

CORNING

Pay Equity – Corning's journey

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Who We Are. What We Do.



- Headquartered: Corning, NY
- Employees: ~51,000 in 42 countries
- 2018 Core Sales: \$11.4 billion
- Fortune 500 ranking: ~290
- 167 year

- A world leading innovator in materials science (glass science, ceramics science, optical physics)
- Deep manufacturing, engineering and R&D expertise
- We invent, make and sell life changing innovations

Reportable Segments*	2018 Core Net Sales %	Segments Description
Display Technologies	29%	manufactures glass substrates for flat panel liquid crystal displays (LCDs)
Optical Communications	37%	manufactures carrier and enterprise network solutions for the telecom and data center industries
Specialty Materials	13%	manufactures glass, glass ceramics, and crystals tuned for specific applications including cover glass for display devices
Environmental Technologies	11%	manufactures ceramic substrates and filters for automotive and diesel emissions control
Life Sciences	8%	manufactures glass and plastic labware, equipment, media and reagents to provide workflow solutions for scientific applications

Pay Equity at Corning

Led by our Values

Quality
Integrity
Performance
Leadership
Innovation
Independence
The Individual

50 Years of Diversity & Inclusion at Corning

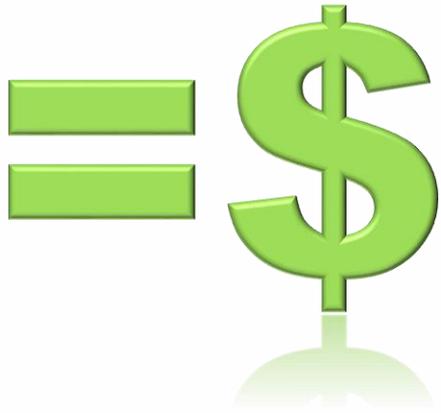
1968: U.S.-centered, compliance focused → 2018: Global celebration of diversity and inclusion



Embedded in our Diversity & Inclusion Strategy

Source: CEB Study

Principles of Pay Equity at Corning



- 1.** We believe in the principle of **equal pay for equal work**
- 2.** We Live our Values; for us that includes ensuring pay equity is at **100% for women and minorities**
- 3.** We want to have a rigorous **data-driven, repeatable process**
- 4.** We will run this process routinely, **perfect it,** and rerun it
- 5.** We believe this applies **globally**

It matters!

Perception of fairness is defined by Fair Process and Fair Distribution

Employees who perceive a
**measurable pay gap are 16%
more likely to leave**
than employees who do not believe
pay gaps exist



2.2% higher
annual employee **turnover**

Source: Gartner

Corning Overall Gender Pay Equality Results (all of US)

- **The Good News at Corning!** As of our March 2017, throughout the US, we achieved gender pay equality, and we have maintained gender pay parity ever since.
 - In other words - salaried women's compensation is 100.00% of men's normalized for factors such as education, experience, performance, role and market median, etc.

CAHRS Partner Discusses Achieving Gender Wage Parity



Cornell's ILR School caught up with Christy Pambianchi '90, senior vice president, Corning Inc., who was featured in a [Bloomberg Businessweek](#) article this summer on the gender wage gap.

In her Q&A with the ILR School, Pambianchi details how the corporation championed pay equity as part of its diversity and inclusion initiative and how it has achieved 100 percent pay parity between men and women.

She also discusses ILR experience as an undergraduate and as a member of the Center for Advanced Human Resource Studies.

■ Aug 21, 2017 10:06 AM

Why Can't Your Company Just Fix the Gender Wage Gap?

Beyond the stalling, waffling, denying, punishing, and ignoring, some answers.

By Claire Suddath

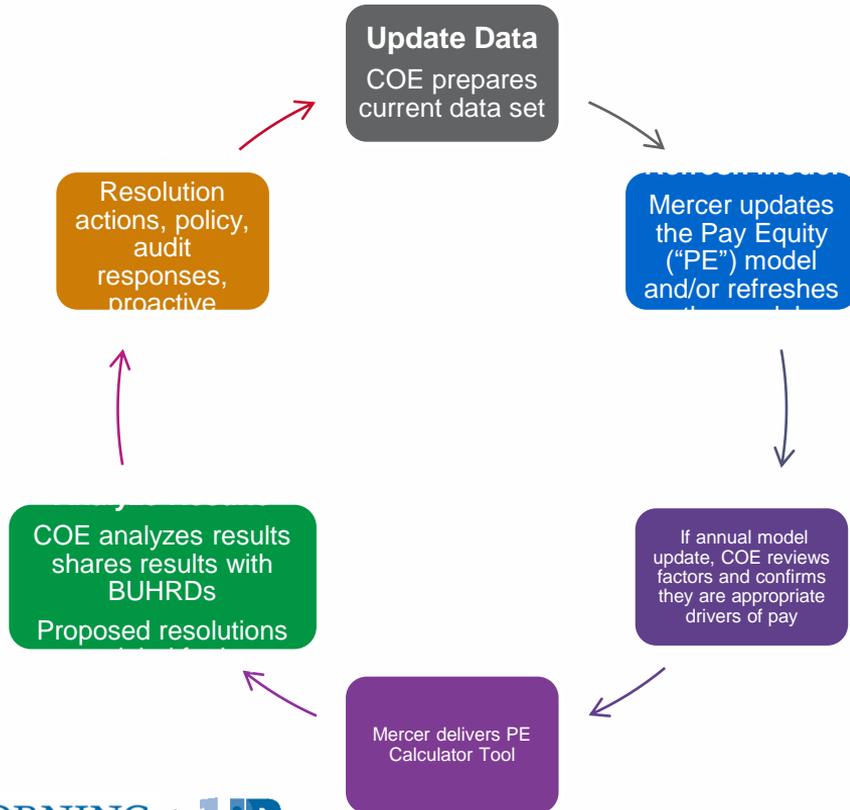


But it's a journey...



Prior to 2013	2014-2016	2017	2018+
<ul style="list-style-type: none">• External consultant conducted review every 2-3 years• Focus: U.S. salaried• Multiple Regression, Rank Sum, Casual• Cohort analysis by similarly situated employee groups – cumbersome and complex output• Adjustments where appropriate	<ul style="list-style-type: none">• New consultant hired to conduct independent review 2-4x per year• Focus: U.S. salaried• Multiple Regression Analysis at Group, Location, and Job Family Level – actionable output• Individual adjustments where appropriate• Starting pay analysis / offer process guidance	<ul style="list-style-type: none">• Continued multiple reviews per year• Individual adjustments where appropriate• U.S. – Achieved 100% pay equity in March 2017• First look at international sites – Poland, France, Germany	<ul style="list-style-type: none">• Continued multiple reviews per year• Individual adjustments where appropriate• Continue to maintain gender pay parity in the U.S.• Begin to work with international sites to achieve global gender pay equality• working with largest international locations comprising ~80% of the salaried workforce

Pay Equity Repeatable Process: Refresh data 2-4 times per year



Goal = Evaluate all factors that could result in (and explain) salary differences within a similar group to derive “predicted pay” for each position (e.g. experience, performance)

Goal ≠ pay every person exactly the same

Identify those who fall in the statistical “tails” (most especially the left tail) – these are the individuals whose actual pay falls significantly below the “predicted pay” for the group



Evaluate and make pay adjustments for individuals whose actual pay falls significantly below their predicted pay

Some Key Observations



Pay equity is dynamic and always changing

Hiring

Be careful not to inherit gender pay gaps that exist externally

In the U.S., we no longer ask for current salary

Focus on the role, market data, and internal equity

Be aggressive when needed to attract the best talent, but be aware of impact on internal equity and gender pay balance; adjust others, if appropriate

Organizational Moves

Be mindful of impact on pay equity

Frequency of moves (e.g. males vs. females)

Prior U.S. finding: pay adjustments for new roles were equal for men and women, but more men received new roles/off-cycle pay adjustments (excluding our pay equity work) throwing our gender pay equity off balance

Position people fairly in their new roles or plan to adjust over time; follow-up regularly

Employee Perception

Be aware of what employees are thinking – it matters!

1 in 3 employees perceive a pay gap and **overestimate** the gap by 2x

Perception of fairness is as important as the actions themselves

Credible efforts have been shown to:

Improve performance +20%
Increase attraction +47%
Reduce turnover -24%

Pay Equity in the Real World – Should It Be Hard?



Kids get it!

Search: Pocket money Equal Pay video



Even the animal kingdom gets it!

Search: Capuchin monkeys reject unequal pay

Source: CEB Study

Questions?



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