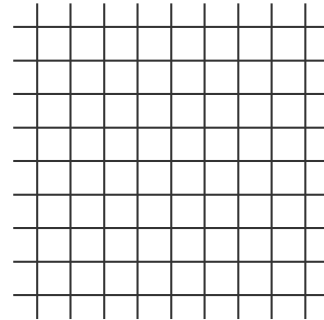
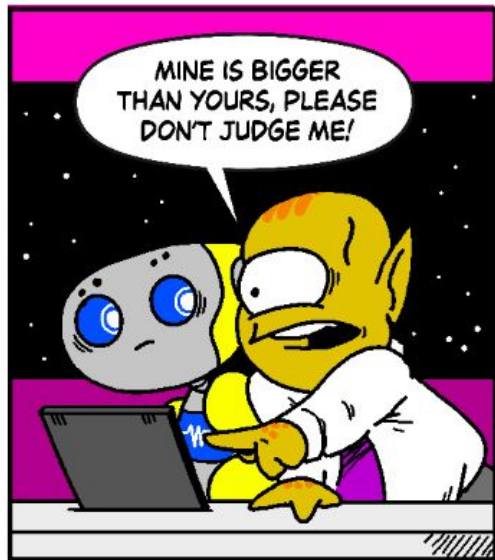
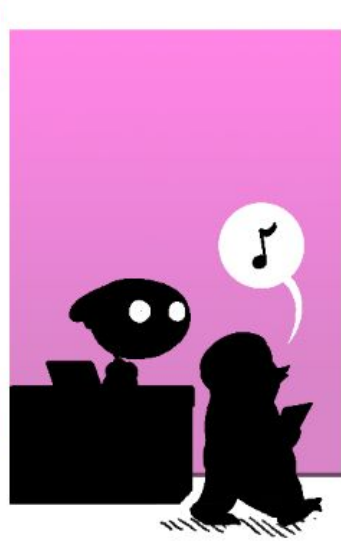
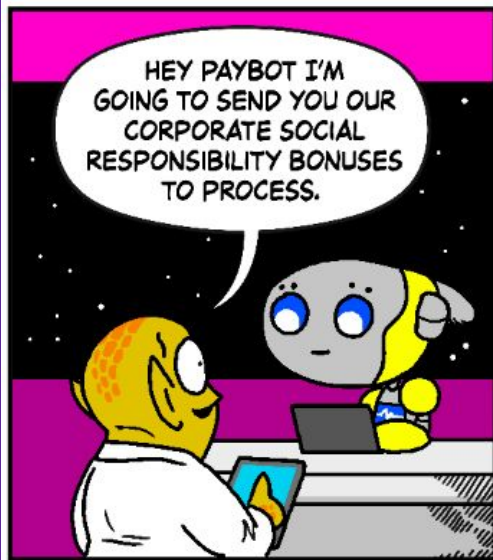


PAYROLL AND CORPORATE

SOCIAL RESPONSIBILITY







Hello! I'm...

Jim Kohl

Head of Payroll Support at Check

Certified Payroll Professional

17 years in the payroll industry



What is Corporate Social Responsibility (CSR)?

- CSR involves **ethical practices** and active engagement with stakeholders, promoting integrity and accountability in business operations.
- CSR focuses on **sustainable development** and environmental stewardship, minimizing negative impacts on the environment and embracing eco-friendly practices.
- CSR **drives social impact** and community development through initiatives that address societal challenges, fostering inclusivity and equality.

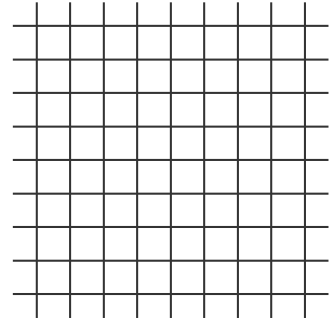


Agenda



- **Introduction**
- **Business Case**
- **Fair Pay**
- **Benefits**
- **Inclusive Pay Practices**
- **Case Studies**
- **Wrap Up**

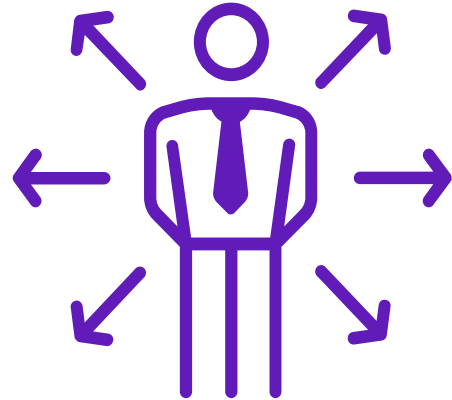
Introduction



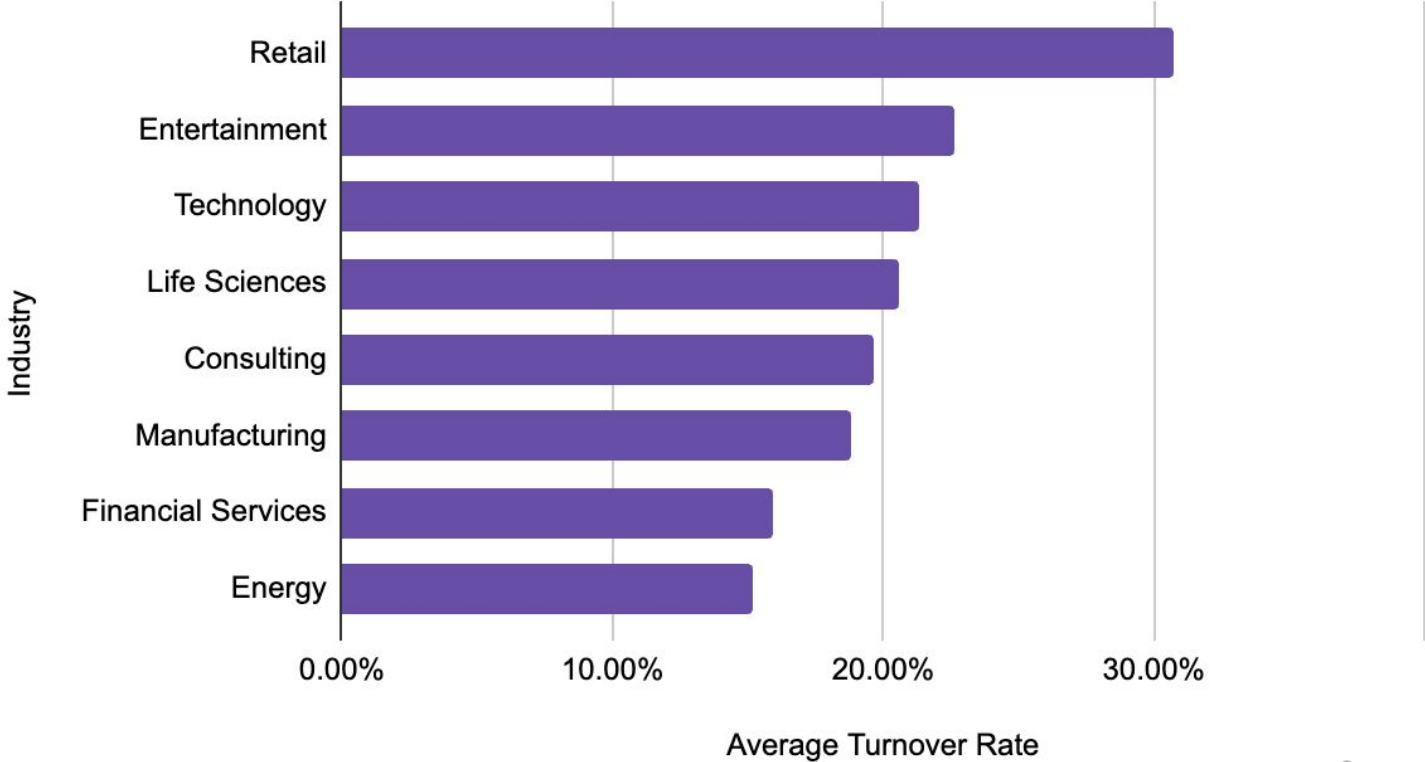
Introduction

Is **CSR growing in importance** in the business world?

Does **payroll** play a part?



Average Turnover Rate by Industry



Source: Aon

Business Case



Why Build Social Responsibility into Pay Practices?

Introduction to the benefits of social responsibility in pay practices.

Positive impact on:

- Employee morale
- Increased productivity
- Compliance with Pay Transparency
- Employer Value Proposition



Improved Employee Morale

- **Fair and Equitable Compensation:** Socially responsible payroll practices contribute to improved employee morale.
- **Employee Recognition:** Recognizing and rewarding employees' contributions through fair payroll practices.
- **Transparent Pay Practices:** Clear and transparent communication about compensation and benefits.



Increased Productivity

- **Motivation and Job Satisfaction:** Social responsibility in payroll practices can increase employee motivation and job satisfaction.
- **Performance Incentives:** Performance-based pay or bonus programs are effective in driving productivity.
- **Employee Development:** Highlight the role of payroll practices in supporting employee training and development opportunities.

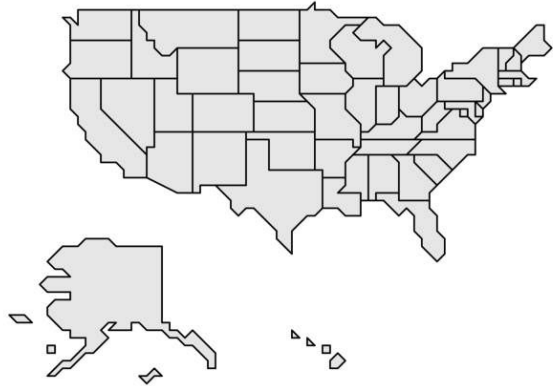


Compliance with Pay Transparency Requirements

In these states, employers must disclose salary ranges to job applicants and employees.

This helps workers negotiate for fair pay and close the gender pay gap.

The specific requirements vary by state, so it's important to check the law in the state where you're applying for a job.



States that Enforce visibility in salary ranges:

- California
- Colorado
- Connecticut
- Maryland
- Nevada
- Rhode Island
- Washington
- New York (effective January 1, 2024)
- Massachusetts (effective July 1, 2023)

Employer Value Proposition

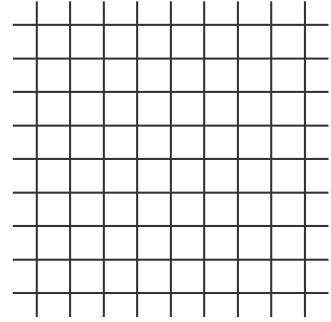
Pay transparency can **optimize your talent pipeline** because you;

- Filter out people who are looking for compensation that you can't afford.
- Address the compensation question before you even have your first conversation.
- Streamline negotiations at offer stage because you were on the same page from the beginning.

Having a reputation as a fair and transparent employer can boost your presence on sites like Glassdoor and make you more attractive to talent across the board so your outreach is more effective.



Fair Pay



Fair Pay

- Fair pay is when employees are paid fairly for their work, regardless of their gender, race, ethnicity, or other protected characteristics.
- Fair pay is essential because it is the foundation of a just and equitable society.
- When employees are paid fairly, they are more likely to be productive and engaged in their work.
- Fair pay can also help to attract and retain top talent.



Fair Pay - Internal vs. External

- **Internal** is being paid the same as a coworker.
- **External** being paid the same as someone in the same role at a different company.

Both are important, but for external fair pay they need to build a compensation philosophy that explains a method for identifying your competition for talent and benchmarking compensation against those competitors.



The Gender Pay Gap

- The gender pay gap is the difference in earnings between men and women for the same role.
- The gender pay gap is a complex issue with many contributing factors, including discrimination, occupational segregation, and the motherhood penalty.
- The gender pay gap has a significant impact on women's economic security.
- Women who are paid less than men are more likely to live in poverty, have less savings, and be unable to afford basic necessities.



How businesses can close the gender pay gap

Businesses can close the gender pay gap by taking steps to ensure that women are paid fairly for their work and that they are given fair performance evaluations.

These steps include:

- Conducting pay equity audits to identify and address any pay disparities.
- Implementing transparent pay policies that are based on **merit**, not gender.
 - Could refer to education, experience, skills/expertise, or on-the-job performance.
- Providing equal opportunities for advancement for women.
- Offering flexible work arrangements that make it easier for your team to balance work and family responsibilities.
- Impact analysis is also important. If women consistently get promoted less frequently than men, or consistently get lower performance ratings, it's important to identify and address the root cause.

Gendered language within Job Postings

Value of removing gender-oriented language from job postings:

Words associated with Male stereotypes:

- **Competitive**
- **Dominant**
- **Leader**

Words associated with Female stereotypes:

- **Support**
- **Understand**
- **Interpersonal**

Including gendered words in job advertisements could make the position seem less appealing to a certain gender, thereby limiting the applicant pool for these jobs.



Companies that have closed the gender pay gap

Here are a few examples of companies that have implemented fair pay policies:

- **Gap Inc.** In 2014, Gap Inc. became the first Fortune 500 company to announce that it pays women and men equally for equal work on average across its global organization.
- **Starbucks.** Starbucks announced in 2021, that women now earn 99 cents for every dollar that men earn.
- **Google.** Google has a long history of promoting equal pay for its employees. In 2019, the company announced that it had closed the gender pay gap for all employees globally.

There are many other companies that are working to close the gender pay gap and create a more equitable workplace for all employees.



Benefits



Importance of Offering Benefits

- Benefits are important to employees.
- Benefits play a role in enhancing employee satisfaction and retention.
- Specific benefits and their impact.
 - Healthcare Benefits
 - Parental Leave and Work-Life Balance
 - Retirement Savings Plans



According to a SHRM survey, 90% of employees consider healthcare benefits extremely important for their job satisfaction and overall well-being.

[SHRM Survey](#)

Healthcare Benefits

- Healthcare is important to employees (and sometimes families)
- Benefits play a role in enhancing employee satisfaction
 - Preventive care
 - Timely medical treatment
 - Improved health outcomes.
- Healthcare benefits can help attract and retain top talent.



Parental Leave and Work-Life Balance



What is the importance of offering parental leave as a benefit?

How does **parental leave** support work-life balance and family responsibilities?

How does this benefit improve employee satisfaction and **loyalty**?

Retirement Savings Plans

- Retirement savings plans bring value to employees.
 - Long-term financial security
 - Peace of mind.
- Retirement savings plans contribute to employee retention and loyalty.



Retirement Savings Plans

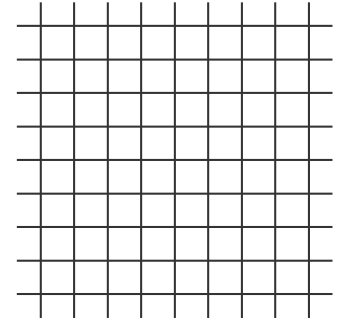
In part to address the small business retirement plan coverage gap, various states have adopted state-facilitated retirement savings programs - including:

- CalSavers
- Illinois Secure Choice
- OregonSaves

As of 2022, these three systems cover nearly 440,000 savers working for 47,000 employers.



Inclusive Pay Practices



Inclusive Pay Practices

- Explore the importance of fairness and equity in our pay processes.
- Implicit bias, often unconscious, can influence pay decisions and inadvertently lead to disparities in compensation.
- Strategies to identify and mitigate implicit bias in our pay practices to foster a more inclusive work environment.



68% of Employees reported that bias had a negative effect on their productivity.

[Deloitte Survey](#)

Understanding the Implicit Bias in Pay

- Implicit Bias in Pay impacts:
 - Employee performance
 - Promotions
 - Salary negotiations
 - Other factors that determine compensation
- Impact on Employee satisfaction and retention



Identifying Implicit Bias in Pay

- Identifying implicit bias in pay processes.
- Examples of potential areas where implicit bias may manifest in pay decisions.
- Importance of self-awareness and training to recognize and address implicit bias.



Self Awareness Training Ideas

Implicit Bias Training:

This training program aims to raise awareness of unconscious biases that may influence decision-making processes, including payroll. It helps participants understand the science behind implicit bias and provides practical strategies for recognizing and mitigating bias in their professional roles.

Diversity, Equity, and Inclusion (DEI) Training:

DEI training programs focus on building inclusive workplace cultures and addressing biases that may impact various aspects, including payroll. They provide participants with knowledge about different forms of bias, their impact on individuals and organizations, and strategies for creating more equitable practices.

Unconscious Bias

Workshops: These workshops are designed to help individuals recognize and address their unconscious biases, including those related to payroll decisions. They provide participants with an understanding of how biases form, how they can influence judgment, and practical techniques to challenge and mitigate bias.

Mitigating Implicit Bias in Pay

- **Strategies and best practices** can be implemented to mitigate implicit bias in pay decisions.
- Objective criteria and salary ranges can help reduce the influence of bias and promote fairness.
- Transparency and communication are vital in building trust and accountability in pay processes.





Strategies

Mitigating Implicit Bias Strategies

01

Implementing Objective Criteria

Evaluating performance and qualifications, reducing the influence of subjective biases in payroll decisions.

02

Utilizing Salary Ranges

Bands based on market research and benchmarks to establish fair and consistent compensation.

03

Establishing Review Processes

Processes involving multiple perspectives to minimize individual biases and increase objectivity in payroll decisions.

04

Conducting Pay Equity Audits

Audits to identify and address any disparities in compensation across demographic groups.

05

Fostering Inclusive Culture

Diverse perspectives, encourages open communication, and involves employees in decision-making processes to ensure collective and inclusive payroll practices.

Case Studies



Case Study:



Company: Patagonia

Industry: Outdoor apparel and equipment

Headquarters: Ventura, California

Employees: 1,200

Case Study: Patagonia

CSR Initiatives:

- Patagonia donates 1% of its sales to environmental causes.
- Patagonia employees are encouraged to take time off to volunteer for environmental causes.
- Patagonia uses recycled materials in its products.
- Patagonia has a number of policies in place to promote employee health and safety.

Payroll Practices:

- Patagonia pays its employees a fair wage.
- Patagonia offers a comprehensive benefits package, including:
 - Health, dental, vision insurance
 - Life insurance
 - 401(k) plan
- Flexible work hours
- On-site childcare
- Wellness reimbursements
- Paperless payroll processing



Case Study: Patagonia

Impact of CSR on Payroll Practices:

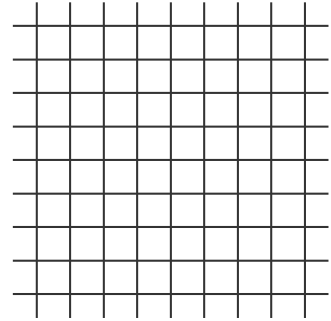
Patagonia's commitment to CSR has had a **positive impact on its payroll practices**.

The company is able to **attract and retain top talent** because of its fair wages and comprehensive benefits package.

The company's policies on employee health and safety also help to **reduce absenteeism and turnover**.



Wrap Up



Is **CSR growing in importance** in the business world?



The answer is yes - It's of growing importance.

If you start now, you can still be on the cutting edge and **use CSR as a competitive advantage**, but if you wait much longer you'll fall behind the leaders in your industry.

Does **Payroll**
play a part?

Again, the answer is yes – payroll plays a huge part in Corporate Social Responsibility!

Payroll can play a large part in why employees choose to work for, or stay at a business.



Thank you!

Do you have any questions?

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