

## The Gender Pay Gap - fact or fiction

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Women have come a long way in the past 100 years, from being exclusively homemakers to being afforded the opportunity to make a name for themselves in the professional fields. This has led to a more diverse gender landscape in the corporate world. A notable turning point was the introduction of *the Equal pay act* in 1968 in the UK after 187 female Ford workers walked out for earning 15% less than their male counterparts. The question is if the gender pay gap since then has improved or women still have a long way to go to achieve pay parity?

*The gender pay gap* is defined as the difference between the median earnings of men and women relative to the median earnings of men. The median wage is computed from women who work full time and year-round, then compared to the pay of a similar cohort of men. What then is the statistics on the ground? In 2019, the USA women's soccer team won the world cup to dampened celebrations, the reason-pay gap with the men's senior team. To date, the women's team has seen comparably more success on the international arena. This World Cup win was the women's fourth whilst the men's best finish came in 1930 when the team placed third. Despite not qualifying for the 2018 World Cup, the men's team was awarded a *dollar to every 38 cents that the women received*. There is currently a legal battle scheduled for 2020 to contest this remuneration.

On a global stage, the World Economic Forum has it that for *every 54 cents that a woman gets paid, her male counterpart gets a dollar*. The agency also estimates that it will take approximately another 202 years for this gap to close. Some of the proposed factors that contribute to the pay gap are;

### Variability of Occupations

One of the most mentioned reasons used to defend the pay gap is the choice of careers. Technical careers on average pay more than those that rely mainly on soft skills. Women in the past were more likely to be found in roles such as teaching and administration as compared to medical and engineering careers. Technical skills on average command a higher salary and this could have been a reason why there was a pronounced difference. Moreover, even within high-paying occupations, women tend to be employed at lower levels of the occupational hierarchy: there is a persistent gender gap at higher ranks of management and leadership within occupations and this, in turn, contributes to the gender pay gap within them.

### Part-time work distribution

Part-time work, even for the same kind of job in the same occupation and sector, has on average a lower hourly wage with fewer social protections and benefits than comparable full-time work. This is referred to as the *part-time pay penalty*. The U.S. Bureau of Labour Statistics, Current Population Survey in 2016

had it that 66% of all part-time workers were women. This then contributes to muted performances in the financial aspect for women. Whilst part-time work allows a form on income whilst taking a break, there is generally no wage progression at all despite how much time is spent on the job further widening the wage gap.

## **Wage penalty for motherhood**

The International Labour Organisation pins the *wage penalty for motherhood* to around 30%. Which is when the wage gap becomes most pronounced. Explanations could be that women could be losing out on experience when they take time out for child-rearing. Another reason as well could be the bias that mothers face in the workplace in terms of upward mobility.

## **Conclusion**

Forbes magazine states that wage differences can go as far as being played out in bonuses and pension contributions thereby disadvantaging women even in old age. In closing, the statistics point out the fact that the gender pay gap is a real phenomenon and appropriate policies should be made to address this accordingly.

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