

The Jacinda effect: making work fair for all women

Why, in a country that punches above its weight for international competitiveness and business innovation, does the gender pay gap persist, asks **Kat Doughty**. And what can employers do to change this?



BY THE TIME YOU READ

this article New Zealand's Prime Minister, Jacinda Ardern will have delivered what is arguably the most eagerly anticipated baby in our country's history. Since she announced her pregnancy in December, politicians, employers and media all over the world have speculated on how Ms Ardern will 'cope' being a working mother.

Like many working mums I share the Prime Minister's bemusement over the level of interest her pregnancy has generated. Notwithstanding the demands of her role as our leader and her partner's commitment to be the stay-at-home parent, she is far from the first woman to juggle motherhood and work but she is viewed as a trailblazer from a country that was the first to give women the vote.

Despite the introduction of the Equal Pay Act in 1972, New Zealand women have continued to be paid less than men in the 46 years since then. The gender pay gap in New Zealand in 2017 was 9.4 percent, based on median hourly earnings and 13.1 percent for average hourly earnings.

ECONOMIC SENSE

New Zealanders are known for their sense of fair play, but creating a gender inclusive workplace with equal pay as a lynchpin is not simply about fairness, it makes economic sense. Back in 2011, a report by Goldman Sachs estimated that

the country's GDP could be boosted 10 percent simply by closing the gap between female and male employment rates.

That's millions of dollars of untapped productivity being lost every year so why, in a country that punches above its weight for international competitiveness and business innovation, does the gender pay gap persist?

The common factors often argued in the past as contributors to the gap were differences in education, the occupations and industries that men and women work in, or the fact that women as mothers are more likely to work part-time.

We now know these factors only explain around 20 percent of the current gender pay gap.

In March 2017, the Ministry for Women released the research, *Empirical Evidence of the Gender Pay Gap in New Zealand*, led by Professor Gail Pacheco, which found that around 80 percent of the gender pay gap is now due to 'unexplained' factors, such as behavior, attitudes, and assumptions about women in work, including unconscious bias.

The problem with bias is that it's partly based on what we see around us, so the Prime Minister and business leaders like Chorus CEO Kate McKenzie play a vital role in changing perceptions about the value that women add in the workplace. However, we need more than one female CEO in our NZX Top 50 to change

negative perceptions into a positive reality.

Born in 1980, Jacinda Ardern is a Millennial and this group actively research employers' values when making job choices. Female Millennials are better qualified than ever before and are entering the workforce in larger numbers than any of their previous generations.

They are also more confident and consider opportunities for career progression the most attractive employer trait. This makes it vitally important that employers commit to inclusive cultures and talent strategies that lean into this confidence and ambition if they are to win the war for talent.

FEW ROLE MODELS

Currently, 40 percent of the global workforce is female and a further one billion women are anticipated to enter the workforce over the next decade. Despite this, only 25 percent of female Millennials feel there are senior female role models that resonate with them at their current employer. They are seeking out employers with a strong record on gender equity.

In New Zealand these are companies like Lion, Aecom, ANZ and Magic Memories, that are previous winners of the YWCA Equal Pay Awards whose currency in the job market reflects their status as equal pay champions.

While these companies and others are stepping up for their female workforce, it seems we have a way to go. New research

from Motu Economic and Public Policy Research shows having children exacerbates existing gender wage gaps, and is especially noticeable for women who were in a high income bracket before giving birth.

The question we should be asking for our current and future female workforce is, what can employers do to make returning to work easier for mums? Equal pay is an obvious starting point, but businesses can also develop flexible working (hours and location) and a raft of other low-cost initiatives.

Something as simple as providing on-site parking can make it easier for working mums to reduce their commuting time and have a better quality of output at work and home. When these practices become the new normal, then the 'Jacinda effect' will be realised.

The YWCA Equal Pay Awards celebrates organisations who understand the benefits of gender equality and have demonstrated a commitment to equal pay. The YWCA Equal Pay Best Practice Compact is an entry level platform for businesses who don't feel ready to enter the full Awards. **EI**

Entries for both the Awards and the Compact are now open, closing on Friday, 7th September 2018. To find out more visit: www.akywca.org.nz/2018Award

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