

Policy update: Ethics and Human Resource Management

In Chapter 14 (Ethics and Human Resource Management), we discussed the ethical basis for an equal opportunities approach to HRM, looking at both consequentialist and deontological arguments. A recent disagreement in UK Government circles caught our attention not just for the news value, but for the illustration of a more general point about ethical analysis in HRM. The issue being discussed was the difference between women's and men's pay – the so-called 'gender pay gap'. From an HR management point of view, the main ethical aspects that arise in this area are the principle of equal pay for work of equal value, together with the principle of equal opportunities in recruitment and promotion. In each case, ethical decisions have increasingly been replaced by legal obligations over the last few decades.

The news item (Easton 2009) was entitled 'Gender, pay and 'misleading' stats'. It reported how the Government Equalities Office (GEO) had presented statistical information in a way that potentially risked "giving a misleading quantification of the gender pay gap", according to the Chair of the UK Statistics Authority (UK Statistics Authority 2009).

The specific complaint arose from the suggestion that the gender pay gap (i.e. the pay gap between men and women) was 23%, rather larger than the 12.8% that had hitherto been quoted. Why the difference? Because the 12.8% figure relates to a comparison of men's and women's *full-time* pay, while the 23% figure compares men's and women's pay in *total* (full-time and part-time together). Part-time pay tends to be less than full-time pay and far more women do part-time jobs than men, so the gender pay gap almost doubles (even though – perhaps surprisingly at first glance – women's part-time pay is higher than men's part-time pay).

So, both measures of the gap can be arithmetically justified by reference to publicly available statistics. Where's the problem? The concern arises from the *purpose* for which these measures are deployed. The GEO press release (GEO 2009) had used the 23% measure of the gap just after the sentence:

"Despite considerable progress since 1997, inequality and discrimination still exist which is why the law needs to be strengthened."

The writer was presumably seeking to explain and justify the need for further statutory intervention in this area and chose a measure of the gap that was nearly twice as wide as the more normally encountered statistic: 23% sounds like a more urgent problem than 12.8%. But is it reasonable to measure the gap in this way? Most would not be surprised to find that part-time pay per hour is lower than full-time – for both men and women – because it tends to relate to work that has always been seen as being of lower value. Unless one is making an argument for full-blown egalitarianism (everyone gets the same per hour, no matter what their job), then there is nothing necessarily unethical about the fact that some work is paid more than other work. Similarly, if one is inclined to accept that at least some of those who work part-time do so through choice (for whatever reason), then it is difficult to argue that the higher participation of women in part-time work is necessarily evidence of an ethical problem. Introducing the extra dimension (full- or part-time) into the comparison does not help to present a clear picture of the *gender* gap, which appears to be the basis for the UK Statistics Authority's concern.

However, we could think further about this. If we acknowledge that it may confuse the gender comparison to introduce data on pay rates for a type of work that tends to be of lower value, then we should perhaps look more critically at the meaning of the generally-accepted 12.8% measure of the gap. As Shackleton (2008) points out, it is not as if one group is being paid more for doing exactly the same work as the other group – that would clearly be ethically offensive, as well as illegal. The 12.8% gap is the difference between the average rates of two large groups of people, all of whom have made their own choices from the options that seemed to be available to them. Men tend, on average, to be in jobs that pay 12.8% more. Is that an ethical problem?

It could be, in any case where women are being paid less for work of equal value, or where they are unfairly discriminated against in recruitment or promotion decisions, with the effect that they are systematically denied access to higher-paid work. However, in each case, that would be likely to be against the law, as well as unethical: it may still happen, of course, but not in an overt way. Here, by the way, is the reason for some campaigners' call for greater visibility of who is paid what: sunlight is a very effective purifier.

It seems reasonable to guess that not all of the 12.8% gap is the result of something unethical going on in recruitment, promotion or reward, the areas over which HR managers have some influence. The different job choices made by some women and some men would be likely to result in a gender pay gap, even in a world in which HR managers do their jobs perfectly conscientiously and fairly. Of course, the picture is far from fixed: the choices made by men and women do change over time, in line with larger-scale changes in society. Those changes continue to unfold as part of the democratic process: there remain, for example, some major questions not far below the surface about responsibility for child care in our society. But the fact of a gender pay gap is not necessarily indicative of an ethical problem in workplaces: if we want to assert that, we have to be prepared to show exactly what bad things are being done by whom. One further point about ethics can be made: it is not difficult to see that actions taken to reduce or eliminate a gender pay gap of this sort could quickly run up against other principles – for example, the right to make one's own choices about employment from the options that seem to be available; and the right to be selected or promoted under equal opportunities rules. As we concluded in the chapter, ethical analysis is complex.

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References

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