennial man

Promotions

Professionals who say their time to promotion is longer than their peers'

● Professionals without disabilities ● Professionals with disabilities

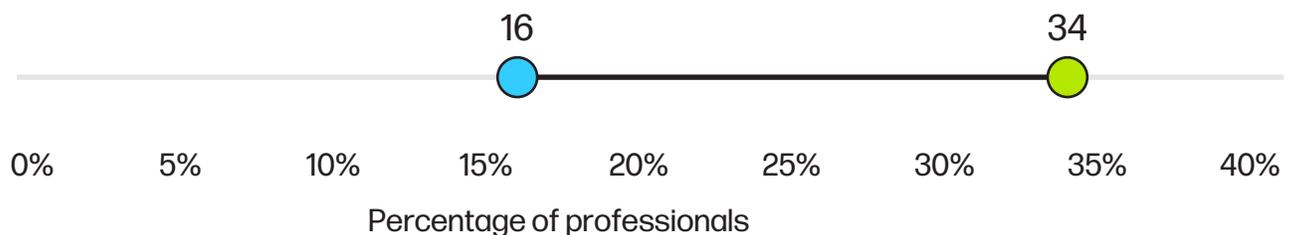


“I consistently receive superior reviews and have not been promoted in more than 10 years, while others with average performance have been.”

- White woman with a disability

Professionals who say their time to promotion is longer than their peers'

● Non-veterans ● Veterans



Driving Perceptions of Fairness in Promotions

To build equity in promotions, Black professionals' sense of fairness in promotions is linked to tangible representation goals and dedicated programs for the development of

underrepresented groups. For Asian and Latinx employees, the strongest link to fairness comes from leaders' accountability to DE&I.

Strength of predictor →



When a cell is white, the practice is still tied to perceptions of fairness for that group. But it is not statistically significant when considered alongside the other practices.

	White	Asian	Black	Latinx
Initiatives linking leaders' performance reviews or compensation to DE&I goals	Light Blue	Dark Blue	White	Dark Blue
Company representation data on race or gender that is shared with employees	Light Blue	Light Blue	White	Light Blue
Organizational goals to promote/develop women and/or people of color	White	White	Dark Blue	White
Sponsorship programs for underrepresented talent	White	White	Light Blue	White
Learning how promotions work during onboarding	Light Blue	White	White	White

Inequity in Pay

The gender pay gap in the US is well documented.¹ Consistent with other research, we find that underrepresented professionals—especially women—say that their pay is lower than that of their peers. Black women, White women, Latinx women, and Black men are most likely to report that their pay is lower than that of their peers.

Social class can also be a powerful determinant of pay. One study on “pedigree” shows that elite circles of power informally transfer knowledge on the unwritten rules for obtaining success in the workplace, such as when and how to negotiate for higher pay.² Across all

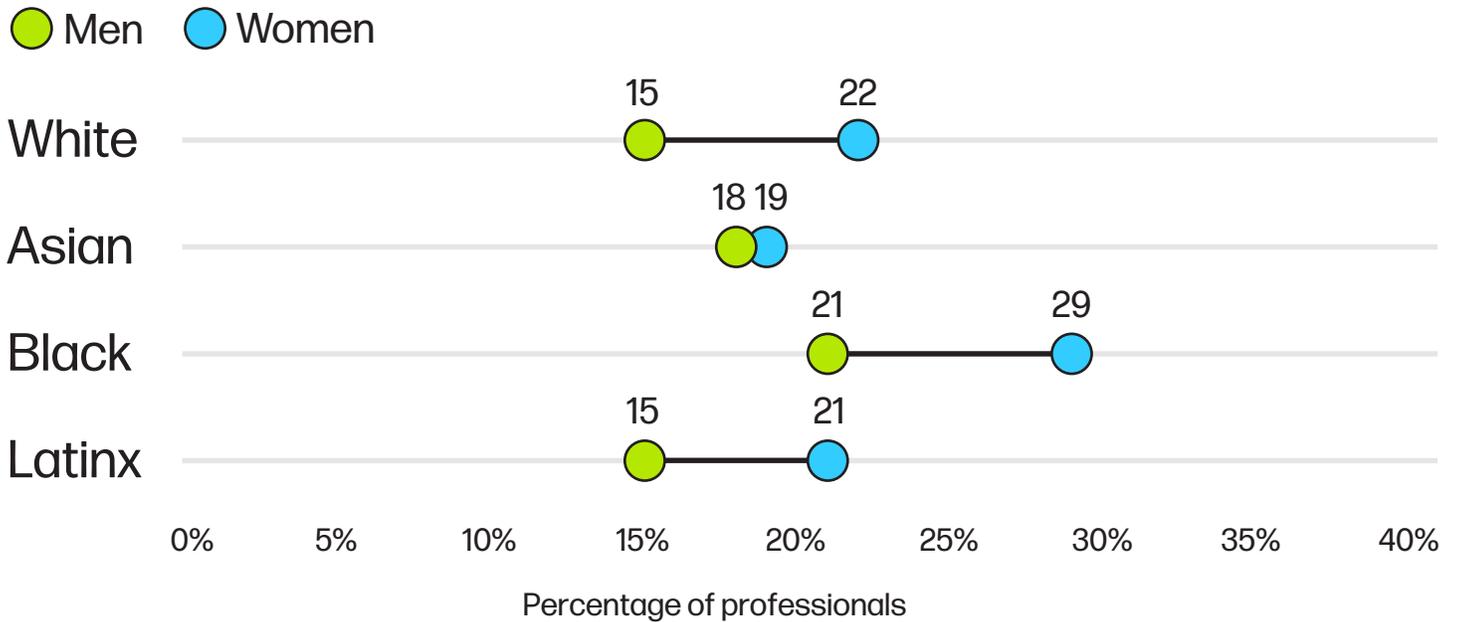
racial groups, we find, individuals from a lower social class background are more likely to say their pay is lower than that of their peers compared to peers who come from a higher social class background (22% vs. 16%). The gap is particularly stark for Black professionals.

When it comes to parenthood, fathers appear to benefit in ways that mothers do not, our research finds. Men with children are more likely than men without children to say that their manager advocates for increases to their pay. Women, with or without children, are less likely to say the same.

“Pay inequity is an indicator of deeper problems in processes. It’s a flower in the garden. If you don’t inspect the roots, if you don’t change your processes, it’s going to affect the flower every year.”

- DE&I consultant

Professionals who say their pay is lower than that of their peers

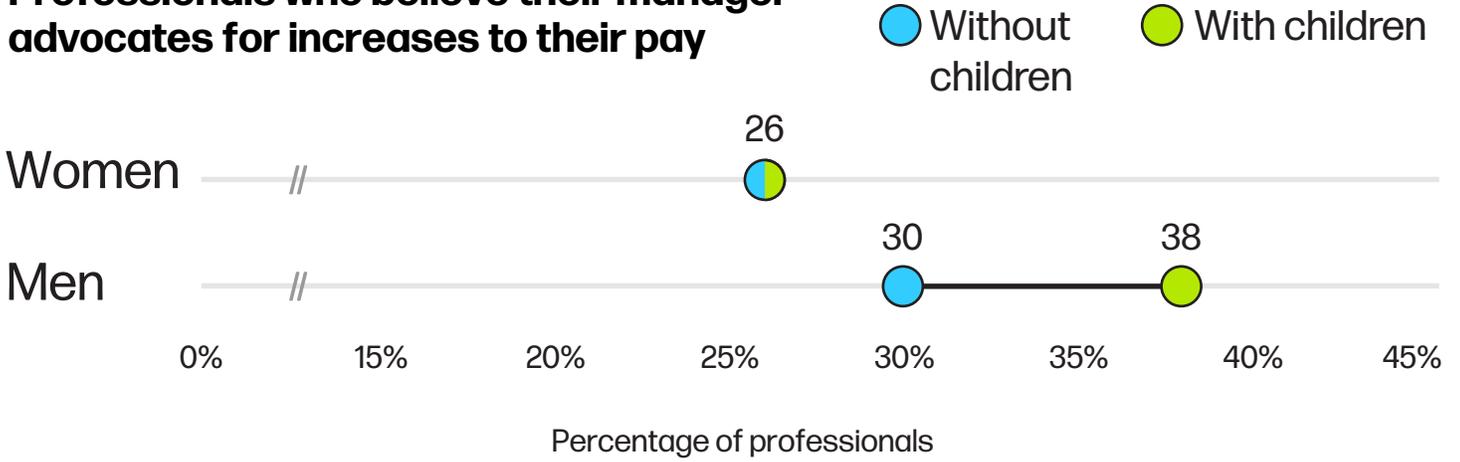


“My company does not recognize prior work experience outside of the company, which means that those with a plethora of experience are not adequately compensated.”

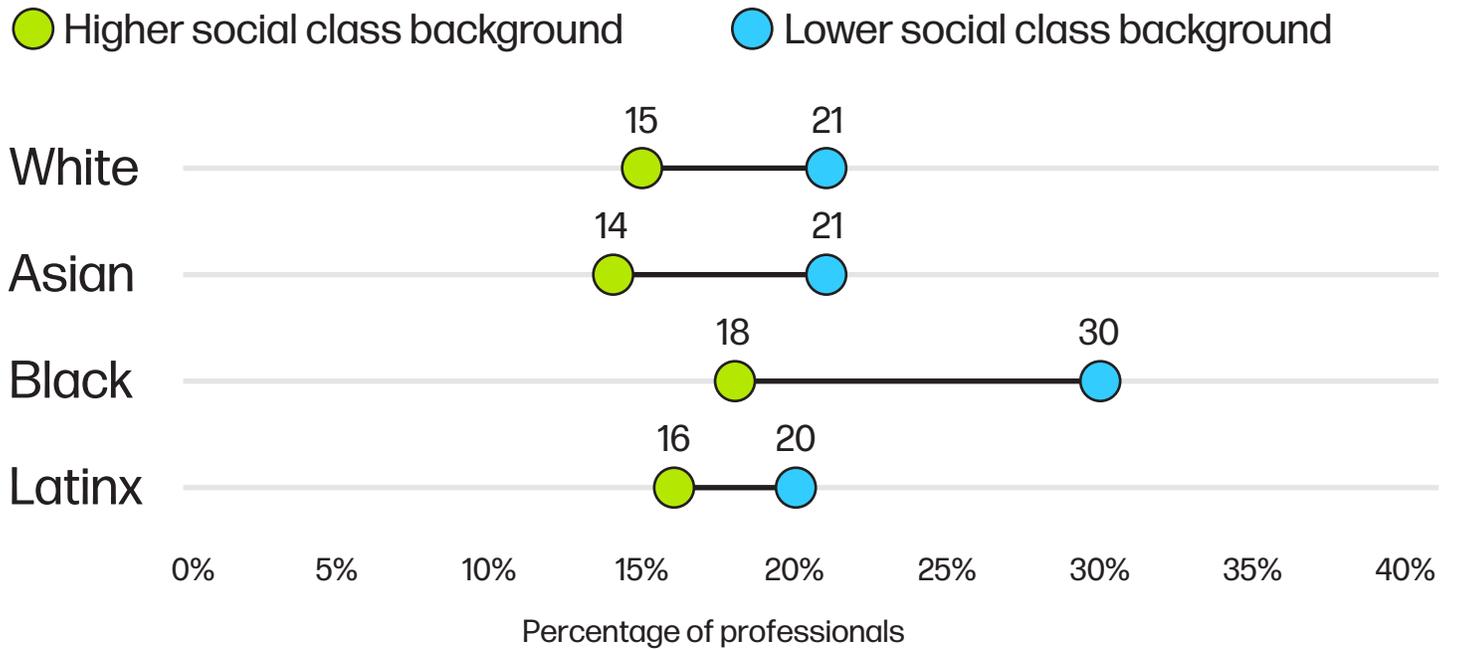
- White Gen X man

Pay

Professionals who believe their manager advocates for increases to their pay



Professionals who say their pay is lower than that of their peers



Driving Perceptions of Fairness in Pay

For White, Asian, and Black professionals, pay equity analyses are most strongly tied to their sense of fairness in the pay process at their companies. For Latinx professionals,

having wage or salary ranges for different job levels available to employees is strongly connected to their perceptions of fairness in their company’s pay process.



When a cell is white, the practice is still tied to perceptions of fairness for that group. But it is not statistically significant when considered alongside the other practices.

	White	Asian	Black	Latinx
Pay equity analyses	Medium Blue	Light Blue	Dark Blue	White
A stated commitment to pay equity	White	White	White	Medium Blue
Wage or salary ranges by job level that are available to employees	White	White	White	Dark Blue
Policy banning requests for wage or salary history from job applicants	Light Blue	White	White	White
Public reporting of executive pay	White	White	Light Blue	White

Equity Principles

Because different practices are linked to perceptions of fairness for different employee groups, the reality remains that there is no single silver bullet in equity work. But we do see commonalities. To build equity and fairness into workplaces, especially for employees of different races, companies can rely on five key principles.

“The conversation should be: how do you make sure that DEI goals, targets, North Stars, whatever you want to call them, exist at every single level of your talent management strategy.”

- Ernest Adams, Head of Global Talent, Business Partner Generalists and India Operations, Ralph Lauren

“For real, meaningful change, we can’t just look at the numbers. We have to look at the processes that actually produced those numbers for a deeper understanding on how to evolve.”

- Heather L. Morgado, Associate Director, Diversity, Inclusion, Culture & Engagement, Boehringer Ingelheim USA

Equity Principles

1. **Specificity**

Rather than discussing equity as an abstract concept, use qualitative and quantitative data to identify specific problem areas to address—and measure—change.

2. **Transparency**

Leaders and companies need to clarify processes like pay, performance evaluations, and promotions, and share associated metrics with employees. Even partial disclosure helps employees trust the processes.

3. **Accountability**

Companies must hold leaders accountable for the success of DE&I as a business priority.

4. **Courage**

Companies need to acknowledge the historical and systemic factors that have prevented equity and implement institutional-level interventions, even in the face of vocal opposition.

5. **Sustainability**

Equity is not a one-and-done deal. To embed equity into the foundations of a company, companies must continually audit, evaluate, and modify.

Methodology

The research consists of a survey; *Insights In-Depth*[®] sessions (a proprietary web-based tool used to conduct voice-facilitated virtual focus groups); and one-on-one interviews with more than 40 people. The national survey was conducted online in April and May 2021 among 4,410 respondents (2,113 men; 2,268 women; 25 who identify as transgender, nonbinary, or another identity; and four who did not identify their gender; 2,547 identify as White, 557 as Black, 566 as Hispanic, 574 as Asian, 127 as two or more races, and 39 as another race or ethnicity). All survey respondents were at least 21 and employed full time in white-collar professions, with at least a bachelor's degree. Data was weighted to be representative of the US population on key demographics (age, gender, education, race/ethnicity, and census division). The base used for statistical testing was the effective base. Unless specified, the data we reference is from our national survey.

This survey was conducted by NORC at the University of Chicago under the auspices of Coqual, a nonprofit research organization. NORC was responsible for the data collection, while Coqual conducted the analysis. In the charts, percentages may not always add up to 100 because of computer rounding or the acceptance of multiple responses from respondents. Throughout this report, "Latinx" refers to those who identify as being of Latino or Hispanic descent.

Endnotes

1. "The State of the Gender Pay Gap in 2021," PayScale, accessed August 2, 2021, <https://www.payscale.com/data/gender-pay-gap>.
2. Lauren Rivera, *Pedigree: How Elite Students Get Elite Jobs* (Princeton, NJ: Princeton University Press, 2015).

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