

# Time to rethink HR practices that hurt women

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Women have made great strides in human history.

Traditionally, they were seen as contributing by caregiving, procreating and gluing societies together. They are now also active in the workforce with many assuming leadership positions.

Yet, they remain at a financial disadvantage, driven largely by disparities in the labour force.

Women earn less than men at work and have lower labour force participation rates after age 29.

Data from the Singapore Life Panel – a major data collection survey conducted by the Centre for Research on the Economics of Ageing at the Singapore Management University – shows that one-third of women aged 50 to 70 are working full-time, compared with almost half of men of the same age.

Even those women who return to the job market bring with them less experience and lower financial literacy, giving them diminished bargaining power.

These factors result in a situation where mature women have a less secure financial position than their male counterparts. For example, widows in the panel survey have median wealth of \$408,000, (which includes property), 20 per cent less than widowers.

With women living longer than men, it is imperative to fundamentally change employment practices to maximise the female workforce and ensure financial adequacy for women.

On their part, women are already responding by rapidly increasing their workforce participation. A total of 31 per cent of women in their late 50s expect to still be working full-time at age 65, almost twice the rate of those aged 65 who are working full-time today.

But how can Singapore further address the situation?

First, employers should assess workers' capability based on performance alone.

Human resource departments typically use years of experience, work and salary history as the basis for promotion and salary decisions. This hurts people with inconsistent labour participation history, such as women who have spent years homemaking and child-raising.

However, women gain important skills such as crisis management, time management and leadership skills throughout childbirth and raising children. Empathy, multitasking under sleep deprivation, enduring and pulling through hardship under intense pressure are qualities valued by good managers.

These motherhood skills are not so different from what is required in senior management. Depending on the sector, these "other skills" are arguably transferable in a country such as Singapore, where service remains the core industry of the economy.

Second, to assure fair payment to female workers based on performance, the Government should implement a ban on employers requesting candidates' salary history.

Previous pay is an imperfect measure of the value a prospective candidate can generate for their new employer. Salary-history requirements can entrench the effects of wage discrimination early in an individual's career as they increasingly become paid based on previous salary rather than actual competence in the job.

Salary histories are especially detrimental to career-changers and people without a consistent labour market history, condemning her to continued underpayment for the remaining work years.

This is also one of the reasons why career-driven women have second thoughts about having children and why highly-educated women do not return to job markets post birth.

A salary-history ban can help reduce these fears and could have the additional benefit of improving fertility rates. Last year, eight states or cities in the United States, including New York City and California, implemented salary-history bans. Finally, women need help to offload caregiving

burdens. Caregiving is one of the main reasons for a woman's career stalling or terminating altogether, resulting in less financial security.

Men need to help in a big way. Government policy could change behaviours by injecting gender neutrality when it comes to parental-related policies, and grant fathers the same amount of parental leave as mothers.

Fostering gender neutrality is also important as it changes the narrow perception of men and acknowledge their multifaceted identities as workers, fathers, sons, husbands, boyfriends and active youth.

Scandinavia's success in improving fertility rates demonstrates that gender equality is fundamental. And in New Zealand, there is the example of TV presenter Clarke Gayford, partner of Prime Minister Jacinda Arden, who will be a stay-at-home father upon the birth of their child. Gender inequality is one of the biggest problems in contemporary societies and responsible for a decline in female work participation.

To address this, there is a need to encourage flexible work, recognise the valuable skills gained through motherhood and revamp the way human resources (HR) departments determine workers' pay, and ban salary history requirements. There is also a need to rethink gender roles when it comes to raising families, so women can stay or re-enter job markets with ease.

Given the fast ageing population, it is in Singapore's interest to further push to maximise the utility of its female workforce.

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