

Workplace automation has sizeable negative impact on pay gap

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For every 10 percent increase in the number of robots in the workplace, researchers found a 1.8 percent increase in the conditional pay gap between male and female employees, though both men and women did see their pay increase overall as a result of automation.

The affect upon the pay gap was particularly acute in what the researchers described as "outsourcing destination countries," where [gender inequality](#) was already more marked in the workplace.

"Outsourcing origin countries"—mostly Western European nations—did not see a marked increase in the pay gap relative to automation, however.

The findings were revealed in the paper "Robots and the Gender Pay Gap in Europe," co-authored by Dr. Cevat Giray Aksoy, of King's College London and the European Bank for Reconstruction and Development, and Dr. Berkay Ozcan and Julia Philipp, both from the London School of Economics.

Dr. Aksoy said: "At a time when policymakers are putting increased efforts into tackling gender gaps in the labor market, our evidence is important. Our results suggest that governments not only need to ensure that education and vocational training systems provide people with the right skills demanded in the future, but also need to pay attention to distributional issues. They need to increase efforts to make sure that women and men are equally equipped with the skills most relevant for future employability."

The researchers found that men were more likely to be present in roles that were higher-skilled and higher in the occupational hierarchy which, combined with automation, exacerbated the existing pay gap.

Researchers gathered data on workplace automation between 2006-2014 from 20 European countries and 28 million observations. They examined how changes in the numbers of robots per worker affected the gender pay gap in the monthly earnings of workers in manufacturing and a few other selected sectors.

More information: Aksoy et al., Robots and the Gender Pay Gap in

Europe (2020). www.iza.org/publications/dp/13...er-pay-gap-in-europe

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