

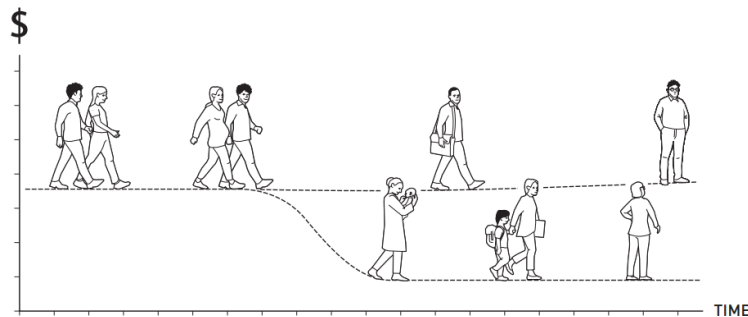
BRIDGING THE GENDER LABOR AND PAY GAP

Claudia Goldin, an American economic historian at Harvard University won the special Economic Sciences Nobel Prize this year (the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel). Her work provided a historical perspective on the differences in employment rate and wages between men and women and how and why those differences have varied since the last 200 years yet persisted to the present day. Several facts in this work are surprising and break some of the popular myths. Bear in mind that although her research is limited to working women in the US it can be applied to other countries as well -

1. **The U-Shaped curve:** Women worked in agriculture and other forms of family business, cottage industries, textiles or dairy goods which were not accurately recorded back in 1890s. The proportion of employment rate of married women was actually 3 times greater than that registered in consensus in US. However, female labor force declined during the industrial era (early 1900s) as women couldn't combine work from home and family. They couldn't afford to travel to the factories every day. The rise of service sector and increased levels of education post 1960s led to increase in demand for female labor but not quite fully.
2. **Expectation vs outcome mismatch:** In the first half of 20th century, women didn't expect to come back into labor workforce after marriage. Hence, they didn't choose to be educated. In the second half when they started to realize that they can come back into the workforce once their children were settled, they realized that they didn't equip themselves with the right education about 25 years ago. It's only in the 1970s that expectations and outcomes started converging. More women started educating themselves and choosing career paths. In high income countries today they have higher level of education than men. The emergence of contraceptive pills also helped them prioritize career choices over family planning.

Now what about the earning gaps between men and women?

Between late 1800s and early 1900s pay was determined by the number of pieces produced, both for men and women. But later the concept of monthly wages emerged. So those who worked continuously without any career breaks made more money and received more benefits. Below picture should give a good view of how parenthood led to earning gap between men and women.



(Source : Article published by The Royal Swedish Academy of Sciences)

Another fact that emerges from this research is that if women already have high levels of employment and are perhaps more educated than men, then no amount of investment in female education by governments or private sectors would make a difference. The opportunity to plan and finance a return of women to the labor force after having children or to work more flexibly is of greater importance.

Today, this is typical of the Indian workforce. Surprisingly, the data from the World Bank suggests that women in India make up 43% of the total graduates in STEM (Science, Technology, Engineering and Mathematics) – the

highest in the world. However, only 14% women are in STEM fields workforce today. Unlike other economies, India doesn't face the challenge of women not choosing STEM education. Developed countries today face a different challenge where women don't choose STEM field when the pivotal point of education arrives in the lives of the younger generation. Recently, Priyali Kamath, SVP – Skin and Personal Care at P&G Group spoke at length on this topic on one of the news channels. She quoted that the gap in India is between women completing their education and joining the workforce. 3 primary issues being –

1. Unconscious bias starting from within families where women are not encouraged to enter STEM workforce. Even if they do, they feel a bias in their performance appraisal, in their treatment within the workforce.
2. Women often relocate after marriage depending on the posting of the husband or don't return to the workforce after maternity break.
3. There are no role models for women to follow today. Very few women have made it to the top.

Being a HR leader, I have often been requested by my business leaders to not become socialistic. Businesses cannot be socialistic, they say; we need to see returns on capital investment. Well, I'm a business leader too and I understand that one team or one single corporation cannot alone make a significant shift in the socio-economic impact that various factors have historically had on female workforce. However, if each one of us can take smaller, more tangible commitments we can perhaps start somewhere by building an ecosystem. Small steps such as –

1. Managers committing to finding a solution – discuss with their leaders, their HR Business Partner on how to manage the work load when a woman in the team decides to go on maternity leave. Most times, I see that Managers see this as additional burden on themselves as the other team members are already stretched and there is no one to take on the additional workload. This is a very practical problem and there is no easy solution to this. But start planning for it a few months in advance, explore the various internal and external alternatives (contract / gig workers, tie ups with hiring agencies that provide gig retired professionals, hire college interns, temporary outsourcing etc..). This news doesn't come as last-minute notice so there is ample opportunity to plan for the event.
2. Managers being open to hiring women who claim during the interview that they intend to take a maternity break soon. I have known of instances where Managers, during an interview, indirectly try to find out if a woman candidate is planning a family soon, since how many years has she been married, how many children she has etc. It needs courage to hire such women and it's important to display that courage and set some examples for others as well. These gestures create a ripple effect in the long run and become a part of work culture. It's important to normalize such a work culture. We are no longer in the Industrial era; most services industry companies today can figure out alternate solutions as discussed above.
3. Speak to your HR Business Partner and seek a mentor or coach for mid-level women professionals pro-actively. A lot of times, the lack of a woman leader in the same field can make a woman professional feel excluded within the team. Make her feel comfortable by providing her a network of women leaders through external networks or an internal woman mentor. Today there are several Organizations that support Corporates in building this external networking or mentoring ecosystem if they don't have an internal support system.
4. Today most Corporates organize unconscious bias workshops, women leadership development programs, employee resource groups for women etc. Often, male colleagues or Managers request for such similar opportunities to be created for them as well. It's important that the business leader of the Organization reinstates during townhalls or other open forums why it's important to have women specific programs so that they see this as a step towards building long term equity and fill the gap of women workforce across the hierarchical levels of the Organization. Unless there is no full-hearted male endorsement to these programs, these will feel like gimmicks that are forced upon them by Management and HR teams.
5. Incentivize women to come back from a maternity break. Ensure that the Manager is in touch with women during maternity break, keeps her updated on the latest within the business, provides her a

psychologically safe space to express any concerns she may have and encourage her to return to work when she is comfortable to return.

While one can't make corrections in just a few decades to a centuries' old issue, one can begin somewhere and make some short-term differences and only hope that this work is continued by future generations thereafter.