

Why The Gender Pay Gap Is More Than Just A HR Issue

The gender pay gap is one of the most pressing issues that businesses face today and one which is rapidly being elevated to the top of the boardroom agenda. After it was made mandatory to report gender pay divides in the UK for organisations with over 250 employees, this issue became globally recognised as something that needed to change, however, it soon became clear that this is easier said than done.

Tackling this problem requires companies to recognise that the gender pay gap is more than just a HR issue. It cannot be solved by quick-fix quotas or a shift in company recruitment strategy, the divide is often embedded deep within the organisation and thus requires attention from the senior leadership team.

There are many reasons why gender pay gaps exist within large organisations. It is all too easy to assume that this occurs due to a culture of discrimination or negligence, when this is far from accurate. In many cases, women earn less than men because they have taken time out to care for family, meaning there are less women in more senior roles. Inevitably, this creates a divide in terms of salary, with women losing out.

So, addressing the issue requires an honest assessment of the facts. Instead of sweeping the problem under the carpet, it is vital that companies take proactive steps to ensure pay rates are fair, regardless of personal circumstances.

Interestingly, a recent report by the Department for Education (DfE) and Institute for Fiscal Studies has found that women who have a degree earn little more than men who have not taken degree-level qualifications. This is concerning as a university education is fundamentally supposed to lead to a better starting salary and a boost up the career ladder. Whilst this was an issue, the report did also find that women in the UK are overall much more likely to benefit from getting a degree and that with this qualification, they earn on average 28% more than those women without one.

A key thing to note from the gender reporting process is that many businesses

which had large gender pay gaps defined this as being because not enough women were in senior positions, compared to males. The latest published DfE figures actually prove that across the board, the issue is deeper than just an abundance of men in senior roles. If women with degrees are only earning slightly more than men without a degree, there is a clear pay challenge from the outset of their career.

Dealing with the gender pay gap is no easy task. It has to start at the board level and trickle down. The first step is starting to recognise that an organisation has an issue with gender diversity and pay discrepancies. Once the problem has been addressed, all members of the board will need to work together to rectify this problem – both men and women.

At FDM Group, we are proud to operate with a 0% gender pay gap, but this was not achieved overnight. We, as a management team, had to work hard to introduce new policies, systems and returner programmes to ensure more women returned to work at our company, on the pay level they deserved. Moving forward, companies need to think about salaries for new joiners, especially recognising that women starting out in professional positions with the relevant qualifications deserve fair pay and career opportunities.

Business leaders must also review their training programmes to ensure that all employees are given equal opportunities in the world of work. Encouraging lifelong learning by giving staff access to the latest flexible courses and qualifications is particularly important for an employee's ongoing development and keeping their skills relevant. I urge companies to work closely with academic institutions like universities to enrol staff on courses to increase their skills, whilst in full-time work, without jeopardising their career progression.

Additionally, it is important that businesses recognise that time out of the office should not lead to significant pay discrepancies. Everyone has the right to a career break or maternity leave, without promotions and pay rises becoming out of reach.

With the digital skills gap leaving organisations extremely short of tech talent, we must work towards creating a culture where these skills are valued at the highest level. What message are we sending to future STEM graduates if they dedicate

years to academic study and yet find themselves disadvantaged once they enter the world of work?

This is not the solution to fixing the digital skills gap. We need to see more collaboration between industry organisations and universities to solve this issue by delivering bespoke courses that bring skills to businesses and provide high quality employment opportunities for the next generation of workers.

The gender pay gap isn't just an issue for the HR team, the board or the government, it's an issue for us all.



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