

FLAT Structures Could Solve the Gender Wage Gap

The gender wage gap, especially in recent years, has become quite the hot topic. A quick search online can yield countless data points, surveys, research pieces and opinions. And although the numbers are often the subject of debate, one thing typically stands true— there's recognition that the gender wage gap truly exists.

Susan Adams, a Forbes staff member, even opened her recent article with the following: “Earlier this week on the The Daily Show, Jon Stewart cited a new study from the Institute for Women’s Policy Research (IWPR) that predicts women won’t reach pay parity with men until 2058. As guest commentator Kristen Schaal joked, that’s after the expected introduction of the flying car in 2017, predictions that people will be rocketing to Mars by 2030 and the projection that 3D printers will be able to produce a human heart by 2025.”

While the topic has certainly picked up some steam in recent years, the fact is, this has been a recognized issue for quite some time. In fact, the Equal Pay Act of 1963 was created with a goal of abolishing the gender wage discrepancy that many Americans continue to face. Although many would argue we’ve come quite a way from the cultural and economic issues of the 60s, the disparity in wages still exists. In fact, according to the United States Department of Labor, the difference is unmistakable, even when looking at weekly earnings across occupations and industries (see the full study here):

2014 Median Weekly Earnings (Full-Time, Wage, Salary) By Occupation & Sex		
OCCUPATION	MEN	WOMEN
Management	$1,454	$1,127
Business & Financial Ops	$1,310	$982
Computer & Mathematical	$1,435	$1,165
Architecture & Engineering	$1,413	$1,158
Legal	$1,765	$1,001

Earlier this year, the Pew Research Center even published a report called “Women and Leadership,” where they listed data from a November 2014 survey that yielded some interesting findings. In regard to women in top executive business positions, the surveyed group stated the following:

• 43% felt that women were held to higher standards
• 43% were not ready to hire/elect women leaders
• 23% felt that family responsibilities don’t leave enough time
• 20% felt that women don’t have sufficient connections/party support
• 9% felt that women aren’t tough enough
• 7% thought women don’t make as good managers

The fact is that within most organizations— companies that, combined, include the majority of women in the workforce— there is a traditional (even archaic) management and company structure. So could a new, more autonomous structure be the answer to solving the gender wage gap? If more companies embraced a more democratic, FLAT culture, could there be a positive impact? Our vote is “yes” for the following reasons:

— **Committee Based Pay**: Often, managerless structures take a democratic approach to paying their employees. Since there’s no one person in the company who can decide to promote an employee, pay is something that can’t be dictated by a single individual either. For example, here at Hivewyre we encourage our colleagues to bring their salary up for review at any time (no need to wait for an annual process or a certain amount of tenure with the company). Employees can propose an increase that includes what they’re doing that deserves a boost in salary, what similar positions are paying, etc. Through this process, multiple members of the company can then decide whether the raise is merited based on numbers, commitments and facts.

— **Transparency**: This is one of the natural byproducts of being FLAT. By being transparent about what you’re doing as a company, your goals, and even what people make in terms of salary, the need to dig, guess and assume is eliminated. Although the level of transparency you share with the outside world is something that each individual company needs to decide for themselves, even at an internal level, this can work well. This also means that both men and women know exactly who is getting paid what. You can see firsthand if there’s an inequality there.

— **There’s No Climbing Up the Corporate Ladder**: In a FLAT structure, if you want to be a leader, you need to earn it from your peers. Likewise, there are no internal titles and when it comes to the outside world, you create what you'd like to label your role. Colleagues have the ability to truly make their job what they want it to be, all without the restrictions normally found in a traditional organization. In other words, there’s no one person who can positively or negatively control your growth outcome.

— **Autonomy**: In a FLAT structure, you have the ability to adjust your work schedule to fit your life. Things like mandatory hours, a set location, or even a specific amount of vacation typically don’t exist. While you have commitments to the company, how you meet them is completely up to each individual. Want to work early? Great. Need to take a two hour lunch every day? No problem. Especially when employees are also parents, this flexibility comes in handy and isn't viewed as “less than” or “lazy” by their peers. In this sense, FLAT removes the subjective label.

Undoubtedly, the gender wage gap will continue to garner numerous outlooks, arguments, and research. It's a complex issue that, most likely, will require a number of combined solutions to solve. The good news is that, as a country, it's a problem that's openly being discussed. What's more, its one that many men and women are continually working to solve and eventually, put behind us.