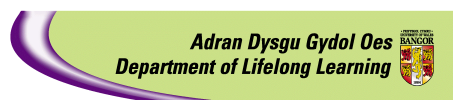




## BRIDGING THE GAP TOGETHER

A Collaborative Approach Towards Closing the Gender Pay Gap in Wales

### Executive Summary



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# **Bridging the Gap Together**

*A collaborative approach to addressing  
the gender pay gap in Wales.*

## **An Executive Summary**

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## Background

This is an Executive Summary of the publication *Bridging the Gap Together*, which was researched and compiled by the Cytgord Development Partnership led by Chwarae Teg. Cytgord is the Welsh word for 'harmony'. The partnership was established under the EQUAL programme of European funding in Wales. Members of the partnership included: Chwarae Teg; the Equal Opportunities Commission; Wales TUC Cymru; University of Wales, Bangor; the Welsh Development Agency (which became part of the Welsh Assembly Government in April 2006), and the Fawcett Society.

The book was aimed at helping to broaden the understanding amongst employers, training providers, educators, organisations and individuals in Wales of the gender pay gap. The book reflected on past achievements, assessed the current situation including good practice and explored ideas and recommendations on the way forward.

## Introduction

Even after 30 years of equal pay and sex discrimination legislation there is still a gender pay gap in Wales. The gender pay gap refers to the difference in average hourly earnings of men and women. Across Wales the hourly wages of a woman who is in full time employment are around 82% of a full-time male worker. In other words the hourly gender pay gap between women and men is 12%, increasing to 31% for women working part-time. The weekly earnings gap is around 22%.

Data collected in 2000 showed that over the course of a woman's life the pay gap will cost her approximately £250,000 and a further £140,000 if she has children.

Equal pay for women and men is not just about wages and salaries. There are many reasons for the gender pay gap in Wales:

- Occupational segregation – the types of jobs done by men and women
- Vertical segregation (or the glass ceiling) – how far women climb the career ladder
- Contractual segregation – the hours men and women work

- Discrimination – being treated less favourably at work because of your gender
- Lack of flexibility – rigid policies and practice makes it more difficult for women especially if they have caring responsibilities
- Barriers to work – like transport, lack of care provision or being doubly disadvantaged
- Other reasons – this includes lack of confidence and stereotyping

Apart from ensuring equality in our society from a social justice and legal perspective, addressing the gender pay gap will have a significant impact on the Welsh economy, on poverty and on individuals and families throughout Wales. With demographic trends forecasting people living longer, more women in the workforce and increased demand on care provision and the need for flexibility we need to harness women and lone parent's potential now. We need to ensure to prepare so that all opportunities are maximised to close the gender pay gap.

## Key Issues

### *Occupational Segregation*

According to statistics occupational segregation accounts for 20% of the gender pay gap in Wales. Men and women still seem to be working in occupations traditional for their gender i.e. women predominate in the care sector, hairdressing and administration, whereas men work in engineering, construction and IT. These occupations for women are characterised by low pay and minimal prospects, and the occupations traditionally male dominated are much better paid and tend to have further potential.

According to research identified during the production of the book, occupational segregation in the workforce is more profound in Wales than any other part of the UK. Women were also being put off careers in certain male dominated sectors due to the traditional work environments and lack of flexibility. There is also a lack of role models to inspire women into non-traditional areas of employment.

Self-employment has been traditionally male dominated in Wales for many years. However, more women have established their own business in the last 5 years than ever before. This is thanks to some pro-active and positive action approaches such as the *Women's Enterprise Wales* project run by Chwarae Teg. Some barriers still remain and deter women and lone parents from setting up their own business which includes: accessing finance; attitudes of others; inappropriate training support and shortage of suitable premises.

Gender stereotyping is not being broken down early enough. Young people in Wales particularly women are experiencing lack of career guidance, work placements and training opportunities that could help them make informed choices about their career including how to secure higher paid jobs. According to research, girls brought up in less traditionally 'gendered' roles tend to do better in education.

There is a clear correlation between the employment sectors where men predominate and skill shortages, which shows that occupational segregation causes employers to miss out on a huge potential workforce.

Unless attitudes of gender stereotyping are tackled within schools women and men will continue to choose traditional career paths.

### ***Vertical Segregation***

This is also referred to as *the glass ceiling* or *sticky floor* effect, and describes the barriers women and lone parents face in terms of progression up the career ladder.

According to evidence in the publication *Who Run's Wales 2006*, women are still under represented in almost every area of executive management in the public sector in Wales. Also research carried out demonstrated that there was particular evidence in Wales of recruitment and selection processes not always being 'gender neutral'.

Even though the National Assembly for Wales can boast a 50/50 split of members and a similar split in Cabinet Office, little progress has been made in the past two years to get more women into executive positions in Wales. The lack of women as council

leaders and councillors in Wales also perpetuates women's feelings that politics is not for them.

If public services are to meet the needs of our diverse society women must be a part of the management and decision process. Welsh politics needs women. A healthy democracy is one that represents all its people and this is hard to achieve if sections of the community are relatively excluded. Women and lone parents need to be represented at decision making levels to ensure that policies and practices are not directly or indirectly discriminating against them.

### ***Contractual Segregation***

Contractual segregation occurs when women and men work a different number of hours in weeks and women have less favourable pay and conditions. This is usually about the fact that more women than men work part-time in relatively low paid and low prospect jobs.

Women often choose to work part-time due to caring responsibilities. It is sometimes difficult, particularly for families with more than one child to balance work and family life effectively. Women also make up the majority of those who care for dependent adults. Two thirds of all low paid workers in Wales are women because they work part-time.

Contractual segregation is a major contributor to the gender pay gap in Wales, and according to UK statistics accounts for 38% of the gap. According to research both male and female part-time workers receive 40% less training than their full-time counterparts. 4 out of 5 part-time workers in Wales say they are working below their potential.

Women and lone parents will continue to struggle to hold down two jobs if fair pay and conditions for part-time workers is not addressed. The skills gap in certain industries could be filled if the skills and abilities of the part-time workforce was harnessed effectively.

## ***Discrimination***

Unfortunately discrimination in the workplace still occurs. It can be on the grounds of equal pay or being treated less favourably because of your gender at work. According to research discrimination at work accounted for 45-50% of the total hourly gender pay gap in 2003.

2 out of 3 of all employers in Wales have not conducted a pay review and do not intend to do so.

Over a 1,000 women each year take legal action against their employer claiming they were sacked because of pregnancy. In general the Equal Opportunities Commission helpline in Wales receives more enquiries about pregnancy discrimination than no other, this accounts for 40% of all enquiries. Statistics demonstrate that 1 in 10 employers in Wales try to pay pregnant women to leave their job. There is also evidence according to legal cases, of sexual harassment, victimisation and discrimination in recruitment practices in Wales.

Due to the fact that employers do not conduct equal pay audits, and that many individuals do not feel comfortable taking cases forward, employers are thinking that they have no equal pay issues to address. By undertaking an equal pay audit and working out a solution to the findings, employers could save themselves money, not only on legal fees, but also in other areas, such as recruitment and retention. Discrimination at work is also leading to some women not having access to a pension scheme at work.

## ***Lack of flexibility at work***

Even though some workplaces still promote the long hours culture as a factor in productivity and success, in general there are more flexible working practices being implemented by employers across Wales than ever before. However, workplace culture needs to embrace the benefits of work life balance because it makes good business sense and not just because the law insists on it.

Research suggests that the gender pay gap also happens when individuals take career breaks to undertake caring responsibilities for children or adults. Those who take career breaks not only lose earnings but are also penalised through their lack of pensions

contributions and some employers do not look favourably upon those who have been out of the job market for few years. According to UK statistics women's caring responsibilities account for 15% of the gender pay gap.

Care for dependent adults is provided mostly by women. Approximately 45% of all women in Wales who provide unpaid care for adults for more than 50 hours a week are in full-time employment and 55% are in part-time employment.

Work life balance is not just for carers and parents, it's benefits everybody. It contributes to the health and well-being of staff, reduces stress and helps employers manage absenteeism.

### ***Barriers***

Some barriers still exist that prevent women and lone parents from fulfilling their potential economically. These include the provision of affordable and accessible care, transport and being doubly disadvantaged.

There are many parts of Wales that do not provide formal childcare, and parts where provision is limited. When it is available the cost of formal childcare can offer deter people, mostly women from becoming economically active as it is not worth it financially.

Lack of accessible, suitable transport can also pose a problem for women and lone parents who don't drive or own a car. In order to access training or employment opportunities it is often necessary to travel, especially for those living in rural areas. Without adequate public transport this makes it increasingly difficult to emerge from the poverty trap, and can led to social isolation.

Many women and lone parents are also doubly disadvantaged. Research suggests that women of an ethnic minority or disabled are much more likely to suffer discrimination or lack qualifications and experience than those who are not. Older women also find it more difficult to sustain or access employment, especially those who may have been caring for a dependent adult and wish to return to the labour market.

## ***Other Reasons***

Part of the complexity surrounding the issues of gender pay gap arises out of the increasingly intricate 'packages' that employers offer some of their employees. These can include bonuses and overtime, performance related pay, enhanced pensions, health insurance, company cars and training opportunities.

Research suggests that women generally are too scared to ask for a pay rise. Findings published in a UK women's magazine in January 2006 reported that women found asking for a pay rise 'one of the most stressful things that they had ever done,' whereas men did not seem to suffer the same inhibitions. The survey also found that women in the South East of England are the most likely to ask for a pay rise, whereas Welsh women and those from Northern Ireland were the least likely to pluck up courage and demand a rise.

It also evident in some UK research that managers look for different attributes in men and women when valuing performance or considering pay awards. Managers tend to value dynamism and assertiveness in males and organisation and thoroughness in females. This reinforces stereotypes.

## **Work in Progress**

The review of current equality legislation in the UK is welcomed, as is the introduction of the Gender Public Duty and the proposed reform of maternity, paternity and flexible working regulations. However, more needs to be done to enforce action and bring legislation up to date.

There are however, some examples of work in progress in Wales where organisations, employers and education establishments have been working on projects, campaigns and innovative ideas to close the gap. There are also some examples of good practice which have been shared with other parts of the UK and Europe.

## ***Mainstreaming***

Incorporating equality into policies and services has created a common language across Europe under the banner of

*mainstreaming*. *Cytgord* defines mainstreaming as a long-term process that encompasses the normal ideas, attitudes or activities of society. It is a process where those ideas, attitudes or activities routinely incorporate a gender perspective and become a normal feature of mainstream thinking. It essentially means that policy makers, employers and those delivering services should take account of and reflect the diverse needs of the population in Wales.

If we mainstream equality right from the start of any process it avoids discrimination from the outset, or having to make costly changes or adjustments later on when a policy or practice has already been implemented. Mainstreaming has also been proved to drive innovation, by ensuring a diverse and representative workforce.

Sometimes it is necessary to take direct action first in order to move towards mainstreaming. This can be done through pro-active approaches – doing specific tasks; positive action (not positive discrimination) and innovation – exploring and piloting new ideas. Taking these steps is sometimes required as a prerequisite for mainstreaming, as results are not always forthcoming if reliant on goodwill alone. Examples of these approaches along with good practice exemplar models can be seen in the full publication.

### ***Europe – policy and innovation***

It is important to consider gender equality in the context of European policies, which developed at this level have a direct impact on how policies, strategies and funding programmes are determined in Wales.

The *Cytgord* partnership established working relationships with three European countries: Austria, Spain and Finland. By sharing experiences, challenges and exploring innovative approaches to tackling the issues this trans-national network proved extremely beneficial and informative.

Even though Wales had more substantial examples of good practice, some innovative projects within these European countries were noted and can be seen in the full publication.

## Recommendations

Many recommendations were made in the book, but a summary of key points included:

### ***Employers***

- There is a need for mandatory pay reviews by all employers in Wales.
- Occupational segregation needs to be tackled as one of the main reasons for the gender pay gap. There is a need to realise the link between occupational segregation and the skills gaps in certain industries.
- Workplace culture needs to change in order to harness the benefits of work life balance for everyone.
- Employers need to develop models of good practice with regard to gender equality

### ***Education and Training providers***

- Gender stereotyping need to be tackled at the earliest possible age. Working with children in primary schools and their parents is essential to break down the barriers and promote equality.
- Women and lone parents often need additional support to access training, particularly with finances. Without this support many will struggle to overcome the poverty trap.

### ***Policy Makers***

- Gender budgeting needs to be developed as a key tool for achieving gender mainstreaming
- There is a need to bring women and lone parent's view and perspectives even further into public life and policy making and delivery mechanisms, ensuring that women and lone parents of all groups are properly represented.

- All political parties in Wales need to be encouraged to take positive action to improve women's representation.

### ***National Assembly for Wales***

- There is a need to continue funding national campaigns and projects that raise awareness and address the issues of the gender pay gap in Wales.
- A programme of equality representatives in Wales is needed. This could be developed nationally in conjunction with the trade unions in Wales.
- There is potential with the new commission for Equality and Human Rights to harness the pay gap with renewed vigour and unified voice.
- The work life balance agenda needs sufficient investment for a national campaign to raise awareness of benefits for all.

## **Summary**

Even after 30 years of sex equality legislation not only is the pay gap prevalent, but examples of discrimination and unjust action can be seen in many areas of the labour market. It is time for joint pro-active action by all key stakeholders, and for a modernisation of equality law.

The *Cytgord* Development Partnership believes that the recommendations in the full publication book are aspirational but realistic. Their successful implementation requires commitment, resources and joint action to close the gender pay gap in Wales.

