Glass walls: Australia's highly gender-segregated workforce

The Australian Parliament has recently published a report exploring the reasons for workplace gender inequality in the country, and making nine recommendations for a national strategy to close the gap. The study describes not only the existence of a glass ceiling, but also glass walls. In the words of the chair of the Parliament's Finance and Public Administration Committee, Senator Jenny McAllister:

"Australian men and women lead very different working lives. Men and women often do not work 'side by side' — but instead work in industries or occupations which are dominated by one gender or another. By international standards, we have a highly gender-segregated workforce.

"In 2015-16, six in 10 Australian employees worked in an industry which is dominated by one gender. To put it another way, 60 per cent of Australian workers don't know what it is like to work in an industry with balanced gender representation. These figures have remained relatively constant over the last twenty years."

Senator McAllister writes that "the resulting segregation is one of the major sources of the gender pay gap."

The BroadAgenda blog, run by the 50/50 by 2030 Foundation at the University of Canberra's Institute for Governance and Policy Analysis (IGPA), asked two professors to offer their views on the report's findings.

Here's what they had to say:

Talking tough on gender pay parity *(by Alison Sheridan, University of New England)*

Given the enduring gender pay inequality evident in Australia, we need more people to keep banging on about it; as only through pressure by public figures and key institutions are we likely to prompt any change. Those Senators on the Committee calling for action, including embedding gender pay equity as an overall object of the Fair Work Act, shouldn't be silenced by dismissive statements about how far we have come; while gender pay inequality continues, we haven't come far enough.

We now have the catchier name of 'glass walls' to describe the clustering of women and men in different occupations; with those occupations in which women are found paid less than those where men dominate. But this has been clearly tracked for decades, and the patterns have remained remarkably persistent. In Australia, the Equal Pay for Equal Work decision of 1969 and the Equal Pay for Work of Equal Value decision of 1972 were the first steps taken to close Australia's gender wage gap, but with public policy attention waxing and waning over the years since, we have yet to see any fundamental improvement.

Australian gender income inequality remains above the OECD average. While other countries have reduced their gender wage gaps, our glass walls have proven remarkably impervious, so this latest reminder of the extent of the problem by the (unsurprisingly) predominantly female Senate Committee is timely.

The undervaluing of women's work deserves our attention; not only because it is unfair; but as recent research I have done with colleagues makes clear, it is also a drag on the Australian economy.

Certainly, there have been efforts directed to attracting and retaining more women to male dominated occupations, and to better paid roles, but until we address the fundamental problem of the undervaluing of traditionally 'female' occupations, and work to attract a more equal distribution of women and men in these, Australia's poor record in gender pay equity will continue, with a real cost to national productivity.

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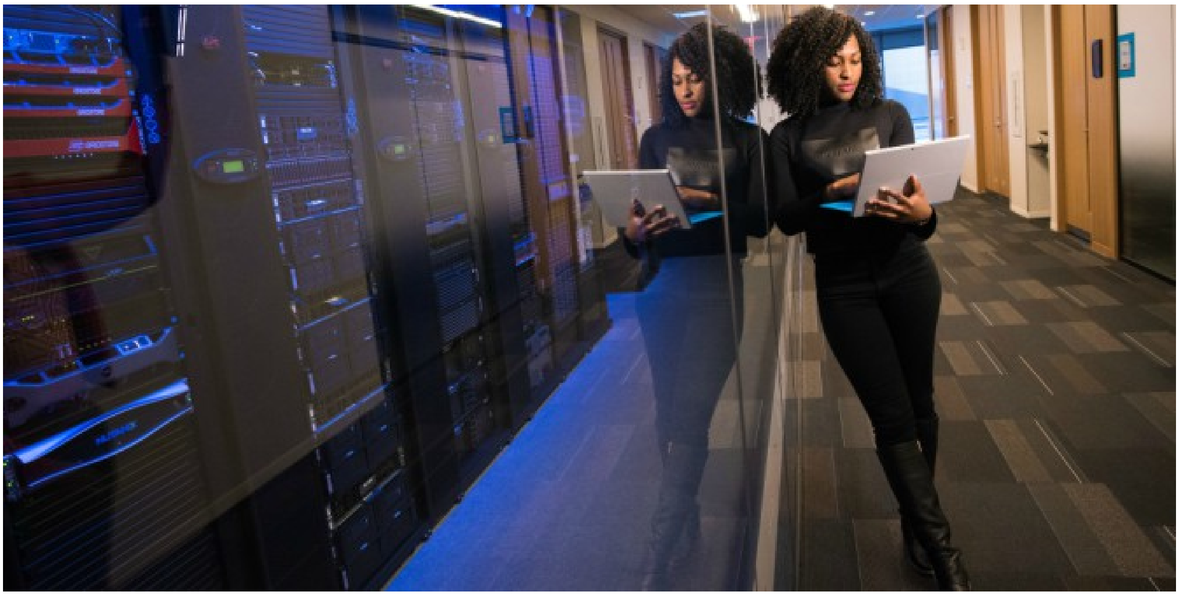
There is some hope. After decades of women's low representation on boards being tracked by the Workplace Equality Gender Agency with little change occurring, from the mid-2000s we saw a shift. The concerted and sustained efforts of key women to strategically employ institutional pressures and argue the case for more women on boards in the public domain, prompted action. The pressures brought to bear through the efforts of these 'troublesome' women disrupted the status quo. From eight per cent of ASX 200 directors in 2009, women now make up over 25 per cent and are expected to reach 30 per cent by 2018. We need these sort of smarts to be directed to achieving the goals articulated in the report and keep the pressure on to urgently deliver tangible, measurable action on pay equity.

Valuing women's work *(by Kathy MacDermott, a member of the Democratic Audit of Australia and the Centre for Policy Development)*



It is important to be clear at beginning that the Senate report on workforce gender segregation was prepared by a Labour-dominated committee. Coalition senators objected to it, basically arguing—despite the evidence – that existing initiatives will fix the problem of gender segregation if left alone.

In fact, gender segregation is increasing under existing arrangements. According to recent data from the Workplace Gender Equality Agency, traditionally female-dominated industries such as health care, social assistance and education and training have seen their proportion of women increase further. While some male-dominated industries (including electricity, gas, water, waste services, transport, postal and warehousing) recorded growth in female representation, others (such as the construction and wholesale trade) have recorded a decline.

Yes, glass walls exist, standing between industries and between occupations within industries. They restrict career choices for both women and men. They limit productivity by reducing efficient labour allocation. They also play a significant role in ensuring that full-time women continue to receive 84 per cent of full-time men's earnings. Studies vary, but a 2014 report found that the segregation of men and women at work accounts for around 30 per cent of this gap.

A substantial earnings difference has been built into the Australian system from the beginning. In 1919 the basic wage for women was set at 54 per cent of the basic wage for men. This was not because of the value of the work —it was because women were not regarded as breadwinners. In cases where women were not competing against men for jobs—cases of gender segregation—skill margins above the basic rate were set at 54-75 per cent of men's.

Even after the basic wage was reset at a common rate for men and women in 1974, the wage discount for being a woman remained embedded in their skill-based classifications. In many cases it still sits there, and existing equal remuneration legislation has been very ineffective at getting it out.

Ever since they were first introduced in 1993, the equal remuneration provisions of the Fair Work Act have been interpreted by the Commission as requiring women's work to be compared with men's work to establish its value. In a highly gender-segregated workforce, comparator classifications of men undertaking work similar to women's were naturally limited, and demonstrating equivalent work value between classifications of women and men doing different jobs gave rise to interminable arguments about how work value was to be determined.

Experience in the few successful equal remuneration cases – mainly at state level – shows that women's work will continue to be undervalued until the current legislation is amended to recognise traditional undervaluation of work on the ground that it is female dominated. Not comparators, but sex-based, historical and ongoing undervaluation.

This is what the recent Senate report recommends, and this is what the Coalition dissenters are resisting. Their given reason for this is that the proposals 'potentially duplicate or weaken existing initiatives'. But it is certainly also relevant that much of women's work is in industries associated with what the Government likes to call 'bad debt' – that is, industries with recurrent costs such as health, education and social support. Fortunately for men, they predominate in work that is associated with 'good debt', such as building and construction.

Will Australia meet its G20 target of reducing the gender gap in workforce participation by 25 per cent by they year 2025? From a gender segregation perspective it does not matter. Gender segregation does not restrict women's workforce participation – what it does restrict is women's access to career choice and to fair pay. And it's increasing.

The consensus among jurisdictions comparable to Australia is that unequal sharing of family responsibilities between men and women continues to consolidate feminised industries, because those industries have been configured around part-time, casualised, and undervalued work. This means that women congregate in segregated industries/occupations, and that men will not enter them.

Did we need another parliamentary report on this? We certainly need to amend our ineffective equal pay legislation. Even if the Coalition Senators are uninterested in pursuing change, it is at least now clearly on the table and may even stay there through the next election.

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Notes:

- *This blog post merges three articles from The BroadAgenda blog, run by the 50/50 by 2030 Foundation at the University of Canberra's Institute for Governance and Policy Analysis (IGPA): 1) Gender segregation in the workplace (a very brief summary of it); 2) Talking tough on gender pay parity, and 3) Valuing women's work*
- *The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.*
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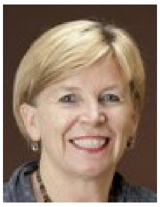
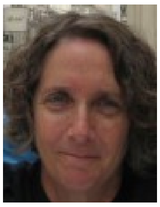
- *Before commenting, please read our Comment Policy.*



Alison Sheridan completed her undergraduate degree in agricultural economics at the University of Sydney. Prior to completing her PhD, she worked as an agricultural economist in Australia and the US. Since joining University of New England, Alison has taken on a number of roles, the most recent being the Head of the UNE Business School. Her research interests span gender and human resource management, corporate governance and regional development and she has published widely in these areas.



Kathy MacDermott has taught in universities in Australia and the United States and worked in the senior executive service of the Australian Public Service in the areas of industrial relations policy and public sector governance. She is a member of the Democratic Audit of Australia and the Centre for Policy Development.