

# MIND THE GAP



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The discussion about the gender pay gap has ramped up in recent years. And through her research, Gail Pacheco, a Professor in the School of Economics at AUT and the Director of the NZ Work Research Institute (NZWRI), is one of the people leading it.

NZWRI provides high quality research across a broad multidisciplinary programme concerned with people and work and research themes range from digital inclusion to employment regulation and well-being at work.

Engagement with external stakeholders ranks as a high priority, and this is exhibited via its work with such organisations as the Ministry for Women, Productivity Commission and the Ministry of Education.

A major aim of NZWRI is to produce work that is academically rigorous, but also relevant to policy makers. And the gender pay gap project was one such example of this value.

It was led by Professor Pacheco, commissioned by the Ministry of Women, and used Statistics NZ data to better understand the drivers of the gender pay gap in New Zealand. The report *Empirical evidence of the gender pay gap in New Zealand* was released in March.

Professor Pacheco says lowering the gender pay gap makes business sense.

“International research signals that worker satisfaction and retention is higher when they know their pay and opportunities are fair.”

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These are the harder to measure factors, like conscious and unconscious bias, and differential preferences between men and women, and of course any other unobserved information.

The research finds that the proportion of the pay gap that is unexplained becomes larger and more significant for female employees on higher wages. For women on lower incomes, factors such as type of work, family responsibilities, education and age remain important.

More recently, Statistics New Zealand’s figures show that the gender pay gap as of September 1 is 9.4%, down from 12% in 2016.

Professor Pacheco says it will be interesting to analyse the contributing components to this lower figure.

“In a similar fashion to the previous 12% figure, it is not the magnitude of the figure that is important per se, but how much of it can be explained.”

The Ministry for Women have released a set of seven actions for employers and businesses to help lower the pay gap.

These include leading from the top, being aware of bias, redesigning talent management processes, analysing your data and normalising flexible work and parental leave for men and women. ●

## WE ARE THE CHAMPIONS

Alongside more than 50 of New Zealand’s top business leaders, Business School Dean Kate Kearins has made a commitment to Champions for Change.

New Zealand’s rich diversity is currently an underutilised pool of skills and knowledge, particularly at senior leadership level, she says.

“Together, as Champions for Change, we have pledged to support a goal of achieving truly diverse leadership in New Zealand by 2020,” says Kearins.

The case for change, developed by AUT Business School’s Professor Candice Harris, shows lifting diversity and inclusion has led to better commercial results, with highly diverse

companies financially outranking their business peers.

Leaders who have led strategies to boost diversity and inclusion say they’re better at attracting talent (90%), their business performance has been enhanced (85%), they’re better at innovating (78%) and they’ve enhanced customer satisfaction (77%).

The AUT Business School has committed to working towards work cultures that are inclusive and flexible, supporting recruitment and development pathways to bring diversity to the organisation and begin monitoring diversity in a way that holds ourselves to account both internally and externally.