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believe their workplace does a better job than other companies at providing equal opportunities for men and women.

Jan. 23, 2020



New research shows the pay gap vanishes for most jobs when companies adopt more transparent pay practices. The report, called [*Does Pay Transparency Close the Gender Wage Gap*](#), was commissioned by [PayScale, Inc.](#), a provider of compensation data and software.

The research focused on whether increased pay transparency could mitigate the unconscious bias of managers and HR leaders who set compensation. In addition, a

related PayScale survey found that employees have their own bias, as most tend to

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this goal.”

In this study, PayScale examined the ‘controlled’ pay gap, a comparison of pay for men and women doing the same job in the same geographic location, same experience, education, etc. This approach shows women earn 98 cents for every dollar earned by men. When a two percent difference in pay is compounded over the course of a career, it adds up to a woman taking home significantly less pay than her male peers. However, when employees said they have a transparent pay process at their company, women were estimated to earn between \$1 and \$1.01 for every dollar earned by men — effectively erasing the gender pay gap.

While transparent pay policies neutralized the gender pay gap between men and women doing the same job across most jobs, a few areas in the talent market proved to be more resistant to achieve pay equality:

- **The gender pay gap persists at the director and executive level** – Transparent pay discussions appear to have the largest impact for individual contributors, supervisor and managers. By contrast, female directors and executives still faced discriminatory pay penalties for their gender, however, the gender pay gap is diminished with transparent pay practices.
- **All industries benefit from a transparent pay process, but some benefit more than others.** While all industries show a marked reduction in the gender pay gap with respondents who work in a pay transparent organization, the wage gap did not completely disappear in a few select industries including Accommodation and Food Services, Retail and Customer Service, and Transportation and Warehousing.
- **Male dominated occupations still showed a gender pay gap** – Jobs that continued to reflect a pay gap even in organizations with transparent pay practices were most prevalent in Food Preparation and Serving, Installation, Maintenance and Repair jobs, Production occupations, Protective Services and Sales.

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PayScale and Compensation

PayScale recommends training managers and HR departments have open and ongoing conversations with employees about compensation, using real time market data to show how their pay was determined. For more information about the report *Does Pay Transparency Close the Gender Wage Gap?*, visit <http://payscale.com/data/pay-transparency>.

Payroll

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