

# **CASE STUDY**



### **About Us**

We are boutique HR consulting firm helping organisations build and scale up their capabilities to attract, motivate and retain talents to win in their respective markets.

We are fuelled by the belief that a peoplecentric organisational culture, astute adoption of technology, evidence-based decisionmaking, and a strong talent pipeline help organisations create a competitive advantage.

We are borne out of a passion to help organisations unleash the full potential of their human capital and future-proof their business - and we believe that technology is a game changer and a critical enabler in sustaining an organisation's success.

Our interventions focus on six interrelated elements of effective organisational design: strategy, structure, process, talent, reward, and technology.

## **Context**

This year's salary review was going to be different. This company with an 800 strong workforce was expecting to witness the impact of the series of changes it had introduced at the beginning of the performance cycle. Indeed, the company had opted to give managers greater latitude and discretion in determining salary increases and allocating incentive awards.

Most managers had historically not deviated from the guideline increases provided by HR for their employees and the incentive amount was, well ... "as per the formula". Whilst budgetary compliance was still very much a prerequisite, the company wanted to empower their managers with the necessary tools to differentiate reward outcomes based on performance.

But "with great power comes great responsibility" and whilst the company had invested in change and communication efforts, there were still concerns amongst employees on how their managers would choose to exercise discretion and potentially be biased in their decision-making process.

# Challenge

The empowerment of managers was not devoid of the genuine concerns from HR, i.e., to what extent would managers differentiate and in doing so, would they be allocating resources to the relevant talent groups on a defendable basis?

Nudges had been built into the process, e.g., guidelines and ranges for managers' consideration and targeted communication reinforcing the need to be mindful of gender bias. The latter was of particular importance given the recent gender pay gap report which had highlighted some areas for improvement for specific roles.

The issue was further compounded by the fact that initial analysis had indicated that women were on average lower in their respective ranges than their male counterparts.

Seeking the confidence gained by an external review, the company partnered with us to address the following questions:

- a. Did managers discriminate on gender or is the observed pay gap driven by something else, e.g., the nature of the role, tenure in the organisation and in role, historical performance?
- b. Does manager gender influence how managers exercise their prerogative to use discretion?
- c. Did managers' nationality influence their recommendations?

#### Unadjusted or adjusted pay gap?

An unadjusted pay gap is the comparison of averages by gender, whilst the adjusted seek to take other factors into account, e.g., the nature of the role, tenure, or performance.

### Solution

Having framed the questions that needed to be addressed, our team collected data and ran a series of statistical analyses to explain the observations made.

The findings and implications thereof, were subsequently shared and debriefed with the organisation - arming the HR team with a solid foundation to engage with their senior leaders.

In this case, the results discarded the notion that there was a gender pay gap across most of the job families whilst pin-pointing areas for further investigation.

Our analyses and statistical model furthermore provided evidence that male managers were not biased against their female employees supporting the view that they had headed the messages that senior management and HR had been drumming throughout the process.

The company was making progress in its Diversity, Equity & Inclusion journey!

## Want to learn more?

If you want to know more about how you can provide your organisation with powerful insights like this, feel free to reach out to us.

You can visit our website <a href="https://www.prometheans.mu">www.prometheans.mu</a> or send us an email on info@prometheans.mu

We would be happy to discuss and explore how we could help equip you with the necessary insights to drive your DEI and other people related agenda.