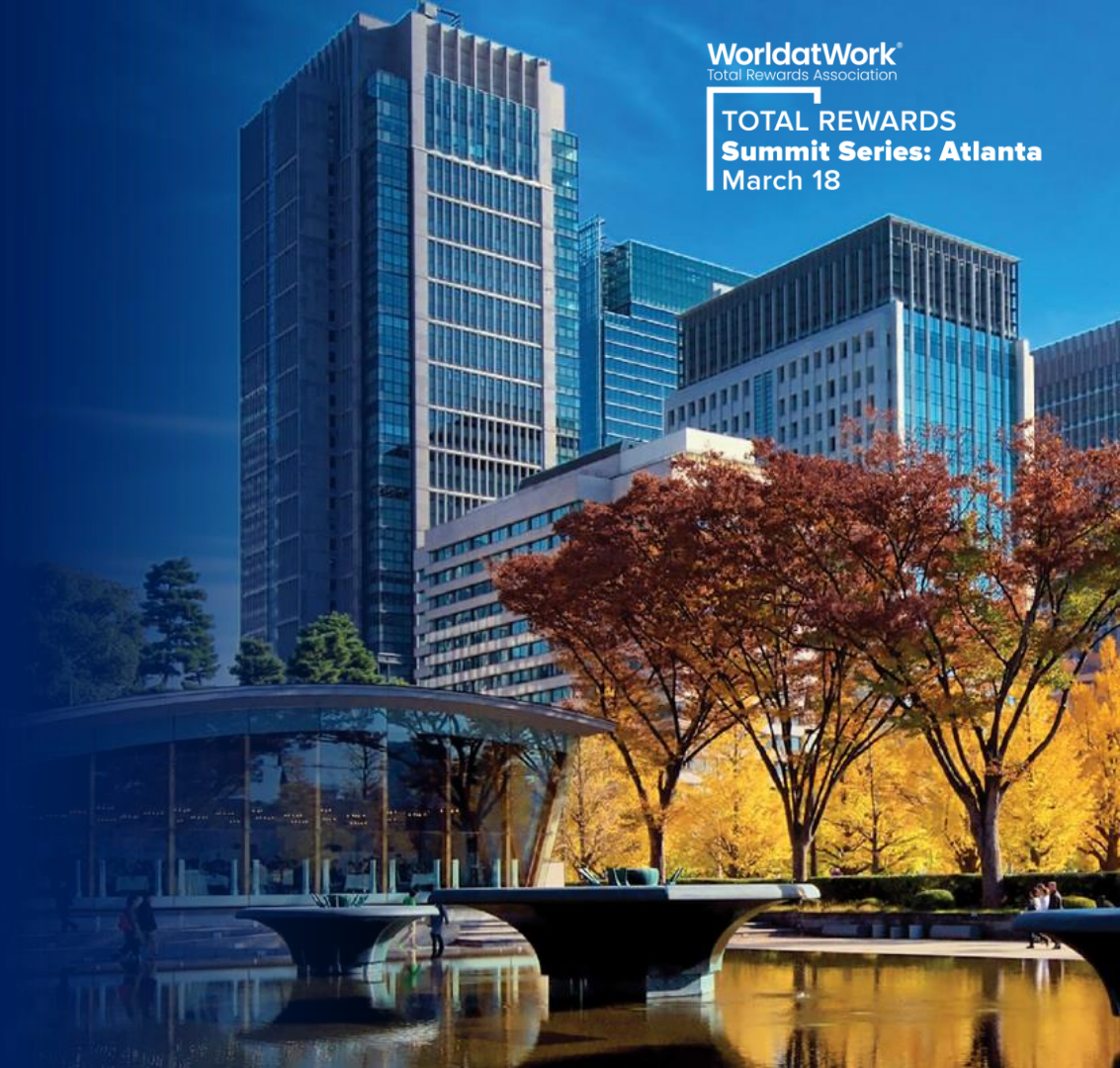


WorldatWork<sup>®</sup>  
Total Rewards Association

TOTAL REWARDS  
**Summit Series: Atlanta**  
March 18

# The Future of Workplace Equity

And how the Comp & Rewards  
Community is shaping history.





**Today's speaker from Trusaic**

## **John Ford** **Chief Product & Revenue Officer**

John is Chief Product & Revenue Officer at Trusaic, overseeing global product development, operations, sales, and services across Trusaic's product portfolio segments.

John has led the development and deployment of multiple world-class SaaS HR tech solutions supporting mission-critical workforce priorities for global organizations. This includes Trusaic's award-winning Workplace Equity technology platform..

John holds a Bachelor's degree in Business Administration with a Minor in Music (Classical Violin) from Oregon State University.

# Agenda

1. Civilization, Culture and Technology
2. A Brief Tour Through Human History
3. Macro Trends - What Comes Next?
4. The Future of Workplace Equity
5. The Comp & Rewards Community's Role in Shaping History

**“Small sacrifices have the power to bring about fundamental change to the lives of others and the course of history.”**

**Robert Sheen CEO Trusaic**



# Human Civilization - Culture & Technology

In the natural world, humans are unique in using fancy technologies, sophisticated languages, and complex institutions. These cultural products have permitted us to expand across the globe, and thrive in nearly every terrestrial environment.



**Culture**



**Technology**

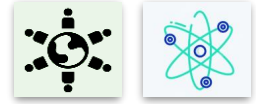


“Technology (...) is the mother of civilizations, of arts and of sciences.”

- Freeman Dyson

“Culture and technology exist in a (...) reciprocal relationship (...) The culture-technology (cycle) is at the heart of (our) evolution.”

- Brenda Laurel

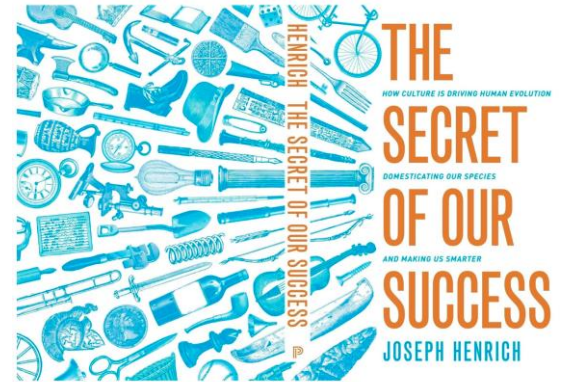


# Human Civilization - Culture & Technology

The story of technology is in many ways the story of humanity.

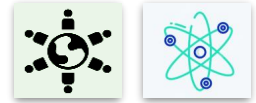
The ability to relentlessly create, learn and assimilate new methods, technologies and systems is a fundamental part of our humanity.

Throughout history, the technologies we develop have been reflective of the predominant social priorities of that time.



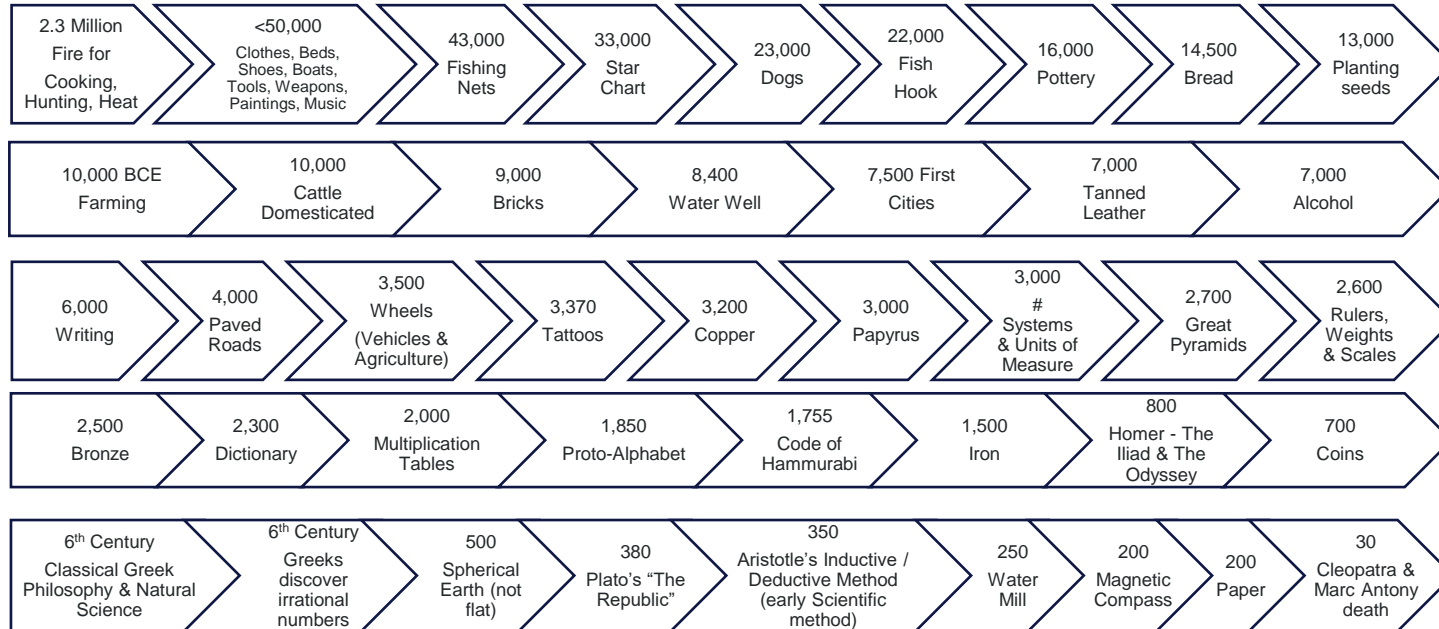
Joseph Henrich - Harvard's Department of Human Evolutionary Biology

Some even think of Culture as a form of technology, akin to a “collective social software” that we download.



# A Brief Tour Through History

Early foundations of human civilization



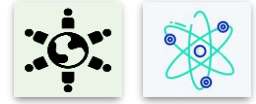
Basic Subsistence  
Food & Shelter

The Agricultural Revolution  
leads to more complex  
settlements and early cities.

Larger social communities  
requires communication,  
collaboration and coordination  
at larger scale.

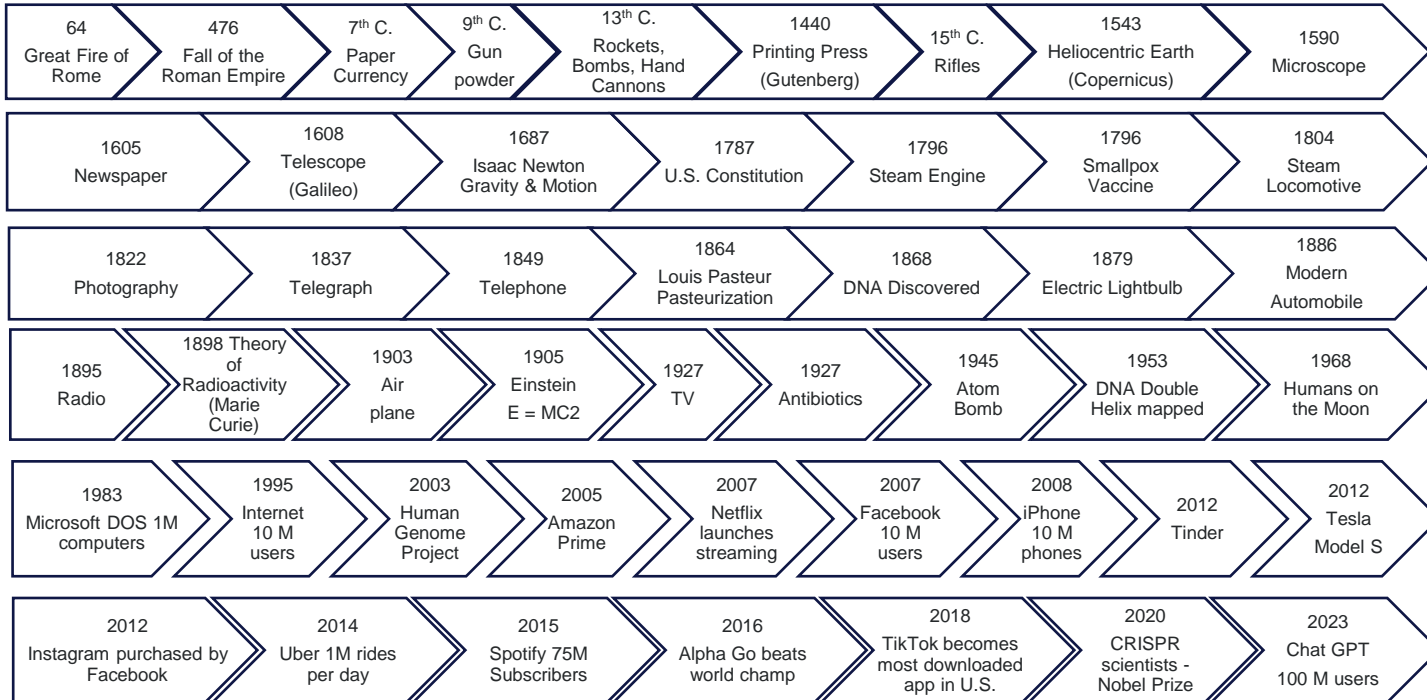
"Classical Antiquity" - **Ancient  
Greece & Rome - foundation  
of democracy, philosophy,  
mathematics, drama, and  
poetry, legal systems,  
irrigation, architecture and  
city roads.**

The early "Giants" that Newton would acknowledge hundreds of years later in the famous quote ("*... if I have seen far it is by standing on the shoulders of giants.*")



# A Brief Tour Through History

The Dark Ages between the Fall of the Roman Empire (500) and start of the Italian Renaissance (1400)



**1400 - 1840**  
**The Renaissance, the Enlightenment and the Industrial Revolution** - energy and progress; a cultural “rebirth” in art, music, literature, philosophy, politics, economics and science, culminating with major technological advancements.

**Second Industrial Revolution (1869 - 1914)** and the start of the **Information Age (1945 onwards)** the period in which scientific and technological advances increasingly define our social, economic and political life



# Macro Trends – What Comes Next?

Technology	People <i>Socio-Cultural</i>	Business	Political / Legal / Regulatory
<p>More Sophisticated LLM's</p> <p>General World Models</p> <p>Autonomous Driving</p> <p>Digital / Biological Fusion</p> <p>AGI (Artificial General Intelligence)</p>	<p>Attitude &amp; Values</p> <ul style="list-style-type: none"> <li>• Consumer demand for sustainable products and services likely to grow</li> <li>• Increased security of corporate ethics and equity</li> <li>• Increased focus on mental and physical well-being</li> </ul> <p>Demographics</p> <ul style="list-style-type: none"> <li>• Lengthening lifespans</li> <li>• Decreasing fertility rates</li> </ul>	<ul style="list-style-type: none"> <li>• Talent shortages due to decreasing birth rates and skills shortages. (85 million people by 2030)</li> <li>• Degrees-Skills. “Paper ceiling” falling away. In response to tight labor markets and declining college graduation, employers are welcoming workers with alternative credentials.</li> <li>• Atypical career paths are going mainstream with rising retirement ages, mid-career breaks, shifts across industries, and embracing contingent work and other nontraditional employment models</li> <li>• Increasing compliance and reporting requirements.</li> <li>• Geopolitical tensions driving supply chains from “Just in Time” to “Just in Case”.</li> </ul>	<p>Continued military conflict and/or tension in (1) Ukraine, (2) Middle East, (3) Taiwan.</p> <p>Governments will continue to strengthen regulation in areas like climate change, data privacy, and employment equity.</p>

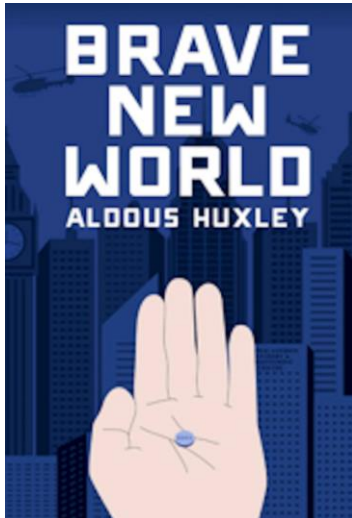


# Macro Trends – What Comes Next?

100 years ago, two visions of the future were shared; one deeply dystopian, one wildly optimistic.

## Prediction 1

Huxley's dystopian prediction...



Who  
was  
right?

## Prediction 2

...or Keynes's "end of economics" prediction

---

"Mankind is solving its economic problem (...)

In a hundred years (...) **humans will be faced with the problem of how to use our freedom from pressing economic cares, how to occupy our leisure (...)** to live wisely and agreeably and well."

- John Maynard Keynes

*Economic Possibilities for our Grandchildren (1930)*

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# Macro Trends – What Comes Next?

Huxley’s grim dystopia didn’t manifest despite tremendous technological advancement. And Gen Z’s rejection of social media is “predictably unpredictable” of the difficulties of forecasting the future.

- ▶ [Social media usage declines on the back of evolving user motivations](#)

*Gen Z is starting to consider reducing their time spent online and shifting their focus to offline activities. In 2023, 30% of Gen Z express concerns about their social media usage, leading to efforts to limit their time online. Notably, Gen Z is the only generation whose daily time on social media has decreased since Q1 2021.*

Neither  
one was  
right...  
it’s hard  
to  
predict  
the  
future

And Keynes prediction of the end of scarcity and the arrival of 15-hour work weeks didn’t materialize, although average hours worked did drop by roughly 25% on average globally.



## **Macro Trends – What Comes Next?**

**If anything, the prevailing zeitgeist of today is more similar than it is different to what it was 100 years ago:**

“The increase of technical efficiency has been taking place faster than we can deal with the problem of labor absorption (...) the banking and monetary system of the world has been preventing the rate of interest from falling as fast as equilibrium requires”...

**Sound familiar?**

**John Maynard Keynes, 1930**

# Macro Trends – What Comes Next?

## The more things change, the more they stay the same.

Over thousands of years, culture and technology have shaped each other in immense and immeasurable ways. Despite those massive changes as a civilization, a few constants have emerged:

- (1) People want to have purpose and meaning through the work that they do.
- (2) People want to connect with others and have relationships that are meaningful. (Personal & Professional).
- (3) Businesses must deliver high quality products and services to the customers they serve.
- (4) Businesses must deliver high quality workplace experiences to their most important assets, their people.
- (5) Societies support political leaders that reflect the prevailing attitudes and values of their constituents.
- (6) Effective political leaders create laws that reflect their constituents' values, which in turn modify the rules that businesses must operate by.
- (7) Repeat.

 **Prediction:** These fundamental truths are unlikely to change in 10 years or in 500 years.

## Macro Trends – What Comes Next?

- What we measure as a society tells us about our values and priorities as a civilization.
- As we progress through the 21st century, increasingly, we are making legislative, regulatory and business decisions that place people at the center of our focus.



*(Traditional economic measures)... do not include the beauty of our poetry or the intelligence of our public debate. (They) measure neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion. (They) measure everything, in short, except that which makes life worthwhile.”*

- Robert F. Kennedy

# The Future of Workplace Equity

## Reporting and Transparency

U.S., EU Directive, International

## Beyond “Statistical Significance” → to “Practical Significance”

Managing Multiple Pay Equity Frameworks

## The Rise of Equal Pay for Equal Work or Work of Equal Value

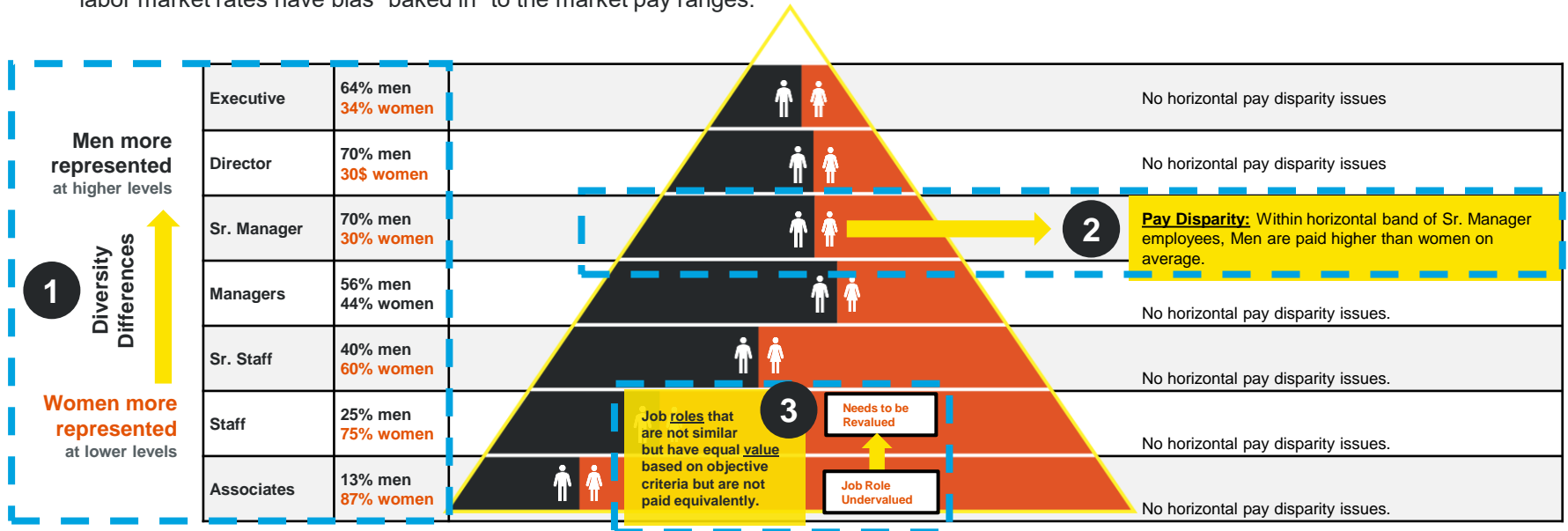
EU Directive, UK, Canada, Australia,  
New Zealand, Minnesota

Other items:

- **Reverse discrimination & Reference Classes:**
  - Careful consideration should be given to tooling configuration and methodological selection to avoid reverse discrimination claims. (U.S. especially in light of 2023’s Supreme Court ruling).
- **Intersectionality:**
  - U.S. states increasingly focused on the intersection of gender and race/ethnicity.
  - In the EU, the EU Directive explicitly calls out the importance of analytically understanding gender intersectionality with other protected factors.

## Regulators are Laser Focused on Raw / “Unadjusted” Pay Gaps Because They Indicate Issues in One of Three Areas:

1. **Diversity / Representation Issues** - Men are more likely to be more highly represented at the top (higher paid) levels of an organization.
2. **Equal Pay for Comparable Work** - Men are often paid more for doing the same or similar work.
3. **Equal Pay for Work of Equal Value** - Many roles which have historically been predominantly female have been undervalued, and current labor market rates have bias “baked in” to the market pay ranges.





# Reporting and Transparency Laws

The intention behind these requirements is provide transparency to key stakeholders (government, employees, applicants, investors) with respect to how equitably a business is being ran. This creates accountability for employers. These Reporting / Transparency laws generally involve one or more of the four following requirement categories.

1	2	3	4
<u>D</u> ata <u>C</u> ollection	<u>A</u> nalysis	<u>R</u> eporting	<u>T</u> ransparency (Salary or Career Progression)
Collect and store workforce data.	Perform a specified workforce analysis.  This generally includes performing some kind of unadjusted <i>pay gap analysis</i> .	Report on specific data or a specific analytical output. This could be: <ul style="list-style-type: none"> <li>· Internally to employees</li> <li>· externally to regulators</li> <li>· Externally to public at large</li> </ul> This generally includes performing some kind of unadjusted <i>pay gap reporting</i> . Some jurisdictions ask for raw data from employees. When that’s the case, they use that raw data to calculate a pay gap.	Typically entails employers being required to be transparent about salary ranges to job applicants / employees.  Some jurisdictions also require transparency about career progression.  Additive Transparency (establishes employee and applicant right to information)  Subtractive Transparency (negative limits on employers rights to information)

# Beyond “Statistical Significance” to “Practical Significance”

- In conducting pay equity reviews, we foresee a move toward “practical significance” to complement statistical significance.
- As a reminder, the statistical significance of a pay disparity is typically measured using a 5% significance level (i.e., p-value  $\leq 0.05$ ). This indicates there is a 5% chance or less that the result is due to chance. Statistical significance is the gold standard in pay equity reviews.
- That said, there are cases when practical significance should be considered. Practical significance indicates whether a pay disparity is meaningful from a business perspective and warrants attention, regardless of its statistical significance.
- Under the EU Pay Transparency Directive, disparities exceeding 5% will trigger a joint pay assessment, so in the EU we recommend addressing disparities above 5%, regardless of statistical significance.

**When you run an experiment or analyze** data, you want to know if your findings are “significant.” But business relevance (i.e., practical significance) isn’t always the same thing as confidence that a result isn’t due purely to chance (i.e., statistical significance). This is an important distinction; unfortunately, *statistical significance* is often misunderstood and misused in organizations today. And yet because more and more companies are relying on data to make critical business decisions, it’s an essential concept for managers to understand.

Source: [Gallo, Amy. \(2016\). A Refresher on Statistical Significance: It's Too Often Misused and Misunderstood. Harvard Business Review.](#)

- Moreover, it’s conceivable for a company to have no statistically significant disparities in any of its workforce segments yet have a statistically significant company-wide disparity. To reduce a company-wide disparity, it may be necessary to address segment-level disparities above a certain threshold (e.g., 2-3%), regardless of statistical significance.

# Managing Multiple Pay Equity Frameworks

There are three main pay equity frameworks. More than one of these frameworks can apply per jurisdiction.

1

## Equal Pay for Identical Work

Employees performing identical work must be paid equitably.

Any pay differences must be able to be explained by legitimate business factors.

2

## Equal Pay for Comparable Work

Employees performing comparable work must be paid equitably.

Comparable typically means similar skills, effort, responsibility and working conditions.

Any pay differences must be able to be explained by legitimate business factors.

3

## Equal Pay for Work of Equal Value

Employees who are performing completely different work, but that can be shown to be of equal value based on “objective criteria” must be paid equitably.

**Job Evaluation required.**

Ensuring “equal pay for work of equal value” helps to tackle the historic undervaluation of female-dominated labour: Men continue to be overrepresented in higher-paid sectors and women in lower-paid ones, despite many female- and male-dominated sectors having similar work-related characteristics and comparable value

# Intersectionality

The EU Directive **explicitly** calls out the importance of analytically understanding gender intersectionality with other protected factors.

▶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023L0970>

(25) Article 10 TFEU provides that, in defining and implementing its policies and activities, the Union is to aim to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Article 4 of Directive 2006/54/EC provides that there is to be no direct or indirect discrimination on grounds of sex in relation to pay. Gender-based pay discrimination where a victim's sex plays a crucial role can take many different forms in practice. It may involve an **intersection** of various axes of discrimination or inequality where the worker is a member of one or several groups protected against discrimination on the basis of sex, on the one hand, and racial or ethnic origin, religion or belief, disability, age or sexual orientation, as protected under Council Directive 2000/43/EC <sup>(7)</sup> or 2000/78/EC <sup>(8)</sup>, on the other. Women with disabilities, women of diverse racial and ethnic origin **including** Roma women, and young or elderly women are among groups which may face **intersectional discrimination**. This Directive should therefore clarify that, **in the context of gender-based pay discrimination, it should be possible to take such a combination into account**, thus removing any doubt that may exist in this regard under the existing legal framework and enabling national courts, equality bodies and other competent authorities to take due account of any situation of disadvantage arising from intersectional discrimination, in particular for substantive and procedural purposes, including to recognise the existence of discrimination, to decide on the appropriate comparator, to assess the proportionality, and to determine, where relevant, the level of compensation awarded or penalties imposed.

<sup>(7)</sup> For example, judgment of the Court of Justice of 9 February 1982, Garland, C-12/81, ECL:EU:C:1982:44; judgment of the Court of Justice of 9 June 1982, Commission of the European Communities v Grand Duchy of Luxembourg, C-58/81, ECL:EU:C:1982:215; judgment of the Court of Justice of 13 July 1989, Rinner-Kuhl, C-171/88, ECL:EU:C:1989:328; judgment of the Court of Justice of 27 June 1990, Kowalska, C-33/89, ECL: EU:C:1990:265; judgment of the Court of Justice of 4 June 1992, Bötöl, C-360/90, ECL:EU:C:1992:246; judgment of the Court of Justice of 13 February 1996, Gillespie and Others, C-342/93, ECL:EU:C:1996:46; judgment of the Court of Justice of 7 March 1996, Freers and Speckmann, C-278/93, ECL:EU:C:1996:83; judgment of the Court of Justice of 30 March 2004, Alabaster, C-147/02, ECL:EU:C:2004:192.

<sup>(8)</sup> Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (OJ L 180, 19.7.2000, p. 22).

<sup>(9)</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L 303, 2.12.2000, p. 16).

**An intersectional approach is important for understanding and addressing the gender pay gap.** This clarification should not change the scope of employers' obligations in regard to the pay transparency measures under this Directive. In particular, employers should not be required to gather data related to protected grounds other than sex.

# The Comp & Rewards Community's Role in Shaping History

## We can help create a future where...

1. ... All **people** in the world are free to pursue their passions and achieve their purpose;
2. ... **Data, technology and AI** are intelligently harnessed to empower humanity to achieve its full potential;
3. ... Thoughtful, carefully implemented **regulations** serve to support a thriving, vibrant and well-functioning global society.

Let *us* be the giants upon whose shoulders future generations will stand.



# Questions?

For more information:

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