

Are gender equity quotas good or bad?

Steven T. Hunt, Ph.D.

Click to follow my posts: www.linkedin.com/in/steventhunt

[SAP SuccessFactors](#) recently launched an [initiative](#) to explore how human capital management (HCM) technology can enable greater workforce diversity and inclusiveness. [For several reasons](#) this initiative is starting with a comprehensive look at using technology to support equitable hiring, development, retention, promotion and compensation of women in the workplace.

As part of this project, SAP SuccessFactors has been examining gender equity research, market trends and public policies around the globe. One growing trend in the United States is a [call for companies](#) to publicly post equity targets and workforce metrics about compensation levels and promotion rates of women. Companies in other countries are similarly starting to set [gender based hiring quotas](#). Many people believe posting gender equity statistics and targets creates positive pressure for change. Others suggest that posting these metrics creates [unfair pressure on organizations](#) to address equity issues that are largely outside of their control. My personal view regarding posting of gender equity quotas and statistics is somewhat nuanced.

I disagree with those who argue against quotas based on a belief that gender inequity is caused by factors outside the control of organizations. This argument suggests women are paid less than men because women choose to go into lower paying jobs or are unwilling to make the work-life balance choices required to maximize compensation. Psychological research shows that women and men are [more similar than different](#) when it comes to abilities, skills and traits that predict job performance. Given that women and men have equal levels of job potential, I doubt a company that systematically pays women less than men does it solely because women are not willing to work as hard as men or because women voluntarily choose to pursue jobs that pay less money.

It seems more likely the company's staffing and compensation systems incorporate job expectations and biases from a historical culture where top paying jobs were typically held by men who had no children or who transferred primary childcare responsibilities to their non-working spouses. I experienced this sort of thing first hand when a female friend gave birth to her first child while working in a high paying financial role overseeing mergers and acquisitions. Her boss expressed disappointment that she would have to quit her job since managing acquisitions was not compatible with raising an infant. She noted that her boss's opinion reflected a male perspective of the job and traditional perceptions of motherhood. After some discussion her boss changed his mind, she structured her role to allow for things such as nursing her baby while in the office, and her career continued un-interrupted. In essence, she changed the conversation from "how can a working mother perform this job in the same way that men have performed it in the past" to "how can we change this job so it can be effectively performed by working mothers in the future".

Given this perspective, one might assume that I am in favor of posting gender equity quotas and metrics. But that is not necessarily so. I appreciate the benefits of communicating targets and transparently measuring performance against those targets. But I can also envision this creating unintended consequences that could negatively impact efforts to improve workplace equity. If people know that their company "wants to pay women more" then some employees may start to believe that certain women are receiving more pay solely because they are women. Such perceptions are especially likely to occur in companies that do not have [clearly defined performance criteria](#) to guide compensation decisions. Men who do not get pay increases they expected may attribute it to "being

male”. And women may feel resentment from colleagues who wonder “did she get that increase because she earned it or because she’s a woman?” Whether such attitudes are justified is not the point. We will not promote workplace equity by creating situations where men and women feel unfairly judged based on their gender. Given these risks, I often favor keeping gender equity targets and metrics somewhat confidential. But that only works if company leaders are truly committed to them, and certainly not all are. If some senior leaders are only giving lip service to gender equity, then making equity quotas highly visible and public may be necessary to drive change at the top of the organization.

Instead of just publishing a few high level, highly ambitious equity targets for the entire organization, I believe it is also better to set more narrowly defined targets at the level of specific jobs, teams, or departments. Managers should be given metrics indicating whether their staffing, succession, development and compensation decisions are moving the company towards greater equity. Metrics should be provided so individual decision makers can address possible biases where and when they occur. People should be recognized and rewarded based on progress toward achieving equity. But people should not feel pressured to change decisions solely to achieve some high level, overall equity target. Having metrics visible for all levels of the organization creates greater self-awareness and steady pressure toward improving equity throughout the company. It encourages lots of small improvements that collectively add up to major organizational outcomes.

Metrics are a powerful tool to support gender equity. However they must be used with care lest they hurt the very thing they are trying to help. Creating an equitable workplace is a bit like living a healthy lifestyle. People rarely succeed in losing weight just by setting a target and then getting on a scale once a week. This can actually create a sense of hopelessness and depression. A better way to lose weight is to track and improve little things you do every day around diet and exercise. Over time these little things add up to big results. It’s the same with creating a balanced workforce. Workplace equity is rarely achieved by having grand targets on your company web site. It is achieved by addressing potential biases at all levels of the organization and making steady improvements to increase the equity of compensation and staffing decisions across the entire enterprise.