

STARTING OUT FAIR:

PERMANENTLY CLOSING THE GENDER PAY GAP



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With the gender pay gap dominating public conversation, *HRD* speaks to **Cathy Hendry**, Senior Remuneration Consultant at Strategic Pay, about how it can be closed

AT FACE VALUE, resolving the issue of the gender pay gap seems simple – pay men and women the same amount for performing the same role, and the problem is solved. The last few decades have seen a number of legislative measures taken in order to redress this balance. Yet as of August 2018, the gender pay gap in New Zealand still sits at 9.2%. Clearly, there are other factors at work.

Unfortunately, gender bias is still very much alive in the workplace. In practical terms, this can translate to a variety of effects: differing performance ratings, along with an unwillingness to pay a female employee an equal amount to her male colleagues, provided it is still within the “reasonable boundaries” for the wider market for the role.

Additionally, if an employee’s starting salary is lower than that of another employee in the same role, there is likely to be a gap throughout that person’s career. This may compound further if that employee takes time

off for childbearing and/or child-rearing.

The truth is that inequity is a broader societal issue. Organisations cannot eliminate inequity just by changing a few features in

that in your workplace, but people are still coming into the office with their own social norms. Until we see a complete change there, that will silently sneak in.”

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Cathy Hendry, Senior Remuneration Consultant at Strategic Pay

the workplace, says Cathy Hendry, Senior Remuneration Consultant at Strategic Pay.

“I think we need to recognise that there is ongoing societal bias that exists every day – and that can’t be isolated in the work setting,” says Hendry. “You can certainly try to undo

Making a cultural shift

However, this doesn’t mean companies can simply adopt a neutral stance in the meantime. Hendry is quick to note that corporate organisations have an important role to play in influencing wider society, and part of that



includes pushing for gender equity in pay.

“There’s research coming out that’s saying there’s bias at the performance review stage,” says Hendry.

“We’ve seen that ourselves – people think they’re being fair and equitable, but when you take another look at it with a finer-tooth comb you can still see that bias there.”

Indeed, it can be utilised as a point of pride for employees – they are likely to feel prouder about working for your organisation, knowing it’s a place where people are treated fairly.

“You’re making a really positive statement about your organisational values,” says Hendry. “It’s really good for your employee value proposition to be able to say either ‘We don’t

THE HISTORICAL GENDER PAY GAP

Historically, much of the gender pay gap has been attributed to a few key factors – differing levels of education, differing employment levels across different occupations/industries, and the greater likelihood of women working part-time.

However, according to New Zealand’s Ministry for Women, these differences now only account for around 20% of the current gender pay gap.

The remaining 80% is believed to be attributable to factors that may be more difficult to quantify, including conscious or unconscious bias, cultural norms around male or female behaviour, and personal choices of employees.

have an issue’ or ‘We do have an issue and this is what we’re doing to address it’ – that can go a long way for employees.”

Additionally, Hendry notes, addressing inequity in employment provides organisations with an ideal opportunity for organisational performance improvement. Diversity

has been shown to improve the bottom line financially – not least because customers and employees are more satisfied.

How can HR help?

Hendry stresses that it’s important for HR departments to understand the scale of the

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task that they're undertaking.

"Unless you have identified the wider contributing factors prior to closing the gap, you're still going to keep getting those same issues appearing in the future," says Hendry. "It's a wide-ranging culture shift and takes a really good look at your policies to make sure you're mitigating that bias in the future too."

A number of US organisations are already looking at ways to rectify this issue. One obvious step is to ban questions during interviews around previous salary. This seems obvious, as such information can obviously colour the amount the new employer is willing to pay – not to mention that the salary the person previously received may also have been at a lower rate than they should have been paid.

Moving forward

Resolving the gender pay gap is complex and

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Cathy Hendry, Senior Remuneration Consultant at Strategic Pay

will likely remain so for some time. Attitudes take considerably longer to change than laws. However, it's still important that businesses start making changes now – building a better future isn't possible without redressing historical wrongs.

"We do actually have a free tool available as a starting point," says Hendry. "So organisations starting to think about it can get access to our tool, run a dashboard and assess their current state of play. These are complex issues,

and we can work alongside organisations to work out what the underlying causes are."

Hendry also encourages organisations to investigate, even if they don't appear to have any surface issues.

"If you believe your organisation has no issues, then I'd still say you've got no reason not to look and see," says Hendry. "Because if you don't have any issues, then you should be out there promoting it – but you're not going to know until you look." **HRD**