

Equality strength opportunity respect fairness equality strength opportunity

WOMEN & WORK COMMISSION



Shaping a Fairer Future

Equality strength opportunity respect fairness equality strength opportunity

Strength opportunity respect fairness equality strength opportunity fairness support respect reward equality fairness

Equality strength opportunity respect fairness equality strength opportunity fairness support respect reward equality

Front cover designed by Kirsty Lythgoe of St John Fisher High School in Wigan. Kirsty won a Computer Clubs for Girls (CC4G) competition to design our front cover. She used images by Heather Donovan, a US artist who holds the copyright for these paintings, from <http://hometown.aol.com/hdonovstyle/myhomepage/business.html>

WOMEN & WORK
COMMISSION

Shaping a Fairer Future

Presented to the Prime Minister
by Baroness Prosser of Battersea, February 2006

CONTENTS

FOREWORD BY BARONESS PROSSER OF BATTERSEA	iv
---	----

EXECUTIVE SUMMARY AND RECOMMENDATIONS	vii
---	-----

Chapters

1. INTRODUCTION.....	1
2. CHANGING OUR CULTURE: MAXIMISING POTENTIAL	9
3. COMBINING WORK AND FAMILY LIFE	27
4. LIFELONG OPPORTUNITIES FOR WOMEN IN TRAINING AND WORK.....	51
5. IMPROVING WORKPLACE PRACTICE.....	71
6. THE WAY FORWARD: MAKING CHANGE HAPPEN	99
REFERENCES	103

Appendices

1. WOMEN AND WORK COMMISSIONERS	111
2. WRITTEN EVIDENCE TO THE WOMEN AND WORK COMMISSION	117
3. VISITS BY WOMEN AND WORK COMMISSIONERS.....	121
4. PRESENTATIONS TO THE WOMEN AND WORK COMMISSION.....	123
5. TERMS OF REFERENCE	127

FOREWORD

by Baroness Prosser of Battersea, Chair, Women and Work Commission



In the Summer of 2004, the Prime Minister asked me to chair an independent review to examine the causes of the gender pay and opportunities gap and to find practical ideas to close it within a generation.

I accepted this major challenge because I want to see this issue at the top of the political agenda. My personal experiences as a working mother and trade union officer trying to win equality on the front line mean that I know that the time for action is long overdue. Concerted change has been hard to achieve, despite the great efforts made by the Government, some employers and trade unions, and bodies such as the Equal Opportunities Commission and Opportunity Now.

I wanted the Women and Work Commission to achieve a partnership approach. And this is how I – and my fellow Commissioners – conducted our work. Our Commission has employers, large and small, working alongside trade union representatives, educationalists and public sector managers. Our expertise gives us a real opportunity to make a difference and to tackle some of the complex issues surrounding the gender pay gap in a new and inclusive way.

The evidence we uncovered of the potential boost to the UK economy from harnessing women's skills has brought into sharper relief the well-publicised skills shortages that exist in the UK today. Many women are, day-in, day-out, working far below their abilities and this waste of talent is a national outrage at a time when the UK is facing some of its strongest competition from around the globe.

We all agree that the problem is multi-faceted. And we agree that it requires action from all parties – the Government, employers, trade unions and educationalists – in a number of areas to effect change. We are at a crossroads. If we do not act now, new management and caring jobs will be created in the next decade but be filled in the same way as in the past, and women will continue to lose out. But if we act on all fronts, we can seize the opportunity that new jobs bring to up-skill women, and effect step-change.

Our recommendations will form the building blocks of significant change, both in the overall culture of the world of work, and in some of the specific issues that women face, such as returning to the labour market after having children. We found no single, easy solution or magic bullet. Rather, we identified a set of solutions which, taken together, will lead us towards a fairer society and a more efficient economy. Our package of measures will guide all of us to take action that will make the most difference to women and work. Although our recommendations are addressed to girls and women, they also have the potential to benefit boys and men.

We visited girls and women across the UK in their schools, colleges and workplaces. The evidence they presented to us was both persuasive and heartfelt. I therefore hope that our recommendations receive the support they deserve. And I trust that the Government is standing ready to oversee their implementation and actively monitor and chase progress in closing the gender pay gap in partnership with other players.

Finally, I would like to offer a few well-deserved expressions of thanks. First, to all Commissioners, who gave their time and expertise readily and took part enthusiastically in numerous visits and events around the UK. I am enormously grateful to all of them.

Second, I would like to thank all those who gave their time to talk to us or responded to our call for evidence. We were able to take evidence from such a wide range of women and men, including academics and specialists and those we met on our visits. It is heart-warming indeed to feel such goodwill towards our task.

I also want to thank the Ministers for Women for their support and encouragement, and their ongoing interest. Similarly, the Secretary of State for Trade and Industry has given support and commitment to tackling this important matter, as has the former Secretary of State for Trade and Industry, Patricia Hewitt, who was involved in launching our Commission when Minister for Women.

And lastly, I would like to thank all the secretariat team from the Women and Equality Unit in DTI for all their hard work.

A handwritten signature in black ink that reads "Margaret Prosser". The script is fluid and cursive, with the first name "Margaret" written in a larger, more prominent hand than the surname "Prosser".

MARGARET PROSSER



Women and Work Commissioners

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Chapter 1 INTRODUCTION

In the 30 years since the Equal Pay Act, there have been many advances in women's position in society and at work. More women are in employment and occupy a greater number of senior positions. Girls are outperforming boys at school and their aspirations are high. Despite these important changes, the pay and opportunity gap for women remains.

Women who work full time earn 13 per cent less than men who work full time, based on median hourly earnings, and 17 per cent less based on mean hourly earnings. These lower earnings leave women at greater risk of falling below the poverty line and of being worse off than men in retirement. Women face an unfair disadvantage and the UK economy is losing productivity and output.

Women are crowded into a narrow range of lower-paying occupations, mainly those available part time, that do not make the best use of their skills. The Commission estimates that removing barriers to women working in occupations traditionally done by men, and increasing women's participation in the labour market, could be worth between £15 billion and £23 billion or 1.3 to 2.0 per cent of GDP.

There are huge opportunities for change. Over the next decade, 1.3 million new jobs are likely to be created and 12 million jobs will change hands as workers leave the labour market. There will also be changes in families and family life. Our ageing society means that both women and men may choose to or need to work for longer, but may also have elderly relatives to care for. Men are beginning to play

a more active role in caring for children, and it seems likely that, in many families, both men and women will want to share work and care in a more equal way.

Chapter 2 CHANGING OUR CULTURE: MAXIMISING POTENTIAL

Girls' aspirations are higher than ever before and they now outperform boys at school and university. Much of the unfavourable stereotyping of women and their abilities has been swept away. But many girls and young women are still following traditional routes in education and training, and being paid less than men as a result. Research shows that just three years after graduating, women earn 15 per cent less than their male counterparts.

A culture change is needed in order to challenge assumptions about the types of jobs women and men can do. Our recommendations address this directly. We want to widen girls' horizons in terms of the jobs they might want to do and to remove the barriers to them taking up a wider variety of options, including vocational training.

Girls need a better understanding of the world of work, to experience working in jobs traditionally done by men, and more and better careers information, advice and guidance. Education and training, particularly in those vocational subjects mainly taken up by boys, should be made more accessible and appealing to girls. We believe that if girls are made more aware of the consequences of their choices for their future pay and career progression they might make different choices.

Chapter 3 COMBINING WORK AND FAMILY LIFE

Women still find it difficult to combine work and family life. Women face substantial penalties, in terms of pay and progression, for taking time out of the labour market or reducing their working hours to care for children or other relatives. Women who work part time earn 32 per cent less than the median hourly earnings of women who work full time and 41 per cent less per hour than men who work full time.

Women returning to the labour market after time spent looking after children often find it difficult to find a job that matches their skills. Those looking for part-time work crowd into a narrow range of lower-paying occupations due to a lack of quality part-time jobs. Often they have to change employer and occupation – and accept lower pay – to get part-time work. This means their skills are being under-utilised and this represents lost productivity for the UK economy. In addition, the “glass ceiling” is still very much in evidence – only a third of managers and senior officials are women and women tend to work in lower-paid branches of management. The lack of flexibility at senior levels is particularly acute.

Our recommendations address this waste of talent and the negative impact that career breaks, or working part time, can have on women’s earnings. We are convinced that local solutions, using existing infrastructure, are most effective in reaching women, particularly those from black and minority ethnic communities. Several of the proposals recognise that small firms may need additional

support to enable them to meet the challenges ahead and reap the business benefits of flexibility.

Chapter 4 LIFELONG OPPORTUNITIES FOR WOMEN IN TRAINING AND WORK

Many women are in lower-skilled jobs; others are out of the labour market altogether. We want to open up greater opportunities to change direction for mature women. These women may feel they lack the confidence and the skills to move into a new occupation, or may be keen to change direction, but do not know what jobs are available or the skills required.

Women’s jobs are under-valued. The skills which women use in, for example, caring, cleaning or catering jobs, are not rewarded to the same extent as similar level skills in “men’s jobs” such as warehouse workers, labourers or transport drivers.

We want women to have access to learning and training, careers advice and guidance, throughout their lives. We want to remove some of the age limits and rules on entitlement to training, particularly for those groups of women who stand to benefit most. We want training to be delivered more flexibly and to encourage the development of career paths to enable women to progress into higher-paid jobs.

In a modern, fast-moving economy, lifelong learning is vitally important. Workers need to be adaptable and able to take advantage of the growth of new sectors and new technologies. We want to ensure that the

opportunities are there for women to equip themselves with the skills and confidence to move into management roles and occupations traditionally regarded as “men’s jobs”.

Chapter 5 IMPROVING WORKPLACE PRACTICE

Our investigation has shown that there are many different factors, from school to workplace, contributing to the gender pay gap. Discrimination in the workplace also causes differences in pay for women and men. This is often unintended and arises through the way pay systems operate. Equal pay reviews can benefit women, provide clear incentive systems and reduce the costs of litigation. But they only address part of the problem.

Our recommendations encourage employers to consider all the issues that we have raised and to take action that will have most impact on women’s pay and opportunity. A number of private sector companies have agreed to pilot projects which will put our recommendations into practice and demonstrate the business benefits.

We want to particularly encourage small firms and firms in sectors employing large numbers of women to adopt the Investors in People framework for good practice. We recommend the development of a new tool, an equality check, to help employers understand where their contribution might best lie. Trade union equality representatives, working with employers to support equal pay and opportunity, can resolve problems at the sharp end.

We believe that the public sector should lead the way, learn from this report and adopt our recommendations. Public sector employers should carry out equal pay reviews. Procurement in both public and private sectors should be used to encourage diversity and equal pay practice.

Chapter 6 THE WAY FORWARD: MAKING CHANGE HAPPEN

The complex and interrelated nature of the causes of the gender pay gap means that we have recommended sustained action to be taken by a range of players. Our task was to consider how to close the pay and opportunities gap in a generation. Momentum must not be lost if this challenge is to be met.

We recommend practical ways forward to make a real difference to women’s lives. But they can only be effective if all players are committed to the progress our recommendations represent. Now is the time for action, and we urge all concerned to implement the recommendations in full.

Our recommendations set out a system to ensure that such actions become embedded into the work of the Government, through Public Service Agreement targets, through the operation of a Ministerial Committee, and through our review in a year’s time.

We recommend

1. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments publish strategic documents, in reaction to the analysis in this report, which describe a systemic change in the way education is delivered in order to reduce stereotypical choices, improve take-up of vocational skills training, and improve employment outcomes for young women. The document should set out the goals for a national World of Work Programme, meshing with existing initiatives, but providing a new framework for vocational skills and work experience, through primary, secondary and tertiary education. It should include:
 - a curriculum for vocational skills that provides a joined-up framework for practical learning;
 - clarification of what students can expect in terms of entitlements to study for vocational qualifications, what the different qualifications and standards mean and how they relate to each other;
 - the promotion of Young Apprenticeships to 14-16 year olds in occupations not traditionally taken up by their gender;
 - employer visits to schools and “taster” days for primary school pupils;
 - work experience placements for pupils pre-14 in an occupation not traditionally taken up by their gender;
 - careers education co-ordinators in schools to organise the provision of group visits, “taster days” and work experience.
2. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should work with teacher training providers to improve teachers’ practical skills in delivering vocational training.
3. The Sector Skills Councils should work with employers on providing and promoting Apprenticeships for women in industries where there are skills shortages. The development of a comprehensive plan to tackle the segregation of jobs, into those mostly done by one gender or the other, should be part of every Sector Skills Agreement.
4. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should draw up national guidance for teachers and early years childcare workers on how to ensure that the horizons of children in the three to five age group are not limited by stereotypes of what girls and boys can do.
5. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should ensure that teacher training emphasises the need to challenge gender stereotypes, both in delivery of careers education and in subject teaching, and that it allows for a work placement for all trainee teachers, including observing workers in non-traditional occupations.

6. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should ensure that all young people have access to careers information, advice and guidance. National standards should confirm that it:
 - challenges gender stereotypes;
 - gives young people a real understanding of the pay, rewards and challenges of occupations, particularly those not traditionally taken up by their gender.
7. The Department for Education and Skills, and the Office for Standards in Education, Children's Services and Skills, should consider how applications by single-sex schools for specialist status could be used to challenge gender stereotypes. The first or second specialism could be in a subject not usually associated with the students' gender, for example, languages for boys' schools and maths and computing for girls' schools. Relevant Scotland, Wales and Northern Ireland departments should consider this recommendation in the light of their policies.
8. Schools should consider different methods of teaching to different genders, including single-sex classes or after-school classes, for subjects where girls or boys are under-represented or under-achieving. A good example of this is Computer Clubs for Girls.
9. Careers literature and on-line careers resources that challenge gender stereotypes should be targeted at parents and carers, who should also be invited to attend the employer visits to schools and "taster days".
10. Government information campaigns should show women in occupations not traditionally taken up by them, and men as parents and carers. The media, in particular drama and advertising, should be encouraged to do likewise. The Department for Culture, Media and Sport should set up two high-level groups, of advertisers and key players in television drama, to encourage non-stereotypical portrayals of women and men at work.
11. DTI should establish a UK-wide Quality Part-Time Work Change Initiative of £5 million to support new initiatives aimed at achieving a culture change, so that more senior jobs – particularly in the skilled occupations and the professions – are more open to part-time and flexible working. This should start from junior management level upwards, and include the roles considered "stepping stones" to senior management. Eligible projects might be:
 - identifying senior role models, working part time or job sharing, who will champion the spread of best practice among managers;
 - web-based job matching of those wanting to work part time with those offering quality jobs on a part-time or job share basis;
 - job share services to put potential job share partners in touch and aimed at high quality occupations;
 - specialist consultancy services to embed quality part-time work;

- e-networks for senior and professional women;
 - other initiatives to spread best practice and achieve culture change.
12. Part-time workers and those on career breaks should receive pro-rata treatment from professional bodies for membership fees, and discounts from training providers for continuous professional development, to support the retention of women in the professions.
13. A more local approach should be taken to the matching of jobs and skills. Regional Development Agencies and national agencies in Scotland, Wales and Northern Ireland should provide grant funding for outreach services aimed at women seeking local jobs or training which match their skills and potential. They should consider in particular the Women Like Us model whereby local social entrepreneurs use community centres, schools, and children's centres to recruit local women into local jobs and training. This should be piloted in five areas including London, a rural area, and an area with a substantial ethnic minority community. Extensions to the model might include:
- public, private or voluntary sector services which provide confidence-building through peer support, experience of work or work shadowing, or training;
 - services which address the particular needs of women from local black and minority ethnic communities, homeworkers or other groups, for example disabled women.
14. The Department for Work and Pensions should develop its New Deals aimed at women returners, in particular lone parents, in the light of evidence and on-going pilots. DWP and devolved services should explore the possibility of offering services to women not currently working where neither they nor their partners are receiving benefits.
- All work-related activities, work placements and training in New Deal women returner programmes should be offered on a part-time basis.
 - Women returners should have access to confidence-building measures, including peer group support, perhaps delivered through local community groups.
 - Women who have never worked or not worked for a significant period should be offered a voluntary session with a Personal Adviser at Jobcentre Plus to talk through and access information on issues they may encounter on their return to work, for example childcare, commuting, dress.
 - All lone parents should be offered extended assistance from a Personal Adviser to support retention and progression.
15. The Department for Work and Pensions should set Jobcentre Plus additional targets to retain and promote women into sustainable jobs, taking account of the specific needs of lone parents, black and minority ethnic women, and disabled women.

16. The right to request flexible working should be extended over time to cover a wider group of employees.
17. Employers should ensure that their managers, at all levels, are regularly and continually trained on diversity and flexibility issues.
18. Trade unions should train their representatives to promote the benefits of flexible working options and win hearts and minds among management and employees for best practice policies and procedures and monitor the right to request flexible working.
19. DTI and HM Treasury should examine the case for fiscal incentives targeted at small firms to reduce the additional costs of employing part-time or flexible workers, for example, training costs, start-up IT costs.
20. Acas and the Northern Ireland Labour Relations Agency should be funded to develop a training package to support flexible working and that this package be delivered free to small firms.
21. The Ten Year Childcare Strategy should be delivered with particular consideration of the needs of women who work outside "9 to 5" hours and black and minority ethnic communities. There should be better promotion of the free childcare line.
22. A £20 million package to pilot measures designed to enable women to change direction, and progress in their jobs and careers, through raising their skill levels.

It should be led by the Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments and the Department for Work and Pensions.

- Women who are not in work who already have a Level 2 qualification should be entitled to free skills coaching, under the New Deal for Skills, and additional help to gain employment and training in an area of skills shortage.
 - Train to Gain, through the network of skills brokers, should be particularly focused on employers and sectors employing the greatest numbers of low-skilled women, particularly those from ethnic minorities.
 - Women should have access to a high-quality careers information, advice and guidance service which tackles gender stereotypes under the New Deal for Skills and Train to Gain, which provides support in work and may include additional training.
 - Free Level 3 training (free for the individual, match-funded by the employer) under Train to Gain should be piloted with employers from the five "c" sectors, particularly those employing part-time workers.
 - Further pilots for Adult Apprenticeships or Train to Gain in areas of skills shortage should be introduced and focused on women returners.
23. The Skills Alliance Delivery Group, which has an overview of skills activity including that related to the London 2012 Olympic

Games, should ensure that reducing the gender segregation of jobs is part of plans for tackling skills shortages in the relevant sectors, such as construction.

24. The Department for Education and Skills, DTI, Department for Work and Pensions and relevant Scotland, Wales and Northern Ireland departments should develop programmes, linking with Train to Gain and the Sector Skills Councils, identifying best practice on career development and working with partner employers to create career paths. The programme should consider how best to:

- recruit and retain women into non-traditional jobs;
- develop career paths for those working part time.

25. The Office for Standards in Education, Children's Services and Skills, HM's Chief Inspector of Education and Training in Wales, HM Inspectorate of Education in Scotland and the Northern Ireland Education and Training Inspectorate should report on:

- whether training providers offer their courses flexibly to meet the needs of those with caring responsibilities, and those combining study with part-time or full-time jobs; and
- the extent to which childcare support is provided local to, or at, training sites.

26. All organisations promoting entrepreneurship to women should promote, as a key benefit, the work-life balance and flexible working possibilities of running your own business.

27. The Department for Education and Skills should ensure that its strategy for the early years workforce considers the levels of pay needed to build a better-qualified workforce, which reflects the importance of higher skill levels to the development and welfare of children, while at the same time keeping childcare affordable for working families.

28. The Government should develop a strategy for the social care sector incorporating issues such as pay, quality of care, qualifications of the workforce, and future demand.

29. The Low Pay Commission's standing terms of reference should be amended to include a gender impact assessment as part of each report. Targeted enforcement of the national minimum wage should be directed at sectors employing large numbers of women.

30. Private sector companies should consider the implications of this report for how they operate in order to make the most difference to the most women. A cross-government UK-wide package of measures should support awareness-raising and capacity building to enable organisations to adopt solutions most relevant to them, which will have the most impact on women's pay and opportunity, including:

- promotion of best practice via business links and the business.gov website;
- £1 million funding for Investors in People (IiP). This should be used to support the adoption of the IiP

- Standard by small firms focusing on those growing rapidly, and to market to all firms – particularly in the five “c” sectors – the liP Profile, in order to spread best practice on equality and diversity, fair pay and reward, and training;
- supporting employee involvement in workplace equality development via £5 million additional funding for the Union Modernisation Fund for capacity building to support training and development for equality reps in the private and public sectors;
 - support for the development and marketing of equality checks.
31. DTI, through partners such as Opportunity Now, should build a set of exemplar companies willing to pilot projects such as:
- a new offer to schools to give girls work experience, in particular in non-traditional jobs;
 - setting up a new women’s network in senior or traditionally male jobs within the company;
 - actively promoting quality part-time jobs;
 - a recruitment round which supports women returners’ development needs including confidence building and other support mechanisms;
 - developing career pathways for women working in lower-paid jobs;
 - providing paid time off, support and facilities to a network of equality reps;
 - undertaking an equal pay review.
32. Public sector employers should account to a Ministerial Committee and report to a Cabinet Office Steering Group, with representatives from UK-wide public service employers and trade unions, on how they have put the recommendations in this report into practice, in particular on the results arising from their establishment of:
- equal pay reviews;
 - time off and facilities for a network of equality reps;
 - job share registers for high-quality occupations and e-networks for senior and professional women;
 - a network of senior part-time role models to champion quality part-time work;
 - career development pathways for low-paid part-time workers;
 - continuous training for all line managers on flexible working and diversity issues;
 - a coherent approach to schools’ World of Work Programme, offering work experience and taster days and encouraging girls and boys to experience non-traditional occupations.
33. The new Gender Duty should specifically ensure that action is taken on all causes of the gender pay gap including occupational segregation, the impact of family responsibilities and unequal pay. Specified action should include a regular equal pay review and action plan. In seeking solutions to equal pay, public authorities should act in partnership with unions.

34. The Public Sector Pay Committee gateway should call all public services to account for how any proposed new pay systems address all the causes of the gender pay gap which give rise to costs in the longer term. HM Treasury should ask public sector employers to account for their progress on equal pay during the Comprehensive Spending Review.
35. The Equal Opportunities Commission or Commission for Equality and Human Rights, with support from DTI, the Office of Government Commerce, the Scottish Executive Procurement Directorate and other interested stakeholders, should develop practical, equalities-led procurement advice which actively encourages public sector procuring authorities to promote good practice in diversity and equal pay matters among contractors so that it becomes the norm.
 - Public authorities should ensure that their contractors promote gender equality in line with the public sector Gender Duty, and equal pay in line with current legislation. This intention should be flagged up in contract documents to ensure that it is built into contractors' plans and bids.
 - Government should appoint a ministerial champion of procurement as a means of spreading best practice in diversity and equal pay matters.
 - Private sector companies who engage in substantial procurement should also use procurement to spread best practice.
36. Current guidance to the equal pay questionnaire should be altered to make it clear that the Data Protection Act does not prevent the provision of pay information, in order to encourage employers to respond without the need for the employee to apply to a tribunal.
37. The Discrimination Law Review should consider more fully the issues of whether or not to extend the hypothetical comparator to equal pay claims, and of generic or representative equal pay claims.
38. The Women and Equality Unit should develop the Gender Equality Public Service Agreement so that the Comprehensive Spending Review 2007 target better reflects the themes, ambitions and recommendations of this report.
39. A new Cabinet sub-Committee of Ministers should be formed, chaired by the Minister for Women, to oversee the implementation of our recommendations.
40. The Women and Work Commission should be brought together one year from now, to receive a report into progress on our recommendations and to comment on their effectiveness.

Chapter 1

INTRODUCTION

In the 30 years since the Equal Pay Act, there have been many advances in women's position in society and at work. More women are in employment and occupy a greater number of senior positions. Girls are outperforming boys at school and their aspirations are high. Despite these important changes, the pay and opportunity gap for women remains.

Women who work full time earn 13 per cent less than men who work full time, based on median hourly earnings, and 17 per cent less based on mean hourly earnings. These lower earnings leave women at greater risk of falling below the poverty line and of being worse off than men in retirement. Women face an unfair disadvantage and the UK economy is losing productivity and output.

Women are crowded into a narrow range of lower-paying occupations, mainly those available part time, that do not make the best use of their skills. The Commission estimates that removing barriers to women working in occupations traditionally done by men, and increasing women's participation in the labour market, could be worth between £15 billion and £23 billion or 1.3 to 2.0 per cent of GDP.

There are huge opportunities for change. Over the next decade, 1.3 million new jobs are likely to be created and 12 million jobs will change hands as workers leave the labour market. There will also be changes in families and family life. Our ageing society means that both women and men may choose to or need to work for longer, but may also have elderly relatives to care for. Men are beginning to play a more active role in caring for children, and it seems likely that, in many families, both men and women will want to share work and care in a more equal way.

The gender pay gap

1. In the 30 years since the Equal Pay Act there have been many changes in women's economic participation and achievement. More women are working than ever before. Girls are outperforming boys at school and university, and women are accessing training and jobs which previous generations would not have considered open to women.

2. Despite these changes, the pay and opportunity gap for women remains. The latest data for 2005 shows that the gap between the pay of men and women working full time – the gender pay gap – stands at:

- 13 per cent measured using *median* hourly pay rates; and
 - 17 per cent measured using *mean* hourly pay rates.
3. Put another way, women working full time earn just 87 per cent of the male median full-time hourly wage or just under 83 per cent of the male mean full-time hourly wage.
4. The gender pay gap is reported by the Office for National Statistics as the difference between the median earnings of men and women because the median – or middle value

– is less influenced by extreme values in the pay distribution. So, for example, fluctuations in the level of bonuses awarded to a relatively small group of workers in the City of London do not distort the trend in the median gender pay gap.

5. Figure 1 shows the long-term trend in the gender pay gap. Average pay data are available back to 1970 for full-time workers and to 1986 for part-time workers. Women working full time still earn less per hour than men working full time and, as Figure 1 shows, women working part time earn far less per hour than men *and* women working full time.

6. In 2005, the gap between the pay of women working part time and men working full time – the part-time pay gap – stands at:

- 41 per cent measured using *median* hourly pay rates; and

- 38 per cent measured using *mean* hourly pay rates.

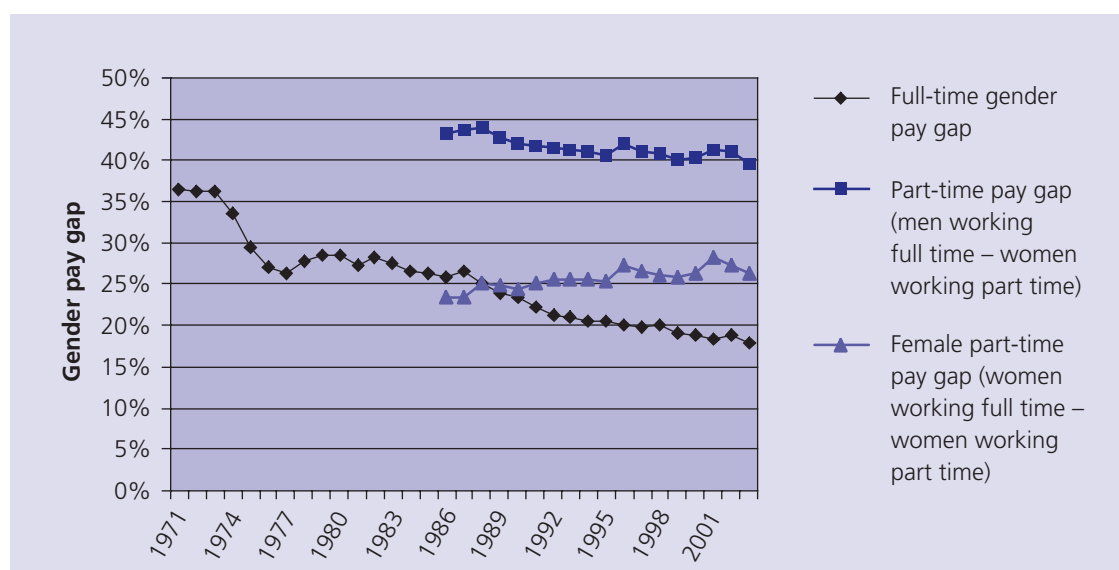
7. Although the overall trend in the gender pay gap has been downwards, and despite the efforts of a large number of stakeholders over many years, the pay gap stubbornly persists.

Our Task

8. Given the lack of significant progress, the Prime Minister asked the Women and Work Commission to consider how to close the pay and opportunities gap for women within a generation. This is a major challenge.

9. Action is needed to bring about a step-change. We must embed changes in the way we work, so that the progress made so far is not lost if economic circumstances change. This Commission represents an extension of all the good work that has gone before, but is

Figure 1 Pay gap trends, 1971-2003



Source: New Earnings Survey.

Note: the New Earnings Survey was replaced by the Annual Survey of Hours and Earnings in 2004.

also the first time all the stakeholders have got together to look at the problem of the gender pay gap in the round. Employer representatives from large and small firms, public and private sector managers, trade unionists, and experts from education and the voluntary sector have brought their different perspectives to our discussions.

Why do women still earn less than men?

10. In the 30 years since the Equal Pay Act, major changes in the UK's economy and society have increased the opportunities available to women. It has become more socially acceptable for women to work. In 2005, 70 per cent of women of working age were in employment, compared to 60 per cent in 1975 (Labour Force Survey).

11. Women's education levels have increased and as the traditionally male jobs in the manufacturing sector have disappeared, jobs in the service sector, which are seen as more accessible to women, have expanded.

12. Women are having fewer children and giving birth later in life. Women are more likely to establish a career before having a family and to re-establish themselves at work more easily afterwards. Women are also more likely to work when they have young children than in previous decades. 56 per cent of women whose youngest child was under five were in employment in 2005 compared to 91 per cent of men whose youngest child was under five. The main growth in women's employment rates in the 1990s was among women with very young children (Labour Force Survey).



Debbie Coulter, Ruth Silver, Sally Hopson, Jenny Watson and John Cridland, Commissioners.

13. Despite these changes there are still significant barriers to equal pay and opportunity for women. The remaining obstacles are the most entrenched, and often inter-related.

Causes of the gender pay gap

The gender pay gap is caused by differences between men and women in:

- the jobs they do – *occupational segregation* – “women's jobs” are under-valued;
- length of work experience;
- number of interruptions to work experience;
- part-time employment experience;
- qualifications and skills;
- travel to work issues;
- unobserved factors including discriminatory treatment of women at work.

See References for a selection of research studies and literature reviews on the causes of the gender pay gap.

14. There is extensive literature discussing the potential causes of the gender pay gap, and many research studies which attempt to evaluate the relative influence of various factors on the differences in pay rates. There is a broad consensus on the main differences between men and women in terms of their qualifications and experiences of the labour market.

15. Women and men tend to do different jobs, a pattern which is usually referred to as “occupational segregation”. Women tend to work in lower paid occupations, in particular dominating the five “c”s – caring, cashiering, catering, cleaning, and clerical. The occupations which are regarded as “women’s work” are under-valued.

16. In Chapter 2 *Changing our culture: maximising potential*, we discuss why, despite girls’ aspirations and achievements being so high, they continue to choose traditionally female jobs and do not take up vocational training to the same extent as boys. We put forward proposals to better inform girls’ choices about education and work, in order to break down gender stereotypes, and move away from occupations being regarded as predominantly “men’s jobs” or “women’s jobs”.

17. Women have less labour market experience than men and more interruptions to their work experience. Women tend to take more time out of work to care for children. Experience is one of the factors that employers reward and it is often difficult for women to return to work at the same or a higher level after taking time out.

18. Women work part time much more than men, earning lower hourly pay rates than their full-time counterparts and suffering a long-term negative impact on their earnings even if they return to full-time work. The lower rates of pay for part-time work are linked to general lower rates of pay in those sectors offering the most part-time opportunities.

19. Travel to work issues can also be a factor. Women, particularly women with children, tend to have shorter commuting times than men which limits the range of jobs available to them. This potentially leads to the crowding of women into those jobs available locally, and in either case, depresses wages.

20. In Chapter 3 *Combining work and family life*, we examine the barriers women face when returning to work after having a baby and the difficulties in successfully combining work and family life. We put forward proposals which will enable women to return to jobs which match their skills and highlight the importance of matching women returning to work after a career break into local, flexible jobs.

21. Younger women have caught up with men in terms of qualifications, and so differences in educational levels account for much less of the gender pay gap today than in the past. However, there is still a larger difference between older women and men – a gender skills gap – which is also caused by less access to training in the lower-paid sectors where more women than men tend to work.

22. In Chapter 4 *Lifelong opportunities for women in training and work*, we discuss the barriers some women face in accessing learning and training. We make

recommendations designed to remove these barriers and enable women to access learning and training throughout their working lives in order to develop their careers or change direction. “Women’s jobs”, particularly jobs in the five “c” sectors, are under-valued and we believe that Government should consider how to better reward caring jobs.

23. A significant proportion of the gender pay gap remains unexplained because there are factors which we cannot observe in the labour market data. There is considerable debate as to what the unobserved factors might be, but these are likely to include discriminatory treatment of women, whether intended or otherwise.

24. In Chapter 5 *Improving workplace practice*, we discuss how discrimination against women can arise through the way pay systems operate and we examine the evidence of the impact of workplace practices on fairness for women. Some leading private sector companies have agreed to be exemplar companies and implement best practice to pilot some of our ideas.

25. We propose that the public sector, as a major employer of women, takes a lead on the issues we raise in this report. We also recommend that public expenditure be used to bring about equal pay and opportunities in the private sector through procurement practice.

26. There are strong imperatives for action in terms of fairness, and higher productivity and output for the UK economy. Although our recommendations are addressed to girls and women they also have the potential to benefit boys and men.

Shaping a fairer society

27. Reducing the gender pay gap is essential if we are to become a fairer society. Lower lifetime earnings for women mean lower contributions and lower pensions. Rake et al (2000) estimate that the difference in the lifetime earnings of men and childless women is just under £250,000 for the mid-skilled woman. This is 37 per cent less than those of an equivalently skilled man, of which 16 per cent is due to fewer hours spent in the labour market and 18 per cent is due to differences in hourly pay. For women with children the difference is even greater. Lower-paid jobs are also less likely to have occupational pension schemes.

28. Removing the barriers to women entering higher paid occupations and helping women return to work which matches their skills will have a positive impact on women’s pay and pensions. We welcome the consideration given to women’s pensions in the second Pensions Commission Report (2005) and the Department for Work and Pensions report *Women and Pensions: the evidence* (DWP, 2005a). We hope the Government now takes action to reduce the imbalance in pension incomes between men and women.

29. Paid employment is the main route out of poverty in the UK, but low wages are also a problem. Raising women’s pay will lift more families, particularly lone parent families, out of poverty. This has the side-effect of reducing the dependence of working women and their families on state benefits and so reduces the tax burden.

A more productive economy

30. If women's skills are under-utilised, either because women are in roles which do not fully use their skills or because they face barriers in combining work and family life, this represents lost productivity and output for the UK economy.

31. The potential benefits of closing the gender pay gap can be estimated by considering the impact of removing the segregation of work by gender and increasing women's employment. (Our estimates build on original work by the DTI Think Tank.)

32. If women move into higher-paid occupations or higher-grade roles in their current occupations, this will raise the productive potential of the economy. The difference is estimated to be worth between £2 billion and £9 billion. The scale of the benefits depends on how much of the gender pay gap we assume is caused by the segregation of jobs.

33. The 2005 Labour Force Survey tells us that just over one million women who are currently not working would like to work and that nearly 15 per cent of the 5.1 million women working part time would like to increase their hours. If women currently not working, who would like to work, start to work part time and those working part time, who would like to increase their hours, start to work full time, this would raise the employment rate for women from 70 per cent towards 75 per cent. But the proposals in this report could have an even greater positive impact on raising women's employment which will be key in reaching the Government's target for an overall employment rate of 80 per cent (announced in the Department for Work and Pensions *Five Year Strategy: Opportunity and security throughout life*, (DWP, 2005b).

34. Increasing women's employment could raise output in the economy by between £13 billion and £14 billion. The scale of the benefits depends on how productive we assume that women entering the labour market will be.

35. The total potential benefits of reducing the gender segregation of jobs and increasing women's employment could be worth between £15 billion and £23 billion or 1.3 to 2.0 per cent of GDP.

36. These estimates are indicative of the magnitude of the benefits. They could be smaller or larger depending on the degree to which women's choices are currently limited, the extent to which the segregation of jobs will be reduced and how many more women move into the labour market. We have based our estimates on the latest labour market data and made what we regard as realistic assumptions. If a more major culture change occurs, removing the segregation of jobs and making it easier for all employees to combine work and family life, the benefits for the UK economy could be even larger.

Gender equality is good for UK business

37. Businesses can benefit from implementing equal pay *and* opportunities both in terms of competing in the product and the labour markets (Dickens, 1994). Opportunity Now has done a lot of work with UK firms in making the link between equality, of all types, and business excellence. The report, Opportunity Now (2001), was submitted in evidence.

Business case for equality

Increasing effectiveness

- **Attracting the best employees** – organisations that champion equality are employers of choice.
- **Staff commitment** – staff who feel that they are treated fairly and that their contribution is valued will be more committed.
- **Increased quality and productivity** – staff who are happy at work will be more productive and the quality of products and services will improve.
- **Organisational flexibility** – organisations need to be more flexible to meet customer/client expectations.
- **Innovation** – having both men and women involved in problem-solving will introduce different perspectives and improve the quality of decision-making.

- **Satisfying customers, shareholders and other stakeholders** – better products and services, which meet diverse customers' and clients' needs, will satisfy customers. This in turn will satisfy shareholders.

Reducing costs

- **Reduced staff turnover costs** – the cost of losing staff who feel unhappy and discriminated against can be up to 150 per cent of their annual salary.
- **Reduced absenteeism** – stress is a major cause of absence. Staff who feel unfairly treated and who struggle to balance work and personal commitments are liable to be absent with stress.
- **Legislation** – the costs of failing to comply with equality legislation can be high, not just in financial terms but in terms of reputation lost.

Opportunity Now (2001)

There are considerable opportunities for change

38. Forecasts by Wilson et al (2004) in their Working Futures research predict that, over the next decade, 1.3 million new jobs are likely to be created and 12 million jobs will become available as workers leave the labour market. A lot of the new jobs created are likely to be in management and the professions and the service sector – particularly sales and customer services, and personal services, including caring jobs – and

are likely to be taken up by women. However, there are also huge opportunities for reducing the segregation of jobs along gender lines.

39. Attitudes towards work and roles within families are also changing. Increasingly, both partners in a couple work, though not necessarily full time, and men are adapting their working patterns to fit in with family life and taking a more active role in caring for their children. About one third of active parental childcare is already carried out by fathers (O'Brien and Shemilt, 2003).

40. Our ageing society means that both women and men are likely to work for longer, but may also have greater responsibilities in caring for elderly relatives. People may be expected to change jobs more frequently and to continue to develop new skills throughout their working lives. Employers are already offering more flexibility and development opportunities, both in order to recruit and retain the most skilled people and to respond to the needs of customers. Our recommendations are designed to maximise the opportunities for women to take advantage of these changes.

Culture change is key to closing the gender pay gap

41. Looking around Europe, those countries with cultures more attuned to enabling employees to balance work and family life – such as Sweden and Denmark – have lower gender pay gaps than the UK, while having similarly high levels of women’s participation in work. However, no country in the world has successfully resolved all the issues of how to combine work and family life and achieve gender equity in employment.

42. In order for substantial progress to be made in closing the gender pay gap, we must continue to enable employees to be more flexible, training continuously throughout their working lives. In addition, managers need to focus on productivity rather than the long-hours culture, and move away from occupations being seen as either male or female occupations.

Chapter 2

CHANGING OUR CULTURE: MAXIMISING POTENTIAL

Girls' aspirations are higher than ever before and they now outperform boys at school and university. Much of the unfavourable stereotyping of women and their abilities has been swept away. But many girls and young women are still following traditional routes in education and training, and being paid less than men as a result. Research shows that just three years after graduating, women earn 15 per cent less than their male counterparts.

A culture change is needed in order to challenge assumptions about the types of jobs women and men can do. Our recommendations address this directly. We want to widen girls' horizons in terms of the jobs they might want to do and to remove the barriers to them taking up a wider variety of options, including vocational training.

Girls need a better understanding of the world of work, to experience working in jobs traditionally done by men, and more and better careers information, advice and guidance. Education and training, particularly in those vocational subjects mainly taken up by boys, should be made more accessible and appealing to girls. We believe that if girls are made more aware of the consequences of their choices for their future pay and career progression they might make different choices.

Girls' aspirations are high

1. More young women now than ever before see themselves combining family life with a job when they leave school. Marks and Houston (2002) surveyed the attitudes of girls aged 15-17 and find that girls are also realistic about the difficulties they may face in combining work and children, and are choosing career paths which they perceive to be compatible with motherhood.
2. While young women recognise that they may face barriers in combining work and family, most feel that these barriers can be overcome and are not a significant constraint on their progress at work. Most girls and young women do not know that their choice of career could affect their earning potential. They are unaware that, on average, women still earn less than men.

Girls do better than boys in exams

3. Girls are outperforming boys across a range of subjects at GCSE and A level. In 2005, girls in the UK outperformed boys at GCSE by 8.4 per cent at grades A* to C, a difference which has remained virtually unchanged over the last few years. At A level the gap is smaller: nearly two per cent more girls achieved grades A-E than boys (Joint Council for Qualifications).
4. There are now more women than men attaining degrees at both undergraduate and postgraduate level. In 2003/04, just over 293,000 higher education qualifications were obtained by women, compared to just under 200,000 by men. These totals include nearly 147,000 first degrees for women compared to just under 112,000 for men. There are, however, still slightly more men than women obtaining higher degrees and doctorates. In 2003/04 just over 16,000 men compared to

nearly 15,500 women obtained higher degrees and doctorates (Higher Education Statistics Agency, UK domiciled students).

But men earn more than women after just a few years in work

5. It is striking that men start to earn more than women almost as soon as they enter the labour market, and the pay gap rises with age. In 2005, the mean gender pay gap for full-time workers aged 18-21 was 3.7 per cent. For those aged 40-49, the age group for whom the gender pay gap is largest, the mean gender pay gap was 21.7 per cent (Annual Survey of Hours and Earnings).

6. In the first few years in work, the main difference between young men and young women is in the different types of jobs they do. In the early years of work there are fewer differences between men and women in terms of qualification levels or years of continuous work experience. Many of the factors which help to explain why women are paid less than men, such as part-time working and motherhood, do not yet apply.

7. Manning and Swaffield (2005) find only small differences between men and women in the early years of their careers, in terms of their levels of education and work experience. But there is a significant gender gap in wage growth. A woman working continuously full time can expect her pay to be, on average, 12 per cent behind that of an equivalent man after 10 years in the labour market. About half of this gap can be attributed to the different pay rates in the occupations taken up by men and women, but the other half remains unexplained.

The gender pay gap for graduates

We might expect there to be less difference in pay rates between the sexes for the most highly educated groups in the early years of work, as pay is rewarding well-defined qualifications rather than experience. But there continues to be a substantial difference between the earnings of male and female graduates.

Purcell (2002) and Elias et al (1999) find that just three years after graduation women earn, on average, 15 per cent less than their male counterparts. The gender pay gap for young graduates is at least partly explained by the different pay rates in the occupations taken up by male and female graduates. But there is also a salary gap between male and female graduates for those working in the same occupations.

Women are more concentrated in lower-paying occupations than men

8. Nearly two-thirds of women are employed in 12 occupation groups: the five 'c's – caring, cashiering, catering, cleaning and clerical occupations – plus teaching, health associate professionals (including nurses), and "functional" managers, such as financial managers, marketing and sales managers and personnel managers. By contrast, men are employed in a wider range of jobs. Two-thirds of men are employed in 26 occupation groups including more professional, management and technical roles than women, for example, functional and production managers, transport drivers, engineers and information and

communication technology professionals (Annual Survey of Hours and Earnings).

9. The concentration of women in lower paying occupations, known as “occupational segregation”, contributes to the overall gender pay gap. Women tend to be paid less than men within occupations, not climbing the career ladder to the same degree as men. This is known as vertical segregation and the barriers to moving up in a profession are also referred to as the “glass ceiling”. Both forms of gender segregation of jobs are linked to the availability of quality, part-time work and we discuss this in Chapter 3 *Combining work and family life*.

10. Historically, “women’s jobs” have been under-valued, at least partly because society does not appear to place as much value on the skills demanded in these occupations as they do others. This has led to a gender divide in earnings based on the types of jobs men and women do.

11. The gender segregation of occupations did decline to a larger extent during the 1990s than in previous decades. This is attributed to the increased concentration of both men and women in service-related occupations (Labour Market Trends, 2005). For example, medicine, pharmacy, law and accountancy have become much less segregated by gender. Three-quarters of all pharmacists, a third of medical practitioners, nearly half of all lawyers and nearly 40 per cent of all accountants are female. The proportion of managers and senior officials who are women has increased from less than 10 per cent in the early 1990s to a third in 2005 (Annual Survey of Hours and Earnings, 2005).

12. Despite the reduction in gender segregation of these occupations, gender pay gaps remain for these groups. For example, full-time, female medical practitioners earn 23 per cent less, female legal professionals earn 21 per cent less, and female accountants earn 15 per cent less than the median hourly earnings of their male counterparts. In other occupations, progress on reducing segregation has been negligible or has reversed. For example, only 14 per cent of science and technology professionals are women and the numbers of female information and communication technology professionals are actually falling (Annual Survey of Hours and Earnings, 2005).

Girls and boys study different subjects

13. One of the consequences of assumptions about men’s and women’s job roles is that women tend to study different subjects to men at higher levels. The National Curriculum has narrowed the range of choices at GCSE so girls and boys now study similar subjects at this level. But there is a clear difference between their subject choices at A level. Some subjects attract more than twice the number of entries from girls compared to boys, and vice versa. Female candidates favour English, psychology, art and design, sociology, biology and the expressive arts/drama, while boys choose physics, mathematics, economics, computing and business studies (Joint Council for Qualifications).

14. Choices at school influence choices in higher education and ultimately careers. In

2003/04, there were more women than men studying most subjects at undergraduate and postgraduate level. However, women are under-represented in most science subjects. Only 14 per cent of engineering and technology students, 24 per cent of computer science students, 22 per cent of physics students, and 32 per cent of architecture students are female.

15. Nearly two-thirds of medicine and dentistry students are female, and women still dominate the traditionally female occupations allied to medicine. For example, 89 per cent of nursing students are female. There are more women than men studying most social science and arts subjects with a few exceptions including economics, where only 31 per cent of students are female, politics, 41 per cent female, and finance, 38 per cent female (Higher Education Statistics Agency, UK domiciled students).

Choices are affected by gender stereotyping

16. Choices of subjects and occupations are affected by deep-rooted assumptions about the abilities and attributes of men and women, and therefore the jobs which can best be done by women and those better suited to men. Women are often perceived to have attributes more appropriate to the “caring” professions, while men are presumed more “scientific” and suited to more technical jobs. So particular occupations become “men’s jobs” or “women’s jobs”.

17. Millward et al (2006 forthcoming) interviewed adolescents aged 14-16, all of whom intend to train post-16 on a National

Vocational Qualification (NVQ) course or equivalent. When asked what they think about particular jobs, both girls and boys express stereotypical views of “men’s jobs” or “women’s jobs”. For example, both males and females describe plumbing as a “man’s job” because of the manual labour involved. Significantly more males than females talk about nursery nursing as having the image of being a “girl’s job” and “not really for men”.

Government has recognised that segregation of jobs is a problem

18. A cross-governmental plan *Equality, Opportunity and Choice: Tackling Occupational Segregation* was launched in October 2004. It highlights examples of government activity to encourage women (and men) into non-traditional areas of work.

19. The Commission heard evidence from Annette Williams, Director of the UK Resource Centre for Women in Science, Engineering and Technology (SET), a body funded by the DTI and the Office of Science and Technology. She told us about a variety of initiatives to increase the participation and position of women in science, engineering and technology employment across industry, academia and the public services. For example, SET shares good employment practice for women in science sectors and supports women returning to jobs in science after a career break.

20. The Trade and Industry Select Committee (2005) investigated the segregation by gender of jobs in its report *Jobs for the Girls: Occupational Segregation and the Gender Pay Gap*. While it supports government initiatives

HOW DO GIRLS MAKE CAREER CHOICES?

Commissioners visited Quintin Kynaston School, a specialist technology school in the London borough of Westminster, to ask the female pupils about their career ambitions. The school has pupils from a broad spectrum of social and ethnic groups and is attended by both boys and girls.

We asked girls studying for GCSEs and A levels about the factors affecting their education and career choices, the careers advice and guidance they had received, and their expectations from work in terms of pay and reward. Aspirations are very high. Most of the girls plan to combine a career with their family. They do not see any barriers to their progress into higher education and work and believe that they can accomplish anything they set out to achieve.

The girls told us that, in their view, the quality of careers advice from Connexions is poor. They rate discussions of careers with teachers much more highly. None of the girls had received any advice on the levels of pay they could expect in different jobs.

The girls regard their parents as a major influence on their career choices and want them to be involved in formal career discussions. The girls often arrange work placements through family contacts and these are generally of better quality than those organised by the school, which tend to be in low-paid sectors such as retail.

The girls really value the school's "Career Days", when a mix of people with different jobs come to chat to the pupils. These taster days give the girls an opportunity to meet potential role models. The girls also cite the media as a source of career role models.

on this issue, it concludes that there are still barriers to young people taking jobs in non-traditional sectors for their gender.

21. The Select Committee cites the lack of knowledge about career options that prevents young people from choosing non-traditional occupations, and the difficulties in accessing training in atypical areas. We have drawn the same conclusions about the lack of careers advice and guidance and access to vocational training. The Select Committee also identifies alien, sometimes hostile, business cultures and the lack of availability of part-time or flexible working in the higher paid occupations.

Again, we agree that these are significant factors and discuss these issues in Chapter 3 *Combining work and family life*.

Liz Snape, Commissioner, visits pupils from Quintin Kynaston School, Westminster, London



Our approach

22. Reducing the division of jobs into those done mostly by women and those done mostly by men requires a change in culture to widen horizons and break down gender stereotypes.

23. We want to remove the barriers to informed choice. Girls need better information about choosing subjects which will prepare them for careers in the higher paying, often male-dominated, occupations. We feel this will best be achieved through:

- giving girls experience of the world of work and occupations not traditionally taken up by women;
- teaching which maximises girls' potential, particularly in vocational subjects mainly taken up by boys;
- careers advice that challenges preconceptions about which jobs men or women can do;
- informing girls about the differences in rates of pay they can expect in different occupations.

24. Regarding the Gender Duty, discussed in more detail in Chapter 5, we think it is important that educational institutions should not be exempt from the specific duties. We are pleased that the Government has recently agreed in principle to extending the specific duties to education. Both DTI and Department for Education and Skills officials will need to work together to take this forward and we are confident that they will ensure that appropriate arrangements for different education bodies are agreed. The relevant regulations and supporting guidance on the way the specific duties will apply should be light-touch, flexible and relevant to the realities of life in schools and other educational institutions.

Girls need knowledge and experience of work in “male” jobs

25. From September 2004 there has been a statutory requirement that all young people should experience some work-related learning at Key Stage 4, aged 14-19. This means schools must provide opportunities for pupils to learn *through* work, for example through work experience placements; to learn *about* work, for example through vocational courses and careers education; and to learn *for* work, for example through work role plays and mock interviews.

26. Work-related learning is important as it is designed to develop the knowledge, skills and understanding that will be useful in working life.

27. Pupils rate work experience as a very important source of information on careers. But work placements often reinforce gender stereotypes. Pupils choose or are offered work placements in areas of work traditionally associated with their gender.

“Young people often don’t realise what a job entails. There are a lot of misconceptions about certain types of career. Schools and careers advisers should be encouraging and funding more placements in all areas – including non-traditional ones – to dispel many myths.”

Fair Play Scotland evidence

28. In its General Formal Investigation into Occupational Segregation, the Equal Opportunities Commission (2005a) surveyed pupils in England. It found that work experience heavily influences job choice – 43 per cent of boys and 38 per cent of girls surveyed said that their placement had encouraged them to pursue a career in that area. Conversely, placements found or allocated do not necessarily reflect the true preferences of boys and girls. For example, 43 girls did placements in childcare but only 29 had listed it as a possible future job.

29. A high proportion of girls and boys are interested in non-traditional work experience and job choices: 80 per cent of girls and 55 per cent of boys say they would or might be interested in a non-traditional job, and 76 per cent of girls and 59 per cent of boys want to try non-traditional work before making their job choices. A quarter of boys think a career in caring sounds interesting and 12 per cent of girls are interested in construction. More than eight out of 10 girls think men and women could be equally good at plumbing.

“Work experience placements, which should be playing a crucial role in allowing young people to test and develop ideas about non-traditional work, are in reality reinforcing gender, class and race divisions.”

Equal Opportunities Commission evidence

30. Work placements should be found in small and medium-sized enterprises as well as large businesses to widen the range of placements in different occupations. If work placements cannot be managed, workers from, and owners of, small firms should be encouraged to visit schools to talk to girls and boys about their work, and about entrepreneurship in general.

31. In its evidence to the Commission, the TUC stresses that trade unions have a role to play through Union Learning Representatives who can advise teachers on organising non-traditional work experience or taster sessions. The T&G union told us about its long-standing work in this area. It provides opportunities for young women to meet with female members working in non-traditional areas, for example, as bus drivers and carpenters.

Girls need more experience of vocational skills training

32. Vocational skills are important to the economy and recognition of their value is rising. But there is no coherent framework offering students a clear idea of the skills and qualifications that can be gained through vocational training. A curriculum for vocational skills would join up existing initiatives to provide a vocational education path to follow in a similar way to more academic routes.

33. A clarification of what students can expect in terms of entitlements to study, and what the different qualifications and standards mean and how they relate to each other, would make vocational training routes more attractive to everyone, including girls. This would also allow more tailoring of vocational

education to individual needs and encourage take-up of vocational options at an earlier age, when girls may be more open to considering traditionally “male” subjects and occupations. Greater take-up of vocational training by girls and young women will help to break down the segregation of jobs and allow them to access higher-paying occupations.

34. The Department for Education and Skills has recently published a series of papers including the Youth Green Paper: DfES (2005a) *Youth Matters*; The Skills White Paper: DfES (2005b) *Skills: Getting on in Business, Getting on at Work* and the 14-19 Education and Skills White Paper: DfES (2005c). The Department should consider how the policies

and frameworks in these papers impact on girls, particularly on their education and career choices – for example, how work experience placements are found and allocated.

We recommend

1. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments publish strategic documents, in reaction to the analysis in this report, which describe a systemic change in the way education is delivered in order to reduce stereotypical choices, improve take-up of vocational skills training, and improve employment outcomes for young women. The document should set

CAREER “TASTER DAYS” IN SCHOOLS

Commissioners visited Ford’s technical centre at Dunton to hear from its female engineers. We learned that for many, having fathers who were engineers had been a key influence on their career choice. These women now volunteer to visit schools to encourage pupils – boys and girls – into engineering. By visiting primary schools, meeting pupils aged 9-11, they give information about engineering and “sell it” to the children before they decide on particular examination subjects.

The Ford staff deliver the exercises which form part of the taster days to boys and girls separately, as boys tend to dominate joint sessions. They also offer work placements to older pupils. They work closely with the teachers, who they find are just as likely as the pupils to view engineering as a “male” profession.

We also visited the BMW plant at Cowley to learn about its policies and practices related to equality issues. Only seven per cent of employees at Cowley, and only 10 per cent of apprentices, are women, although this represents a slight increase on recent years. To try to change this pattern BMW holds events to attract more female apprentices and BMW staff visit local schools to talk about the work at Cowley and encourage pupils, particularly girls, to consider a career in the motor industry. BMW also participates in the national “Bring your daughter to work” day.

out the goals for a national World of Work Programme, meshing with existing initiatives, but providing a new framework for vocational skills and work experience, through primary, secondary and tertiary education. It should include:

- a curriculum for vocational skills that provides a joined-up framework for practical learning;
- clarification of what students can expect in terms of entitlements to study for vocational qualifications, what the different qualifications and standards mean and how they relate to each other;
- the promotion of Young Apprenticeships to 14-16 year olds in occupations not traditionally taken up by their gender;
- employer visits to schools and “taster” days for primary school pupils;
- work experience placements for pupils pre-14 in an occupation not traditionally taken up by their gender;
- careers education co-ordinators in schools to organise the provision of group visits, “taster days” and work experience.

How vocational skills are taught is important

35. Payne (2003) finds that although girls are more likely to stay on in education after 16 than boys, they are far less likely to enter work-based training at 16. The main explanation of this pattern is that the youth

labour market offers better employment opportunities in traditionally “male” sectors at age 16 which tend to attract more boys than girls. There is still a marked difference in the career choices of boys and girls at age 16 along stereotypical lines.

36. Poor teaching of vocational skills may discourage potential students, male and female, but we believe that girls are more likely to be put off by bad teaching than boys. The Ofsted Annual Report 2004/05 tells us that a third of work-based learning in general further education colleges and specialist colleges is unsatisfactory and particularly weak in construction, information and communication technology, and engineering, technology and manufacturing.

37. Poor teaching of vocational skills may also contribute to pupils, male and female, being actively dissuaded from taking the vocational route. A survey of first year engineering apprentices showed that two-thirds of them were advised by their teachers to stay on an academic route, mainly to do A Levels, rather than start their vocational training (Berkeley, 2004).

We recommend

2. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should work with teacher training providers to improve teachers’ practical skills in delivering vocational training.

Apprenticeships are perpetuating “women’s jobs” and “men’s jobs”

38. Apprenticeships provide on-the-job training for a nationally recognised qualification. There are more than 180 types of Apprenticeships available across 80 industry sectors. These are funded by the Learning and Skills Council and are important because they provide a route into vocational training for young people and are a major source of skills for the economy.

39. Skills shortage sectors also tend to be those which are male-dominated. But a shortage of Apprenticeship places in those sectors means that employers fill them quickly with suitable male candidates. There is therefore no incentive for them to make extra effort to recruit female trainees if young women do not traditionally take up jobs in the sector. Apprenticeships reflect current stereotypes and, without action, will continue to contribute towards the gender segregation of jobs.

40. The Equal Opportunities Commission (2004a) finds women are even less likely to take up Apprenticeships in engineering, construction, and information and communication technology than they are to be working in these areas. In 2002-03, only 16 women started Apprenticeships and six women started Advanced Apprenticeships in these sectors, compared to over 3,000 men.

41. There are various initiatives to recruit women to skills shortage areas, for example, the SET (Science, Engineering, Technology) Resource Centre, but progress has been limited. As a major government-funded scheme, Apprenticeships are well placed to lead the drive to ensure that women enter male-dominated occupations and help alleviate skills shortage in these areas.

We recommend

3. The Sector Skills Councils should work with employers on providing and promoting Apprenticeships for women in industries where there are skills shortages. The development of a comprehensive plan to tackle the segregation of jobs, into those mostly done by one gender or the other, should be part of every Sector Skills Agreement.

Ideas about gender stereotypes are formed young

42. Children express fixed views about men’s and women’s roles at a very early age. A survey of primary school children by Smithers and Zientek (1992) reveals that 95 per cent of boys think that car repairs should only be done by men, and 85 per cent of girls think that washing and mending clothes should only be done by women.

43. Several respondents to our call for evidence, including the National Union of Teachers, the Scottish Trades Union Congress, Women’s Budget Group, Communication Workers Union, Engineering Employers’ Federation and the Equal Opportunities Commission, stress the need to challenge gender stereotypes, or effectively prevent them forming, from an early age. A survey undertaken in November 2004 by the Engineering Employers’ Federation West Midlands of pupils in years seven, eight, and nine aged 11-14 found that nearly 15 per cent of boys expressed an interest in engineering as a career, compared to just over one per cent of girls.

44. By the time girls reach secondary school it may be too late to influence choices. Teenagers have already formed prejudices about male and female identity and are more sensitive to the views of their peers than younger children. Messages challenging gender stereotypes from outside the peer group have limited effect. Fair Play Scotland recommends in its evidence to the Commission that breaking down stereotypes needs to begin at nursery school level.

“We need to tackle this issue from an early age and ensure that young people are able to make better and more fully informed choices about future learning and employment opportunities and are able to do this earlier in their education.”

Learning and Skills Council evidence

45. In its evidence, the Welsh Labour Women’s Committee highlights how reading at a young age can shape attitudes. If there were books with titles such as *Mrs Plug the Plumber*, *Katie’s Kit Car* and *Bobby Cares for Baby*, these would all challenge from an early age the traditional understanding of the work men and women can do.

46. In 2002, the Department for Education and Skills issued guidance for the Foundation Stage for children aged three to five which applies to all settings receiving government funding to provide free early education.

The guidance states that:

- an awareness and understanding of the requirements of equal opportunities that cover gender is essential and practitioners should plan to meet the needs of both boys and girls;
- practitioners should provide safe and supportive learning environments where racial, religious, disability and gender stereotypes are challenged.

47. However, it fails to make clear how teachers and early years workers should challenge gender stereotypes.

48. The Equal Opportunities Commission has also produced guidance on challenging gender roles for young children in Skelton and Hall (2001).

We recommend

4. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should draw up national guidance for teachers and early years childcare workers on how to ensure that the horizons of children in the three to five age group are not limited by stereotypes of what girls and boys can do.

Teachers are one of the main sources of advice on careers

49. Teachers deliver careers education, rather than advise on specific careers for individuals. Careers education allows pupils to gain the skills they need to investigate options, make informed choices and manage their own careers. It is important that teachers are aware that they should challenge gender stereotypes

in delivering both careers education and subject teaching.

50. The girls at Quintin Kynaston School told us that they also discussed particular career options informally with their teachers, as they have built up relationships with them and value their opinions. It is therefore essential that teachers are more in touch with the world of work to challenge their own preconceptions about which jobs are suitable for men and women.

51. Careers education is not making the most of the opportunities provided by work-related learning. A survey of pupils aged 15-16 by the education charity Edge and backed by the CBI shows that schools are failing to follow up on work experience placements and therefore missing the opportunity to reinforce a link between the classrooms and careers. Two-thirds of pupils say the time they spent with a company does not help them understand their coursework and could have been much better organised. Over half of pupils have not had the chance to discuss their work placement with teachers since they returned to school. The input of teachers is critical in enabling pupils to get the most out of work placements.

52. Schools could make more use of the Department of Trade and Industry teaching resource pack *Does Sex Make a Difference?* which provides lesson plans, discussion topics and activities designed to make young people think about the division of jobs into “women’s jobs” and “men’s jobs” and its effects. The National Union of Teachers, in its evidence to the Commission, endorses the pack and recommends that prospective secondary school teachers receive better preparation

during their initial teacher training, and that a greater importance be given to careers guidance in the core curriculum.

“Schools produce a great deal more than examination results. Developing the confidence and self-respect of both young women and young men requires that everyone involved in education challenges gender stereotyping.”

National Union of Teachers evidence

We recommend

5. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should ensure that teacher training emphasises the need to challenge gender stereotypes, both in delivery of careers education and in subject teaching, and that it allows for a work placement for all trainee teachers, including observing workers in non-traditional occupations.

Girls are not making informed career choices

53. Connexions is the Government’s one-stop shop service for 13-19 year olds in England. It offers careers advice and guidance, as well as support on personal issues such as health, bullying and family problems.

54. The service is managed locally by Connexions Partnerships. It delivers careers advice and guidance in schools, as well as in the Connexions high street centres, and via the Connexions Direct web-based information services, text and freephone service.

55. The Connexions Service has been given explicit guidance to challenge gender stereotypes and some partnerships are doing this successfully. For example, the Commission heard of some very good practice from Elaine Twitchin, Service Manager at the Camden Connexions service. Camden has a Jobtrain programme which includes arranging for role models from particular industry sectors to visit schools and mentoring schemes which provide work-based learning. This includes “breaking the mould” programmes for girls or women interested in carpentry and joinery and for boys and men interested in childcare.

56. However, many of those who responded to our call for evidence also told us that Connexions careers advice does not challenge gender stereotypes. They say the quality of the service varies across the country, resources are targeted at those not in employment, education or training, and careers advice gets lost in the wider remit of Connexions services.

57. Official reports on Connexions offer a mixed picture. The Public Accounts Committee report published in October 2004 finds that the advice given by Connexions is patchy with “large apparent variations in the attention that local Connexions Partnerships pay to different groups of young people across England”. It also reports that Connexions could do more to increase teachers’ awareness of its role and to train teachers to identify and refer young people who need advice.

58. The National Audit Office (NAO) report on Connexions published in March 2004 finds that, although Connexions Partnerships have successfully recruited Personal Advisers to deliver the service, there are far fewer of them than anticipated when the service began. Early estimates were that 15,000 Personal Advisers would be needed – considerably more than the 7,700 Personal Advisers and 2,400 other frontline staff currently in post.

“Too many girls get poor career advice – they drop subjects such as science and mathematics in favour of English and history, and choose vocational courses in childcare rather than engineering or construction – the latter usually leading to better-paid careers than the former. Addressing this problem is crucial, and to be effective, must be done before formative educational choices have been made.”

CBI evidence

59. The NAO report also finds that “schools do not at present have the capacity or expertise to provide young people with good quality and impartial advice”. Half of schools surveyed say that they do not have sufficient time to develop the school’s curriculum to incorporate careers education. In nearly two-

thirds of the schools, careers advice and guidance is being co-ordinated or delivered by staff with no formal qualifications in the field.

60. In Northern Ireland, Scotland, and Wales there are separate careers and other advice services. In 2005, OECD benchmarked the performance of Careers Scotland and found it an “exemplar” organisation dedicated to career planning support. OECD highlighted particular aspects of the service, including the “customer differentiation model” which allows for different kinds of advice to different groups, and the work on impact assessment. Careers Scotland is part of Scottish Enterprise and Highlands & Islands Enterprise rather than the Scottish Executive Education Department.

61. Millward et al (2006 forthcoming) finds that careers advice and guidance are particularly important for girls. While family advice and work experience are the top sources of information used to make a decision on which job they would like to pursue, girls rely more than boys on formal sources of information, particularly career leaflets, but also teachers and careers advisers.

Girls are not aware of pay differentials

62. The implications of girls’ career choices for their salaries does not usually feature in the advice given by Connexions, although some information on pay rates is available on the “jobs4u” website. Rather, Connexions advisers are prompted by the personal interest shown by the young people seeking advice or the careers suggested by the subjects they are studying. This approach risks perpetuating gender stereotypes.

63. The Equal Opportunities Commission (2005a) finds in its General Formal Investigation into Occupational Segregation that two-thirds of women surveyed were not aware of the differences in pay rates between jobs usually done by women and men, and 57 per cent of women say they would have considered a wider range of career options had they known. This figure rises to 67 per cent for the 16-24 age group.

64. Careers advice and guidance which successfully challenges gender stereotypes has the potential to open up opportunities for girls and boys in non-traditional jobs. This will exploit the skills and aptitudes of young people to the full, tackle skills shortages and improve women’s pay and opportunities. We acknowledge that there is some good practice and recommend that the Department for Education and Skills builds on its current work to ensure that all young people have access to high quality careers information, advice and guidance.

We recommend

6. The Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments should ensure that all young people have access to careers information, advice and guidance. National standards should confirm that it:
 - challenges gender stereotypes;
 - gives young people a real understanding of the pay, rewards and challenges of occupations, particularly those not traditionally taken up by their gender.

Specialist schools could challenge stereotypes

65. The Specialist Schools Programme helps schools, in partnership with private sector sponsors and supported by additional government funding, to establish distinctive identities through their subject specialisms and to raise standards. There is a risk that stereotyping of “girls’ subjects” and “boys’ subjects” might be institutionalised through applications by single-sex schools for specialist status.

66. Specialist schools focus on subjects relating to their chosen specialism but must also meet National Curriculum requirements and deliver a broad and balanced education to all pupils. Any maintained secondary school in England can apply for specialist status in one of 10 specialisms: arts, business and enterprise, engineering, humanities, languages, mathematics and computing, music, science, sports, and technology. Schools can also combine any two specialisms.

67. There is a danger of perpetuating gender stereotypes as girls’ schools tend to specialise in arts subjects and boys’ schools in science and technology. Statistics from the Department for Education and Skills show that girls’ schools make up a disproportionately high number of those schools gaining language and arts specialisms, whereas boys’ schools are opting for sports or maths and computing specialisms. However, similar numbers of girls’ schools and boys’ schools are applying for science and technology specialisms.

68. For single-sex schools, two specialisms might be more appropriate, with at least one of the two being in a subject not usually

associated with the students’ gender, for example, engineering for girls’ schools and humanities for boys’ schools.

We recommend

7. The Department for Education and Skills and the Office for Standards in Education, Children’s Services and Skills should consider how applications by single-sex schools for specialist status could be used to challenge gender stereotypes. The first or second specialism could be in a subject not usually associated with the students’ gender, for example, languages for boys’ schools and maths and computing for girls’ schools. Relevant Scotland, Wales and Northern Ireland departments should consider this recommendation in the light of their policies.

Girls learn more effectively without boys in some subjects

69. Recent concerns over the achievement levels of boys have prompted research into the impact of teaching methods on learning. Although the focus has been on improving the achievement levels of boys, the research has also yielded positive recommendations for girls’ learning.

70. Educating girls and boys together has many benefits for social development and inclusion. However, Younger and Warrington (2005) find that, for some subjects, single-sex classes (or after-school clubs) enable girls and boys to feel more at ease, to show real interest without inhibition, and often to achieve more highly as a result. Maths and



Computer Clubs for Girls, Skinners' Company's
School for Girls, Hackney, London

science for girls, and English and modern languages for boys, are examples where single-sex learning can have a positive impact on achievement.

71. The literature on single-sex schools (for example, see Elwood and Gipps, 1999) also argues that girls attending them perform better *and* are less likely to make sexually stereotypical subject choices. However, the evidence is far from conclusive and the better performance may instead be due to other factors such as the socio-economic groups they come from, a higher quality of teaching, smaller class sizes, more parental involvement and better funding.

COMPUTER CLUBS FOR GIRLS

Computer Clubs for Girls (CC4G) is an after-school club exclusively for girls aged 10-14. It has been developed to encourage more girls to pursue a career in Information Technology (IT) and generally raise girls' IT skills. Less than a fifth of the IT workforce and a similar proportion of IT graduates looking for work are women.

The software used for CC4G is designed to appeal to girls and uses music, fashion and celebrity as subject matter for projects to develop IT skills. For example, the girls create storyboards about their favourite pop stars in Powerpoint, using digital images, animation and sounds. The social element of the clubs is important and, through working together on projects, the girls also develop interpersonal skills such as leadership and teamworking.

95 per cent of club facilitators claim that CC4G improves performance across the curriculum. Meanwhile, 64 per cent of girls attending the clubs say they would be more likely to consider a career in technology as a result of CC4G.

After previously being piloted in the South East, CC4G was rolled out across the country in 2005.

The front cover of this report was designed by a CC4G pupil, Kirsty Lythgoe, from St John Fisher High School in Wigan, who won a competition run by CC4G for the Women and Work Commission.

72. Single-sex classes or after-school clubs allow material to be presented in different ways to girls and boys in order to engage pupils' interest and remove barriers to their taking those subjects to a higher level or pursuing careers which require those skills. Girls often learn better in the context of the practical or social applications of the subject – for example, how science impacts on everyday life.

73. We were particularly impressed by evidence presented to us about an award-winning initiative by *e-skills*, the Sector Skills Council for IT, telecomms and contact centres, called Computer Clubs for Girls.

We recommend

8. Schools should consider different methods of teaching to different genders, including single-sex classes or after-school classes, for subjects where girls or boys are under-represented or under-achieving. A good example of this is Computer Clubs for Girls.

Parents and carers have a strong influence on career choices

74. A review of the evidence on choice at 16 by Payne (2003) shows that formal careers advice and guidance appear to have less influence than family. A review of research by Miller et al (2004) finds that parents and carers have a strong influence on the decisions of young people on whether to remain in education or training, which subjects they choose, and what careers they select. High

parental aspirations for their children are strongly associated with high aspirations and good academic achievement in the children themselves.

“Parents also need to become involved at an early stage and work along with the education system in changing unacceptable stereotyping or gendering of jobs.”

Communication Workers Union evidence

75. A study of the work of the careers service with Muslim girls and women in Great Britain by Parker-Jenkins et al (1999) finds that parental perceptions about “suitable” occupations are a strong influence on daughters. Case study research by Miller and Neathey (2004) finds that employers believe they need to talk to parents from ethnic minority communities to convince them that engineering and telecommunications are appropriate areas for their daughters to consider working in.

76. The girls we met at Quintin Kynaston School also regard their parents as a key influence on their career choices and want them to be more involved in formal career discussions.

77. Equal Opportunities Commission (Wales) told us that Careers Wales have guidance for parents *Choice 14+: a Guide for Parents and*



Adeeba Malik, Commissioner

Guardians 2002-2003 which emphasises the need to overcome sex stereotyping when young people make career choices.

We recommend

9. Careers literature and on-line careers resources that challenge gender stereotypes should be targeted at parents and carers, who should also be invited to attend the employer visits to schools and “taster days”.

The media have an important role to play

78. Girls at Quintin Kynaston School get ideas and information from TV and films. For example, one girl became interested in neurology after watching operations on the Discovery Channel; another was inspired by female TV news journalists. The girls feel that visible female role models are key to inspiring non-traditional career choices.

79. Two-thirds of the approximately 3,000 students on forensic science courses in the UK are female, making it one of the most popular

science-based degrees for women. Research by the Sector Skills Council for Science, Engineering and Manufacturing (Semta, 2005) largely attributes the increase in female students to the portrayal of a female forensic pathologist by Amanda Burton in the BBC TV drama *Silent Witness*.

80. The Scottish Trades Union Congress suggests in its evidence to the Commission that the influence of media and television on gender stereotyping should be considered.

We recommend

10. Government information campaigns should show women in occupations not traditionally taken up by them, and men as parents and carers. The media, in particular drama and advertising, should be encouraged to do likewise. The Department for Culture, Media and Sport should set up two high-level groups, of advertisers and key players in television drama, to encourage non-stereotypical portrayals of women and men at work.

Chapter 3

COMBINING WORK AND FAMILY LIFE

Women still find it difficult to combine work and family life. Women face substantial penalties, in terms of pay and progression, for taking time out of the labour market or reducing their working hours to care for children or other relatives. Women who work part time earn 32 per cent less than the median hourly earnings of women who work full time and 41 per cent less per hour than men who work full time.

Women returning to the labour market after time spent looking after children often find it difficult to find a job that matches their skills. Those looking for part-time work crowd into a narrow range of lower-paying occupations due to a lack of quality part-time jobs. Often they have to change employer and occupation – and accept lower pay – to get part-time work. This means their skills are being under-utilised and this represents lost productivity for the UK economy. In addition, the “glass ceiling” is still very much in evidence – only a third of managers and senior officials are women and women tend to work in lower-paid branches of management. The lack of flexibility at senior levels is particularly acute.

Our recommendations address this waste of talent and the negative impact that career breaks, or working part time, can have on women’s earnings. We are convinced that local solutions, using existing infrastructure, are most effective in reaching women, particularly those from black and minority ethnic communities. Several of the proposals recognise that small firms may need additional support to enable them to meet the challenges ahead and reap the business benefits of flexibility.

Combining work and care

1. Women with young children have increased their participation in work more than any other group during the last 20 years. Of working-age women with a youngest child under five, 56 per cent are in employment (Labour Force Survey, 2005). However, women continue to have the main responsibility for childcare, other unpaid care and domestic work. Combining work and care proves difficult for many, and barriers, such as the lack of availability of local, part-time jobs and childcare, prevent women achieving their desired work-life balance.

2. Several factors indicate changes on the horizon. Some fathers want to take a more active role in parenting and this seems likely

to continue to increase. Hatten et al (2002) find a substantial minority of fathers would like to be more involved in looking after their children. Our ageing society means that both women and men may choose to work for longer but are also more likely to have elderly relatives to care for. It is therefore imperative that it becomes easier for women and men to combine work and family life.

Women are more likely to be carers than men

3. Women still take the largest share of childcare. According to the UK Time Use Survey, mothers do three-quarters of childcare during

the week and two-thirds at weekends. However, fathers do play an important role and in nearly a quarter of two-parent families the father does most of the childcare on at least one of the days covered by the survey (ONS, analysis of the UK Time Use Survey, 2000/01).

4. Women are also most likely to care for elderly or disabled relatives and friends and are most likely to be carers in all age groups under 75 years. Almost one in eight women and one in 12 men aged 25-44 have unpaid caring responsibilities. A quarter of all women aged 50-59 provide unpaid care, compared to about one in six men (Sheffield Hallam University, 2005).

5. When women have children they tend to take time out of the labour market or work part time. Of all those of working age, 70 per cent of women are in employment, compared to 79 per cent of men. However, the employment rate is much lower for women with children under five. In this group only 56 per cent are in employment, compared to 91 per cent of men (Labour Force Survey, 2005). Men with children actually tend to work longer hours than those without. A recent study of long hours for the DTI by Hogarth et al (2003) finds that those working the longest hours in the UK are fathers aged 30-49 who work in the private sector.

6. Those providing unpaid care for elderly or disabled relatives or friends often combine work and care over long periods. But women with these caring responsibilities are much more likely than men to work part time or not at all. The majority of men with caring

responsibilities who do paid work have full-time jobs, compared to just over half of the women in the same situation. One in six women working part time and one in eight women working full time are carers, compared to one in eight men working part time and one in 10 men working full time (Sheffield Hallam University, 2005).

Unpaid care for relatives and friends

The Census first asked about unpaid care in 2001, putting the question:

Do you look after or give any help and support to: family members, friends or neighbours or others, because of: long-term physical or mental ill-health or disability, or problems related to old age?

Across the UK, 11 per cent of the population – almost six million people – provide unpaid care. 4.4 million of these are men and women of working age, and, of these, over 1.4 million men and 1.7 million women also do paid work.

The incidence of providing care rises with age until men and women reach their 50s when it starts to decline but remains a common experience until well after state pension age.

Sheffield Hallam University (2005)

Women face a pay penalty for taking time out of the labour market

7. It has long been known that taking time out of the labour market to have children is one of the main reasons that women earn less than men. It reduces the years of work experience that a woman builds up, and therefore reduces one of the factors valued through pay by employers. After an extended period out of work women may face many barriers to returning, such as low confidence and outdated skills. Even after a relatively short period away from work it can be difficult for women to return to or find jobs that match their skills, particularly if they want to work more locally or part time.

8. Rake et al (2000) simulate the impact of life events, such as childbirth, on women's lifetime earnings. The impact on earnings of having children varies by skill level. The low-skilled mother of two is calculated to give up earnings of more than £250,000 (almost 60 per cent of the wages she would have earned if she had no children), compared to £140,000 (26 per cent) for the mid-skilled and under £20,000 (2 per cent) for the high-skilled mother. The timing of motherhood has an important impact: the mid-skilled mother of two who starts her family aged 24 loses more than double the sum of the mother whose first birth is at age 30.

Pregnancy and maternity

Women still suffer discrimination at work related to pregnancy and maternity leave. The need to handle maternity well should be a primary consideration for employers.

The Equal Opportunities Commission investigation finds that some pregnant women are forced to leave their jobs, losing out on their statutory maternity pay and taking longer out of the labour market than they planned. Others return to lower hourly earnings in lower-skilled job roles than those they left.

The principal reasons for non-compliance with the law on pregnancy and maternity are:

- lack of knowledge and understanding of maternity rights;
- lack of dialogue and planning;
- costs (which are a particular issue for small employers);
- negative attitudes towards pregnancy and maternity – a small minority view pregnant women as less committed and less suitable for progression.

Equal Opportunities Commission (2005b)

A recent survey of 122 recruitment agencies reveals that more than 70 per cent have been asked by clients to avoid hiring pregnant women or those of child-bearing age.

Recruitment Employment Confederation (2005)

Women face a pay penalty for working part time

9. Women working part time earn less per hour than both women and men working full time. The gap between the earnings of women working part time and men working full time – the “part-time pay gap” – is 41 per cent based on median hourly pay and 38 per cent based on mean hourly pay. Women working part time earn 32 per cent less than women working full time based on median hourly pay and 26 per cent based on mean hourly pay (Annual Survey of Hours and Earnings, 2005).

Why do women work part time?

Women are most likely to work part time when they have young children. Around two-thirds of women with children under the age of 11 work part time, compared to only one-third of women with no dependent children. Longitudinal research by McRae (2003) shows that only 10 per cent of women maintain full-time continuous employment by the time their first child is 11-years-old.

The Labour Force Survey asks about reasons for working part time. 79 per cent of women who work part time state that they do not want a full-time job, and of these, 74 per cent say that children or domestic family responsibilities are their reason for working part time.

Labour Force Survey, 2004.

10. Women are much more affected than men by the pay differential for part-time work. Four times as many women as men work part time: 41 per cent of women in the labour force work part time compared to 9 per cent of men (Labour Force Survey, Summer 2005). Also, women work part time in the prime years of their career, aged 25-45, whereas men tend to work part time at the beginning of their career, perhaps as students, and at the end, reducing their hours as retirement approaches.

11. Working part time for even a short period also has a detrimental impact on a woman's full-time earning potential. Francesconi and Gosling (2005) find that women who spend just one year in part-time work, and then work full time again, can expect to earn 10 per cent less after 15 years than those who did not work part time.

12. Walby and Olsen (2004) find that for each year of part-time employment, hourly wages are one per cent lower than they otherwise would have been. This loss is in addition to missing out on the increase in wages, estimated to be 3 per cent, that another year of full-time work experience would bring.

13. Research for the Women and Equality Unit by Manning and Petrongolo (2004) finds that while some of the part-time pay penalty is explained by the different characteristics of women working part time compared to women working full time – level of education being the most important – more than a third is explained by the different types of jobs they do.

Part-time jobs are concentrated in lower-paying occupations

14. The concentration of part-time jobs in a few, lower-paying occupations helps to explain the division of occupations into “women’s jobs” and “men’s jobs”. Manning and Petrongolo (2004) find that women working part time are more likely to work in retail, are less likely to be managers and are more likely to be in elementary occupations – almost one in four women is working part time as a sales assistant, a cleaner or a care assistant.

15. These findings suggest that particular jobs with particular employers are labelled as either “full-time” or “part-time” and to change their hours, many women have to change their employer, change their occupation, and take a pay cut.

Women’s skills are being under-utilised

16. Women are being crowded into a narrow range of low-paid, part-time jobs that do not fully utilise their skills. This waste of talent represents lost productivity to the UK economy.

17. Manning and Petrongolo (2004) analyse the extent to which the skills of women working part time are being under-utilised. They compare nurses and teachers with well-defined qualification levels against the skills required for the jobs they are actually doing.

18. Most of the women with teaching qualifications who work full time are working as teachers, compared to just half of those who work part time. Of those not working as teachers, those working part time are more

likely than those working full time to be in lower-paying jobs. Similarly, for qualified nurses, those not working as nurses are more likely to be in lower-paying jobs if they work part time than if they work full time.

Skills Survey data by gender

Analysis of the Skills Survey for the Women and Work Commission, by Green (2005) compares workers’ skill levels with the requirements of the jobs they are doing to determine the extent to which skills are being under-utilised in the UK.

Women with dependent children and/or working part time are more likely to possess skills or qualifications at a level above that required to do their job than men or women working full time and those with no dependent children.

- 45 per cent of women working part time are underutilising their skills compared to 35 per cent of women (and men) working full time.
- Nearly half of women workers with children under five years are in jobs that under-utilise their skills.

Women with dependent children and/or working part time are more likely to be in jobs which under-utilise their skills if their geographic mobility, flexibility over the times of day they can work, or choice of jobs is limited. The presence of young children makes only a small difference to whether men are using their skills in their jobs.

Women's choices are constrained

19. Some commentators argue that women's choices of occupation, how long to spend out of the labour market, whether to work full time or part time, and how high to climb in their chosen occupation, are made freely. They argue that women are willing to accept lower wages in exchange for the flexibility that certain jobs offer them.

20. For example, Hakim (2004) argues that the economic and social developments of the late 20th Century – the availability of contraception, equal opportunities policies, the expansion of white-collar jobs, the creation of jobs for secondary earners, and the increasing importance of attitudes and preferences in lifestyle choices – have created genuine choice in affluent, modern societies. She categorises women as home-centred

Work preferences of first-time mothers

Houston and Marks asked 400 first-time mothers about their intentions regarding work and childcare. They then kept in contact with the women until their child's third birthday to understand their experiences and working patterns.

When they were pregnant, 20 per cent of the women intended to do no paid work at the end of their maternity leave, 54 per cent intended to work part time and 26 per cent to work full time. One year later, of those who had intended to work, three-quarters were working in the way they had intended. However, 14 per cent were not working despite intending to, and 10 per cent of those who had intended to work full time were working part time (Houston and Marks, 2003). Reasons given for not returning to work in the way they had planned were:

- stress/exhaustion;
- their income was too low to cover childcare costs;

- their employer would not let them work part time;
- unforeseen events e.g. illness or disruption to plans for childcare;
- a strong emotional change which resulted in their not wanting to leave their baby.

When their children were three years old, the mothers were asked what they would do about work and childcare if all options were available to them, and the income of the household were unaffected. Half of those who were not working said their preference would be to do some work outside the home. However, virtually none of the women, whatever their working pattern, said they would choose to have both partners working full time (only 1.3% wanted this option). There was strong support for flexible working and the sharing of work and family roles between them and their partner (Houston and Marks, 2005).

(preferring not to work), adaptive (combining work and family), or work-centred (work is the main priority). She estimates that 20 per cent of women are home-centred, 20 per cent are work-centred and 60 per cent are adaptive. By contrast, men are characterised as 55 per cent work-centred, 45 per cent adaptive.

21. Critics of the choice model argue that the working patterns observed are not free choices. Instead, choices are constrained by things like the availability and cost of childcare, the attitudes of husbands and partners, and the availability of local and part-time jobs.

22. First-time mothers were surveyed by Houston and Marks (2003) and (2005) on their plans for work and childcare compared with the actual patterns worked in the first few years after the children were born. More mothers than had wanted to were doing no paid work and some who were intending to work full time were working part time.

23. Houston and Marks (2005) conclude that while the first-time mothers in their study could be categorised in the way that proponents of free choice suggest, the differences between the patterns women wanted to work and the patterns they were actually working indicate that their choices are constrained. Most seek a balance between work and family life and feel that this is not inconsistent with having ambition and a desire to work.

Our approach

24. We want to make it easier for women, and men, to combine their work and family lives. New policies and options, which remove barriers to women's participation and progression in work, will give women more choices about the hours they work and the types of job they do.

25. We do not want to restrict choice, and acknowledge that some women will continue to want to take substantial periods out of the labour market after having children. However, we do want to reduce the pay penalties associated with these choices, which reflect the fact that women's skills are being under-utilised and productivity for the UK economy is lost. Businesses should explore further the opportunities offered by part-time and flexible working, and look at the potential of women returning to work after having a family. Providing equal opportunities and pay, and making the best use of talent, are major tools for recruiting and retaining the most productive staff.

There is a lack of “quality” part-time work

26. Much of the evidence we heard focused on the difficulties women face in successfully balancing their work and family commitments. In particular, it showed that women's choices are, to some extent, constrained by the nature of the jobs available on a part-time basis. In the professional and associated technical occupations in particular, working part time can represent a barrier to promotion and progression.

27. Only 7 per cent of managers and senior officials work part time compared to 33 per cent of those in administrative and secretarial occupations. Only 8 per cent of those in skilled trades occupations work part time compared to 52 per cent of those in personal service jobs and 57 per cent in sales and customer service jobs. Around 20 per cent of teachers and a third of nurses work part time.

28. The Equal Opportunities Commission (2005c) has undertaken a major investigation into flexible and part-time working. Grant et al (2005) surveys women working part time and finds that just over half the women in low-paid part-time jobs feel they are working below their potential, in other words, they are not using all their skills or experience in their current job. This survey result confirms the findings of the analysis of Manning and Petrongolo (2004) and Green (2005).

29. While some of the women working below their potential are content to do so, still more could not find higher-grade work on a part-time basis, either within or outside their workplace. Others felt forced into part-time work because of the intensity of work in senior, full-time jobs, and the absence of effective work-life balance policies and practices in their workplaces.

30. Senior part-time jobs tend to be created through negotiation rather than being advertised, even if the previous incumbent worked part time. Managers are often unaware of the skills, talents and aspirations of women working in low-paid part-time jobs and are mostly resistant to creating senior level, part-time jobs (Grant et al, 2005).

31. Many of the respondents to our call for evidence want more quality, part-time work and flexible working at senior levels.

The Communication Workers Union wants employers to be encouraged to create more opportunities for flexible and part-time work at all levels. Connect, the union for professionals in communications, feels that part-time workers are seen as being less than 100 per cent committed, and members have found it difficult to move to part-time work.

32. Usdaw believes it is very difficult for women in part-time posts in the retail sector to progress to management levels. There are not enough women around in middle and senior management to challenge the belief that those kinds of jobs can be done on a part-time basis.

“On returning to work there seems to be a lack of opportunity – I can’t return on a part-time or job share basis so I can’t return as a manager – it seems like ‘you’ve had kids – career over’.”

Usdaw member, Usdaw evidence

33. The British Medical Association also told us of negative attitudes to flexible working. They feel that there is a need to change the culture and attitudes within the medical profession, which currently views flexible and part-time workers as being less committed and able to adapt to changing circumstances.

34. The Royal College of Midwives told us that some midwifery units continue to restrict the possibility of flexible working to midwives in lower grades. Some managers argue that part-time workers cannot fulfil the full range of responsibilities of their grades and must take a step down when they reduce their hours. Even where managers are supportive, there are difficulties in covering key shifts and fitting shifts together to provide a consistent service, 24 hours a day, 7 days a week.

The lack of quality part-time work reinforces the “glass ceiling”

35. The “glass ceiling” is a term, first coined in the 1980s, to describe the invisible barrier that stops women (and other disadvantaged groups) reaching the top in their chosen field. It is usually applied to barriers to senior management positions.

36. While some women have successfully broken through to senior management levels within their organisation, some aspects of workplace culture are helping to maintain the glass ceiling.

37. There is a lack of quality part-time work and flexible working at senior levels, arising from the long-hours culture and “presenteeism” – the need to be seen at work. Women find it difficult to access informal networks based on after-hours socialising in the pub and at the golf club. Directors often have preconceptions about women’s commitment and ambition, in particular that having children is incompatible with senior roles. There is a lack of senior women role models to dispel these preconceptions and inspire women to break through to senior levels.

The glass ceiling

Only a third of managers and senior officials are women. Women tend to be employed in lower-paid branches of management than men. Nearly 60 per cent of personnel and marketing managers are women, where median hourly pay for all full-time employees is £18.44. But only 26 per cent of corporate managers and senior officials, where median pay is £39.02 per hour, are women (Annual Survey of Hours and Earnings, 2005).

The Equal Opportunities Commission reports that, across Britain, women still make up just 9 per cent of the senior judiciary, 10 per cent of senior police officers, 11 per cent of top business leaders and 13 per cent of national newspaper editors (Equal Opportunities Commission, 2006).

The Female FTSE Report shows that although 78 of the FTSE100 companies now have women directors, up 13 per cent on 2004, only 11 FTSE100 companies have female executive directors, down from 13 per cent in 2004. Overall, women still hold just 10 per cent of directorships and only 3.4 per cent of executive director posts. There is only one female Chief Executive Officer and one female chair in the FTSE100 (Singh and Vinnicombe, 2005).

38. Many women who gave evidence cited the lack of quality part-time work as being a major barrier to taking on senior roles. Also, they feel that job share opportunities are severely limited at all levels, but particularly in senior management roles, and argue that

alternative networks for women could help to break the glass ceiling.

39. Opportunity Now (2000) surveyed women and chief executives in pre-eminent UK organisations to find out the experiences of women in senior management positions in the UK. The top five barriers to women's advancement to senior levels are:

- commitment to family responsibilities – difficulties combining work at senior levels with family life;
- stereotyping and preconceptions of women's roles and abilities;
- lack of senior, visibly successful, female role models;
- inhospitable organisational culture;
- exclusion from informal networks of communications.

40. Opportunity Now members are already implementing policies on flexible working and work-life balance. For example, MSN UK (Microsoft) has implemented a cultural change project to challenge the working culture of long hours and presenteeism. The 2002 annual staff survey revealed that two-thirds of respondents were having difficulty balancing work and home responsibilities and that the long hours culture was the most disliked aspect of working for the company. MSN opened up flexible working to all staff, introduced formal guidelines and a policy on flexible working and mandated training for managers. The project has brought significant business benefits. Morale and retention have improved: 81 per cent of staff think they are able to provide a better service and meet business objectives; and 89 per cent stated that they will stay longer with the company if they can work flexibly.

41. The First Division Association, the union for senior managers and professionals in public service, highlighted to us the impact of the long-hours culture in the Civil Service, which acts as a barrier to the progression of those working part time. There is also a lack of women in senior positions to act as role models.

42. Prospect, the union for professionals, told us that many women in senior positions are told that their jobs are not suitable for part-time and flexible working. For those who job share, if only one partner wishes to seek promotion, the lack of a job share register to find another job share partner, or provision to continue to work part time, causes particular difficulties.

43. PCS, the public and commercial services union, emphasises that increased opportunities for flexible working at higher levels may mean that more women make better use of their potential. Also the union feels that role models play an important part in influencing job and career choices and that trade unions, employers and the Government should all play a part in publicising female role models in less traditional occupations or in senior positions.

44. SOCPO, the Society of Personnel Officers in Local Government, told us that a facet of the male-dominated, senior management culture which creates a particular barrier to women is the acceptance of long hours as the norm. Although flexible working is available, there is pressure to conform to the view that this is not something that senior staff should take advantage of.

“Mentoring and networking schemes for women are effective ways of breaking through the so-called ‘glass ceiling’ in business. Schemes exist at the moment but many are in their early stages or of an informal nature.”

CBI evidence

We recommend

11. DTI should establish a UK-wide Quality Part-Time Work Change Initiative of £5 million to support new initiatives aimed at achieving a culture change, so that more senior jobs – particularly in the skilled occupations and the professions – are more open to part-time and flexible working. This should start from junior management level upwards, and include the roles considered “stepping stones” to senior management. Eligible projects might be:
 - identifying senior role models, working part time or job sharing, who will champion the spread of best practice among managers;
 - web-based job matching of those wanting to work part time with those offering quality jobs on a part-time or job share basis;
 - job share services to put potential job share partners in touch and aimed at high quality occupations;
 - specialist consultancy services to embed quality part-time work;
 - e-networks for senior and professional women;
 - other initiatives to spread best practice and achieve culture change.

Quality part-time work and job sharing can work for business

45. Firms offering more “quality” part-time positions will retain their senior women, make the best use of their skills and expertise and see a higher return from investments in training. Many women only want to work part time or job share for a relatively small slice of their career, and so firms taking a more enlightened view may perform better in the long run. Advertising more senior jobs as also being available part time will widen the pool of applicants and allow firms to recruit a more diverse workforce which may be more representative of their customer base.

46. There are additional costs involved in facilitating quality part-time work or job sharing. For example, the set-up costs in recruitment, training and administration are higher. Co-ordination between part-time workers or job sharers and their managers can be more difficult. However, we believe that one of the main barriers is managers’ *perceptions* that some jobs – particularly management – cannot be done in this way.

47. Many respondents to our call for evidence gave examples of part-time and job share arrangements which are working well for business.

“One of the major barriers is the perception that part-time workers cannot take on positions of responsibility within an organisation. There are many different types of jobs where this does not need to be the case.”

NATFHE, the trade union and professional association for lecturers, trainers, researchers and managers in further and higher education evidence

48. The NUT teaching union, in its evidence, put forward a business case for teachers working part time, arguing that teachers would be retained and be more likely to return following maternity leave on a part-time basis, rather than having longer absences. In addition, recruitment costs and teacher sickness absence would be reduced.

49. Amicus told us that, in the finance sector, the majority of part-time workers, who are mainly women, are confined to the administrative grades. However, there are a few managers successfully working part time in managerial grades.

50. Opportunity Now held a round table of its members for the Women and Work Commission. In relation to part-time and flexible working at senior levels, many of the companies participating have policies which make flexible working arrangements open to all employees. In the finance sector, traders work 12-hour days and most women traders change jobs when they have families. However, one Opportunity Now member organisation successfully employs two market traders in a job share arrangement.

JOB SHARING MANAGERS AT ASDA

Commissioners visited an ASDA store in Bradford to discuss ASDA's working practices, in particular on advancement, retention, and work-life balance.

Commissioners met Sarah Brook and Gee Singh, “ambient merchandising managers” (managing the chilled food sections) who are the most senior job sharers in ASDA. They explained that they mirror each other's work and spend time catching up on their “overlap” day. Each has the power to make decisions for the business which sends a clear message to staff that as job sharers they are still effective managers.

Sarah and Gee cited a strong business case for job sharing:

- individuals are more committed, raising productivity and morale;
- ASDA retains key people and provides more opportunities for progression;
- skills are often complementary and two minds can be better than one.

Women need support to retain their professional skills

51. Keeping professional skills up-to-date while taking time out of the labour market or working part time can be difficult.

“Some women returning to teaching feel disadvantaged by the fact that they are older than men at the same level and need the extra support and networking that can be provided by a returners’ scheme, or require access to continuous professional development in order to refresh their skills.”

National Union of Teachers evidence

52. The National Association of Women Pharmacists told us of some of the problems faced by women pharmacists working part time in fulfilling the requirements for continuous professional development. Government legislation specifies that training time must be the same for full-time or part-time workers, but locum self-employed workers, who are often women working part time, are less likely to get support for training from their employers. Part-time pharmacists are doubly disadvantaged as, in order to monitor the new continuous professional development arrangements, the Royal Pharmaceutical Society of Great Britain has raised its registration fee, an increase which is relatively more expensive for women working part time.

We recommend

12. Part-time workers and those on career breaks should receive pro-rata treatment from professional bodies for membership fees, and discounts from training providers for continuous professional development, to support the retention of women in the professions.

Women need support to return to work after career breaks

53. “Women returners” are women who have taken time out of the labour market, usually to care for children or family. They often find it difficult to find a job and their skills may become out-of-date relatively quickly (we discuss access to lifelong learning and training in Chapter 4). Even if this is not the case, women often find it difficult to find a job that matches their skills, particularly those wanting to work part time or closer to home.

54. Women returners form a quarter of the labour force in the UK. Mothers returning to work full time are found in a broader range of occupations than those returning part time. In 2005, mothers working part time were heavily concentrated in four occupations: elementary administration, sales and customer service, caring and personal services, and administration. Women returners tend to under-utilise their past training, particularly scientific and technical training. Mothers working in the caring occupations and in sales and customer services are most likely to be over-qualified for their job roles (Tomlinson et al, 2005).

Local solutions work best when matching women returners into jobs

55. Women are more likely to travel to work by public transport, and women from black and minority ethnic communities are even more likely to depend on public transport than other groups (Professor Shamit Sagar, evidence).

56. Women travel, on average, 22 minutes to work, compared with 27 minutes for men. Women's travel time by rail is under half that

for men – 27 minutes compared to 59 minutes. The difference between the commuting time for men and women is largest in London, perhaps because two-thirds of commuters use public transport and over 80 per cent of those travel by rail (Labour Force Survey 1999/2000).

57. On average, women who have children have a quicker journey to work than women without children. The travel-to-work time of

WOMEN LIKE US

Women Like Us operates at the school gates, making contact with women who may not have considered returning to work or may have found it difficult to find local jobs with flexible hours. They help women who want to work some of whom are not catered for by other services – they are neither on unemployment benefits or programmes nor on databases of recruitment agencies.

For example, having been out of the workplace for many years caring for her son, Nazreen wanted to get back to work but didn't know where to look for part-time work. She registered with Women Like Us and successfully applied for a job as administrator in a fashion business in the West End. She has gained confidence and is now looking for a position that could offer her more hours.

Women Like Us representatives help women to regain their confidence and raise horizons by helping with CVs, providing information, advice and guidance, and with work-life balance coaching.

Women value the service as it gives them the confidence and motivation to get back to work and at a level which matches their skills.

"My coach was very good at making me see the positive side of my work experience. I realise that I have more to offer than I thought."

Women Like Us client commenting on a coaching session.

Local employers value the service very highly as it allows them access to a previously untapped, local, skilled workforce.

"It makes good business sense for employers to use the services of Women Like Us as they get access to a network of skilled and committed women who will get the job done."

David Sloman, Chief Executive, Whittington Hospital NHS Trust.

women with more than two children is half that of their male counterparts.

58. Women often want shorter commuting times than men if they have children to drop off and pick up. Also, for women working part time, it does not make financial sense to commute long distances.

59. Brokering women returners into local jobs makes it easier for them to balance their family commitments. We were particularly impressed by evidence from Women Like Us, a not-for-profit employment service, established by Karen Mattison and Emma Stewart and based in North London. They support women with children in finding flexible work which is commensurate with their skills and close to home. As well as offering advice and information about opportunities in the local area, Women Like Us also raises the confidence levels of women, making them more likely to be able to return to jobs that match their skills.

60. Enabling women returners to get part-time and flexible jobs benefits both businesses and women. Businesses can tap into a local, skilled workforce, many of whom may not go into Jobcentre Plus or approach recruitment agencies. Small business stakeholders told us that such an approach could be particularly beneficial for them by reducing recruitment costs and tackling local skills shortages. They were also keen that social entrepreneurship should be encouraged.



Women Like Us

61. We are convinced that this local approach could be applied across the country, in many different settings, in rural as well as urban communities. At a round table organised by Fair Play Scotland, stakeholders reported that women have particular problems getting back to work in rural and remote areas, in particular the Highlands and Islands. Local services and a brokering approach like that operated by Women Like Us could prove particularly valuable to women in these communities.

62. We welcome the commitment in the Pre-Budget Report (HM Treasury, 2005) to provide outreach support for people who are neither in work nor on benefit, through private and voluntary sector-led employment teams. These teams will work with local communities, employers, providers and faith groups, to deal flexibly with barriers to work and provide appropriate support where needed. Our proposal fits in well with this type of initiative but the local brokering of women into jobs should take place across communities and be accessible to the widest possible group of women.

We recommend

13. A more local approach should be taken to the matching of jobs and skills. Regional Development Agencies and national agencies in Scotland, Wales and Northern Ireland should provide grant funding for outreach services aimed at women seeking local jobs or training which match their skills and potential. They should consider in particular the Women Like Us model whereby local social entrepreneurs use community centres, schools, and children's centres to recruit local women into local jobs and training. This should be piloted in five areas including London, a rural area, and an area with a substantial ethnic minority community. Extensions to the model might include:

- public, private or voluntary sector services which provide confidence-building through peer support, experience of work or work shadowing, or training;
- services which address the particular needs of women from local black and minority ethnic communities, homeworkers or other groups, for example disabled women.

63. The Government has a number of "New Deal" programmes to help people, including women returners, to get back into work and reduce reliance on benefits. There are New Deals for young people aged 18-24, people aged 25-plus, people aged 50-plus, disabled people, partners of people receiving jobseeker's allowance, lone parents and musicians. In helping women returners back into work, more consideration should be given to making

work-related activities such as work placements and training available on a part-time basis.

64. Some women returners will fit into one of the New Deal categories, but women returning to work after caring for children, who may not be in receipt of benefits, may also need support in getting back to work.

New Deal

New Deal is a key part of the Government's strategy to get people off benefits and into work. It is delivered by Jobcentre Plus through its network of Jobcentres and Jobcentre Plus offices around the country. New Deal gives unemployed people the opportunity to develop the skills and experience employers want so they can find lasting, worthwhile jobs. Trained Personal Advisers discuss job and training opportunities with jobseekers and help them to overcome any barriers to finding work, such as difficulties with travel to work or finding registered childcare.

At the same time, New Deal aims to improve the overall skills base of the British workforce and provide help to employers whose businesses are suffering from staff shortages.

The programme is mandatory for young jobseekers aged 18-24 and for those aged 25 and over claiming Jobseeker's Allowance. There are also a number of voluntary programmes, such as New Deal for Lone Parents, for people who are claiming benefits and who want to work.

Department for Work and Pensions

65. The Women and Work Commission hosted a workshop to gather stakeholders' views on the barriers to women returning to work. Participants included academics, trade unionists and representatives from Women's Budget Group, London Development Agency, One Parent Families, Resource Centre for Women in Science, Engineering and Technology, Chartered Institute of Personnel and Development and Department for Work and Pensions. One of the key themes that emerged was that lack of confidence can be a major issue for women who have taken substantial periods out of the labour market.

66. Women Onto Work, an Edinburgh-based charity working with women facing barriers to employment, education or training, also told us that lack of confidence can be a major barrier to women returning to work. Low self-esteem can prevent women who are not working, or who are working part time, from seeking jobs that make full use of their skills.

67. Professor Shamit Saggat told us that the process of connecting black and minority ethnic people to the labour market often requires modest, intermediate steps. For some women, for example, English language training may be a prerequisite to taking part in the other programmes or accessing childcare services. A three-pronged strategy is needed which tackles human capital deficiencies, discrimination obstacles, and circumstantial barriers – for example, poor levels of public infrastructure in areas where ethnic minorities live. Black and ethnic minority women may also miss out on recruitment opportunities if they lack contacts within local employers.

Lone parents face particular barriers to returning to work

68. There are 1.75 million lone parents in Britain today, and nine out of 10 of them are women. Just over half of lone mothers work, and this is roughly evenly split between those working full time and those working part time. Yet 15 per cent of lone parents working full time and a third of those working part time are not earning enough to lift their families out of poverty. Nearly 900,000 are on benefits, making up the largest group of the nearly 2.3 million female claimants of key benefits (DWP/ONS, June 2005).

69. The Government has a target of lone parent employment of 70 per cent by 2010. But lone parents are twice as likely to leave their jobs as other groups (Evans et al, 2004), and so have a greater tendency to move between jobs. When returning to work, lone parents must often work full time rather than part time in order to cover the family's costs, including the costs of returning to work. This makes employment more difficult to sustain and some lone parents will choose not to work rather than be away from their children for such long periods.

70. The Department for Work and Pensions recognises the difficulties faced by lone parents and is currently piloting a New Deal Plus for Lone Parents (NDLP+) building on the New Deal for Lone Parents. In the Pre-Budget Report 2005, the Government committed to extend these pilots in existing locations and to two further districts in Scotland and Wales.

71. There are other pilots designed to help lone parents and other disadvantaged

MARKS & START PROGRAMME

Marks & Start is the community programme of Marks & Spencer. Marks & Spencer gives work experience to various groups who may face barriers in getting a job. One Parent Families, one of their charity partners, alerted us to the benefits of the programme in building the confidence of lone parents wanting to return to work.

The programme provides a two- to four-week work placement in a Marks & Spencer store or office, with a Marks & Spencer employee to act as mentor or “buddy”, and expenses for travel and lunch.

One Parent Families works with Marks & Spencer to provide three days of intensive employability training prior to the work placement. This combination of training and experience builds confidence for those who have been out of the labour market caring for children.

Results to date have been extremely promising. Around 50 per cent of participants move into jobs, at Marks & Spencer and with other employers.

jobseekers to stay in work and progress.

The Employment, Retention and Advancement pilots give participants support from a dedicated Advancement Support Adviser who can provide guidance for up to 33 months on issues such as finding a better job or gaining promotion, finding training opportunities, and arranging childcare. Participants are also offered financial incentives including bonus payments for full-time workers and those who combine education or training with work.

72. One Parent Families expressed its concern that the Employment, Retention and Advancement pilots appear to place more importance on financial incentives rather than the sustainability of employment. For example, bonus payments for full-time workers may not provide strong incentives for a high proportion of lone parent jobseekers.

73. The Ambition Programmes are being piloted in four sectors – construction, IT, energy and health – in order to meet skills shortages in these sectors and provide sustainable work for disadvantaged jobseekers. Jobcentre Plus works with local employers to provide high quality training designed by employers to ensure that jobseekers meet the precise entry requirements of identified vacancies. The pilots are having some success and we heard from Judy Greevy at Centrica about the energy Ambition Programme. Engineering is promoted, particularly to women returners, as a potential career. New recruits are trained to become qualified heating engineers and the opportunities to work flexible hours make the employment more sustainable.

74. However, the Ambition Programmes have attracted fewer lone parents than expected, despite this being a target group. This may be because the programmes are aimed at women working more than 30 hours a week.

75. We welcome the Government's commitment in the Pre-Budget Report 2005 to extend the support offered through the New Deal Plus for Lone Parents pilots and to offer outreach support for people who are neither in work nor on benefits, particularly the non-working partners of people in low-income families.

76. The Government should now give consideration to how it could develop and extend its New Deals to further benefit women returners. In particular, it should consider access to confidence-building measures and availability of New Deal programme activities on a part-time basis. The success of the pilots aimed at helping disadvantaged jobseekers should also be evaluated. The best Personal Advisers are already providing some of the services, confidence-building and other support we think women need.

We recommend

14. The Department for Work and Pensions should develop its New Deals aimed at women returners, in particular lone parents, in the light of evidence and on-going pilots. DWP and devolved services should explore the possibility of offering services to women not currently working where neither they nor their partners are receiving benefits.

- All work-related activities, work placements and training in New Deal women returner programmes should be offered on a part-time basis.
- Women returners should have access to confidence-building measures, including peer group support, perhaps delivered through local community groups.
- Women who have never worked or not worked for a significant period should be offered a voluntary session with a Personal Adviser at Jobcentre Plus to talk through and access information on issues they may encounter on their return to work, for example, childcare, commuting, dress.
- All lone parents should be offered extended assistance from a Personal Adviser to support retention and progression.

Targets can cause unintended outcomes

77. Jobcentre Plus targets which focus on numbers of women returners supported into work may not measure true success. The way targets are currently structured does not provide incentives for Jobcentre Plus Personal Advisers to match women returners into sustainable or quality work which matches their skills. Advisers receive points for every client matched into a job. If women leave those jobs after a short period, return to Jobcentre Plus and are matched into new jobs, the points targets are met even more quickly.

78. One Parent Families explained that the priority for the New Deal for Lone Parents is to merely get lone parents into some kind of work. But if a lone parent moves into work and then out again, three times in a year, the Jobcentre Plus Adviser will receive 36 points rather than 12 and be closer to reaching their points targets.

79. We recognise that paid employment is the major route out of poverty. It is also important to find jobs that women returners can stay in and which therefore represent sustainable employment. For some this sustainability is more likely to be achieved if the job matches their skill level or has a clear upward career pathway and prospects for advancement.

80. We welcome the commitment in the Pre-Budget Report 2005 to explore ways to give Personal Advisers incentives to ensure that lone parents are helped into sustainable employment.

We recommend

15. The Department for Work and Pensions should set Jobcentre Plus additional targets to retain and promote women into sustainable jobs, taking account of the specific needs of lone parents, black and minority ethnic women, and disabled women.

Flexibility is key to achieving equal pay and opportunities

81. Making flexibility part of the corporate working culture is very important if women are to achieve equality in pay and opportunity. The Government has recognised this and the

forthcoming Work and Families Act includes many new measures designed to make it easier for employees to combine work and family life. These include extending the right to request flexible working to carers, and rights to additional maternity and paternity leave.

82. The academic evidence on whether firms offering flexibility perform better is mixed, partly because the measurement of performance and human resources practices is fraught with difficulty. Gray (2002) considers whether workplaces offering a range of family-friendly policies do perform better. In almost all cases, where there is a significant relationship between the use of a family-friendly practice and workplace performance, this relationship is positive.

83. Dex, et al (2001) examine the effects on business performance when employees are given an entitlement to any one of 10 family-friendly or flexible working arrangements, after controlling for other influences. Entitlements include job sharing, moving from part-time to full-time work, working at home, and access to a workplace nursery. They find some significant positive effects on performance for private sector organisations associated with some of these practices.

84. Many stakeholders report that the right to request flexible working should be extended to a wider range of employees. For example, Amicus suggests that allowing more employees to work flexibly would play a key role in changing the culture of workplaces. Usdaw believes that it is the most effective way to tackle the division of jobs into part-time and full-time roles.

85. For the introduction of more flexibility and quality part-time work to be successful, firms must focus on productivity and delivery as indicators of performance, rather than “presenteeism” or being seen to be working long hours. The full commitment of management is also very important.

86. In the evidence we received, business benefits were often seen to be greatest for companies offering flexibility for all staff. For example, we visited Ford’s technical centre at Dunton. All staff may make a request to work flexibly, and women are offered a year’s paid maternity leave and are able to return to work part time at the same level. Ford UK’s return rate from maternity leave is 97 per cent.

87. Carol Savage from Flexexecutive told us about many companies who had benefited from flexible working. Some were initially driven to introduce flexible working, particularly homeworking and working non-traditional hours, to make savings on property rents. However, they were pleased to find that benefits for performance far outweighed the savings on office space. They were winning the war for talent, focusing on customers rather than hours, increasing creativity and being able to meet the challenges of the 24/7 consumer society and the rapid advance of technology.

88. Judy Greevy told us about flexible working practices at Centrica which are linked to the Ambition Programme for the energy sector referred to above. The company combines a recruitment programme aimed at promoting engineering as a career to women, with a

new working patterns scheme. Judy highlighted the successes and challenges of implementing the programmes and explained how initiatives need to exist in a business context and be assessed for their business impact. The difficulty of changing the mindset of managers, even the apparently enlightened, should never be underestimated.

89. The CBI’s Employment Trends Survey (2004) shows that the vast majority of employers already offer flexible working arrangements. The right to request flexible working is also working well with over three-quarters of requests accepted. But still some managers see flexible working as “too difficult” and not for them or their company.

90. Management acceptance of the benefits of flexible working, and best practice in its implementation, are key to the success of flexible working. Managers need support to successfully change the culture and working practices of their workplaces. Trade unions can provide support but their representatives also need to fully recognise the benefits of flexible working.

“A key potential barrier to the progression of women and all equalities groups within employment is a lack of knowledge and awareness about diversity issues on the part of managers”

City of Edinburgh Council evidence

91. Prospect, the union for professionals, told us that there is a lack of training for, and imagination from, line managers on flexible working. Whether a work-life balance policy works depends on the attitudes of some key individuals in a firm.

We recommend

- 16.** The right to request flexible working should be extended over time to cover a wider group of employees.
- 17.** Employers should ensure that their managers, at all levels, are regularly and continually trained on diversity and flexibility issues.
- 18.** Trade unions should train their representatives to promote the benefits of flexible working options and win hearts and minds among management and employees for best practice policies and procedures and monitor the right to request flexible working.

SMEs need extra support to implement good practice

92. Small and medium-sized enterprises (SMEs) – those with fewer than 250 employees – employ similar proportions of women as large firms. SMEs do not have a higher or lower propensity to employ part-time workers (male or female) than large firms. The top industries employing women in SMEs are health and social work, the retail trade, and other business activities (Labour Force Survey, 2005).

93. Woodhams et al (2004) surveys SMEs in the North West and finds that small firms

show a lack of awareness or regard for equal opportunities practice and of the potential risks of litigation. Also informal, potentially discriminatory people management practices are still widespread in SMEs. For example, in the survey: more than a fifth of SME respondents admit to asking questions about applicants' childcare commitments during recruitment; 44 per cent admit to asking different interview questions of men and women; nearly a third state that they apply different selection criteria for men and women; and 20 per cent use an unstructured approach to salaries and pay, offering "whatever we think is right".

94. Round-table discussions at several small business groups confirmed the existence of these attitudes, in particular a reluctance to employ women of child-bearing age. However, many small and medium-sized businesses rely on predominantly female workforces and manage maternity leave and flexible working as part of their business model.

95. Small firms may have more difficulty in accommodating part-time or flexible working than large firms, as employees are more likely to have responsibility for multiple functions or multiple clients and suppliers. Splitting jobs requires more creative management in order to maintain continuity and effectiveness. The administrative costs associated with part-time and flexible working may be more of a barrier for small firms.

96. In recognition of the fact that small organisations without human resource or personnel expertise can have difficulty in getting advice on employment matters, the

Better Regulation Taskforce recommended that Acas should provide free places on its seminars for organisations with fewer than five employees. For a limited period Acas is offering a small number of free places on its “Key Points” and “Getting it Right” sessions to delegates from organisations with fewer than five employees.

97. We think that more can be done. We recognise that there are real costs for small businesses and incentives to small firms are needed to enable them to implement flexible working policies. Small firms are missing out on the benefits of flexibility and on the talents women may bring to their business.

We recommend

19. DTI and HM Treasury should examine the case for fiscal incentives targeted at small firms to reduce the additional costs of employing part-time or flexible workers, for example, training costs, start-up IT costs.
20. Acas and the Northern Ireland Labour Relations Agency should be funded to develop a training package to support flexible working and that this package be delivered free to small firms.

Childcare must also be flexible

98. Good quality, affordable childcare is key to increasing women’s lifetime pay and opportunity. The Government has made good progress with its *Ten Year Strategy for Childcare* (HM Treasury, 2004) which makes commitments on choice and flexibility, availability, quality and affordability of childcare. As part of this there is also a

website and free childcare line. ChildcareLink, www.childcarelink.gov.uk, is funded by the Sure Start Unit and the Scottish Executive. The ChildcareLink freephone service, 08000 96 02 96 provides details of local information services and factsheets on childcare options.

“With the major innovations in information and communication technology and the increase in the importance of the service sector in the UK economy, the Government should now look at how it can make its childcare strategy better fit the 21st Century working patterns that fall outside the traditional working day.”

Communication Workers Union evidence

Debbie Coulter and Christine Ray, Commissioners, visit workplace nursery, Ford Dunton Technical Centre, Essex



99. However, many of the respondents to our call for evidence wanted more flexibility in the childcare available to them. As services become 24-hour and working patterns multiply, childcare needs to match the increased flexibility in women's working lives. Shift workers have a particular need for flexible childcare arrangements that fall outside usual working hours.

100. The report of the Strategic Group on Women in Scotland (2003) notes that there is "insufficient flexibility in the system of provision to meet the needs of parents who work out of normal working hours, whose working patterns are not traditional, whose hours cannot be adjusted easily and/or who require support in the event of childcare arrangements falling through".

101. The National Childminding Association, in its evidence, stresses the importance of quality, flexible, affordable childcare in supporting parents in having both a career and a family.

102. Women Onto Work told us that they provide pre-vocational courses for Edinburgh's most disadvantaged women and women from black and minority ethnic communities. They also provide free childcare for women on their courses.

103. We heard about childcare issues at a round table of ethnic minority women working in the voluntary sector and local government, hosted by Quest for Economic Development. Flexibility is an important consideration for the women, but they also need culturally sensitive crèche facilities in order to feel comfortable leaving their children and going back to work.

We recommend

21. The Ten Year Childcare Strategy should be delivered with particular consideration of the needs of women who work outside "9 to 5" hours and black and minority ethnic communities. There should be better promotion of the free childcare line.

Sarah Anderson, Commissioner, at round table with volunteers from across the UK, organised by Experience Corps



Chapter 4

LIFELONG OPPORTUNITIES FOR WOMEN IN TRAINING AND WORK

Many women are in lower-skilled jobs; others are out of the labour market altogether. We want to open up greater opportunities to change direction for mature women. These women may feel they lack the confidence and the skills to move into a new occupation, or may be keen to change direction, but do not know what jobs are available or the skills required.

Women's jobs are under-valued. The skills which women use in, for example, caring, cleaning or catering jobs, are not rewarded to the same extent as similar level skills in "men's jobs" such as warehouse workers, labourers or transport drivers.

We want women to have access to learning and training, careers advice and guidance, throughout their lives. We want to remove some of the age limits and rules on entitlement to training, particularly for those groups of women who stand to benefit most. We want training to be delivered more flexibly and to encourage the development of career paths to enable women to progress into higher-paid jobs.

In a modern, fast-moving economy, lifelong learning is vitally important. Workers need to be adaptable and able to take advantage of the growth of new sectors and new technologies. We want to ensure that the opportunities are there for women to equip themselves with the skills and confidence to move into management roles and occupations traditionally regarded as "men's jobs".

The gender pay gap increases with age

1. In 2005, women aged 40-49 earned 20 per cent less than men based on median hourly pay, whereas those aged 18-21 earned only 2 per cent less (or 3.7 per cent less based on mean hourly pay). The gap widens with age due to the greater differences between older women and men in qualifications, skills, and work experience – and therefore earnings – than those between younger women and men (Annual Survey of Hours and Earnings).
2. Young women entering the labour market now have higher levels of qualifications on average than young men. However, there are much larger qualifications and skills gaps between older women and men.
3. Around a quarter of women aged 45-54 have no qualifications compared to 16 per cent of men. Over a third of women aged 55-64 have no qualification compared to just under a quarter of men. Just 12 per cent of women aged 45-54 and 10 per cent aged 55-64 have an A level or equivalent, compared with around a third of men in both age groups (Labour Force Survey, Spring 2004, in Women and Equality Unit, 2004).
4. Although Women entering the labour market now have higher qualifications than men, women are then more likely to take time out of the labour market or work part time, and therefore have less access to training than men.

5. Many stakeholders expressed concern that those working part time, the majority of whom are women, have less access to training than those working full time. An analysis of data from the British Household Panel Survey finds that both men and women working part time are about 40 per cent less likely to receive work-related training than those in full-time jobs (Francesconi and Gosling, 2005).

6. Businesses might invest less in training part-time workers because the returns for a training course, based on input to the business in hours worked, is less for those working part time. Part-time workers also face difficulties in accessing training where it is organised on a full-time basis or outside the hours they usually work. Since four times as many women as men work part time, any differential in training between full-time and part-time employees impacts on women far more than on men.

Women want opportunities to change direction

7. Many women in lower-paying jobs or sectors would like to make a change in their working lives and increase their earnings. This change could be moving up the career ladder, training for a new occupation, or starting up a business.

8. As discussed in Chapter 1, there are huge opportunities for change. Forecasts by Wilson et al (2004) predict that, over the next decade, 1.3 million new jobs are likely to be created and 12 million jobs will become available as workers leave the labour market. There is therefore huge scope for women to take up new opportunities in all types of work.

9. Many of the new jobs created are likely to be in the traditionally female service sector – in sales and customer services, and personal service jobs such as caring, health and leisure services. However, there will also be new opportunities in management and the professions, requiring higher-level skills. We want to ensure that women of all ages are able to take advantage of these opportunities.

10. Many respondents to our call for evidence told us that older women often have more confidence than younger women to enter male-dominated occupations.

“Young women are often put off from entering technical occupations that are traditionally dominated by men. Older women with more confidence and lifeskills can find entering these occupations less challenging.”

Age Concern England evidence

Raising women’s skill levels benefits the UK economy

11. In a modern, fast-moving economy, workers need to adapt to the growth of new sectors and new technologies. Lifelong learning is vitally important, particularly as in an ageing society it is more likely that many people will choose to or need to work for longer. Workers will need to update their skills more often throughout their working lives.

BRADFORD COLLEGE – WOMEN TRAINING IN PLUMBING AND IT

Commissioners visited Bradford College and talked to students on Let's TWIST (Train Women in Science, Engineering, Construction and Technology) courses in IT and plumbing.

Let's TWIST is a national initiative that provides services – including careers material, advice and mentoring – to encourage, motivate and inspire women and girls to choose engineering, construction or technology as a career. Let's TWIST also offers national staff development training for Further and Higher Education lecturers of engineering and construction subjects in best practice on gender equality and how to recruit and retain women and girls on courses.

Bradford College is very successful in attracting and retaining women on courses traditionally taken up by men. The lecturers ensure that the learning environment is inclusive of women and that the culture is not macho. Childcare facilities are available on campus and several of the women students we spoke to said that the on-site childcare provision was critical to their participation in the training courses.

Several of the women on the plumbing course commented that they would have lacked the confidence to study plumbing when they were younger as it is perceived to be a man's job. Now they are older, they feel able to overcome this and see opportunities to set up their own plumbing businesses.

12. A recent report by the OECD (2005) identifies raising the general skill level of the workforce as one of the key challenges facing the UK economy. The OECD cites the relative lack of intermediate and vocational skills as a major impediment to the economy's capacity to absorb innovations.

13. Raising women's skill levels, particularly among older age groups, could also help to reduce skills shortages. The Learning and Skills Council (2005) report discusses data from the National Employers Skills Survey. Just under a quarter of vacancies were described as skill shortage vacancies – hard to fill because of a shortage of applicants with the required experience, qualifications or skills. Skill gaps



Sally Hopson, Commissioner, visits the UK Resource Centre for Women and Science, Engineering and Technology, Bradford
PICTURE COURTESY OF YORKSHIRE POST NEWSPAPERS

arise when employers regard some of their staff as not being fully proficient to meet the requirements of their jobs. Around one in

five establishments, representing almost 12 per cent of employment, reported skill gaps among their existing workforce.

14. A recent Chartered Institute of Personnel and Development Survey (2005) also confirms that skills shortages remain a problem for UK businesses. The proportion of organisations reporting recruiting difficulties remains high at 85 per cent. The most frequently cited reason for recruitment difficulties is “a lack of specialist skills” (quoted by 63 per cent of organisations), followed by “lack of the required experience” (59 per cent).

15. Sectors with skills shortages are often those with predominantly male-dominated occupations. Miller et al (2004) investigated five sectors as part of the Equal Opportunities Commission General Formal Investigation into occupational segregation. Four are traditionally male-dominated sectors: engineering, construction, information and communication technology, and plumbing; the fifth is childcare. Skill shortage vacancies were found in all five sectors. Ensuring that more women are qualified to work in the male-dominated sectors – and indeed more men in childcare – could help to alleviate skill shortages.

Women face barriers to changing direction, learning and training

16. Women may want to change career but do not have information on job opportunities or the basic qualifications needed to get a different, more highly skilled, job. Some women may have used up their “first chance” entitlements to support for education or training.

17. Level 2 qualifications, usually a passport into a job and further training in the workplace, may not be sufficient to allow women to make a radical change, such as moving from a shop or office job to a technical role like electrician or plumber. For example, the EEF, the Manufacturers’ Organisation, told us that until enough women have the qualifications to enter into the manufacturing, engineering and technology-based business sectors, they will continue to be under-represented in those sectors.

18. Some entitlements to education and training are dependent on age, and women may miss out the first time around because they are more likely to take time out of the labour market when they have children. This may change in future as the Government is introducing legislation outlawing age discrimination in employment and vocational training.

“An important issue is whether the potential of retraining in midlife as a gateway to new opportunity is fulfilled in reality. Our concern is that it is not, for both men and women.”

Third Age Employment Network evidence

19. Women who are out of labour market may find it more difficult to find out what job and training opportunities are available, and may struggle to fit training around their caring responsibilities.

20. Women are also more likely than men to work part time and to be in lower-paying jobs with fewer opportunities for training.

21. For some black and minority ethnic women, English is not their first language and this may also pose a barrier to accessing learning and training. Oxfam advised us that it is important that access to free, accessible English language tuition, delivered in a culturally sensitive way, is available to those women who want it.

“Women’s jobs” are under-valued

22. Women are more likely to work in lower-paying occupations, including the five “c”s: cleaning, catering, caring, cashiering and clerical work. These occupations are relatively low paid at least partly because society does not appear to value the skills required in these occupations as much as it does others. Cleaning, catering and caring are regarded as skills women naturally possess and the historically inferior status of women may have led to the under-valuing of these traditional female skills (Anderson et al, 2001).

23. Often the gender divide in rewards for similar levels of skills can be observed in the same or related businesses. For example, the median hourly wage for sales assistants and retail cashiers, three quarters of whom are female, is £5.44. This compares to £7.03 per hour for elementary goods storage occupations, where over 80 per cent of workers are male (Annual Survey of Hours and Earnings, 2005). Wages for women operating the cash tills in the supermarket are lower than for men handling the goods in the warehouse next door.

“Women’s employment continues to be concentrated in poorly paid sectors, predominantly the four ‘c’s : caring, cleaning, catering and cash registers. The low value of the four ‘c’s is related to the fact that these roles have been traditionally done by women on an unpaid basis at home and the skills involved are seen as natural rather than acquired.”

Fawcett Society evidence, see Fawcett (2005)

Women are under-represented among UK entrepreneurs

24. Women now make up nearly half the workforce, but just 26 per cent of all self-employed people are women and only 19 per cent of businesses are “women-led”, i.e. businesses where more than half of the partners or directors are women (SBS Annual Small Business Survey, 2004). Increasing the level of women’s entrepreneurship has large potential benefits for the UK economy.

25. Women are launching an increasing share of start-up businesses. Nearly a third of businesses created in England and Wales in the first half of 2005 were started by women, or jointly by men and women (Barclays Small Business Survey, 2005).

26. Women entrepreneurs make a more immediate positive impact on the economy as around one in five women move into self-employment from unemployment, compared with around one in 15 men (SBS Annual Small Business Survey, 2003).

27. The Government is committed to trying to increase the numbers of women entrepreneurs and in 2005 issued an action plan to increase women's business ownership in the UK. From Spring 2006, the Task Force on Women's Enterprise is working with Government and the Regional Development Agencies for a period of three years to increase the levels of female entrepreneurship by accelerating the implementation of this action plan (Pre-Budget Report 2005).

Our approach

28. More mature women may want to make a change in their working lives, but are put off by the barriers they face. Some older women may not have:

- the skills they need to get a higher-paying job or change career;
- the information about job opportunities or training;
- the confidence to change direction.

29. Our recommendations address these barriers directly. We want to open up opportunities for women to train for a new job or to move up in their existing job. Entrepreneurship can be a route for women to achieve their desired work-life balance. Lifelong learning is critical to allow workers to adapt to changes in the economy and to reduce skills shortages.

Women need opportunities to re-train and change direction

30. Women who have taken time out of the labour market to care for family may find that, on their return, their skills are out of date or are no longer in demand.

31. The Government recognises that lack of skills or out-of-date skills are a barrier to women returning to work and is attempting to address this through the New Deal for Skills. This builds on the New Deal (see Chapter 3) to give unemployed people the opportunity to develop the skills and experience employers want so they can find lasting, worthwhile jobs. It is a key part of the Government's strategy to get people off benefits and into work.

“Lifelong learning is important if women are to maximise their potential. This is particularly crucial for those returning to the labour market after time out.”

CBI evidence

32. For women who work, support for training often comes from their employer. The Government is aware that employers need support to raise the level of training overall and is rolling out the Train to Gain programme this year.

Train to Gain

Train to Gain (the new name for the National Employment Training Programme) is a service to employers. It provides an independent and impartial brokerage service, which identifies business needs and finds appropriate training providers. It also offers a range of flexible elements at regional and local level, such as grants for leadership and management training, and training for Union Learning Representatives.

Train to Gain builds on the success of the Employer Training Pilots. It is supported by £197 million in funding between 2006 and 2008 and is being rolled out by the Learning and Skills Council.

33. The Learning and Skills Council evaluation of the Employer Training pilots finds that women are keen to take up training opportunities. The typical learner is a female, age 26-45, working full time in a low-skill, low-paid job, such as a care assistant or machine operator. We heard from Ann LeFevre, manager of Homestead Care Services, who told us that she is successfully training her staff to Level 2 using the scheme.

“Jobs are very seldom for life. Lifelong learning and re-training at different stages of life need better promotion and co-ordination between business and careers services.”

Fair Play Scotland evidence

34. CBI told us that some employers have found that changing job descriptions and recruitment techniques for a variety of technological vacancies in sectors such as computing and engineering has produced big increases in the numbers of female candidates applying for them. BT has pioneered this approach, re-writing its advertisements for Apprenticeships as “Career starts”. BT found that women are more likely to rule themselves out of certain jobs than men but that making a minor adjustment in how jobs are advertised has significantly increased the application rates of women to technical jobs and training schemes.

35. Northbrook Technology of Northern Ireland Ltd decided to expand its recruitment pool to include non-IT graduates in order to attract more women. This move was driven by a strong business case as its first recruitment campaign attracted inexperienced graduates when the company needed experienced employees on which to base the new business. Through a combination of offering flexible working and targeting recruitment advertising at women, there was an almost immediate shift from predominantly young, IT graduates to a more diverse applicant pool. There were more experienced candidates, including women aged 30-40, and greater female representation overall (38 per cent compared to an industry average of 25 per cent).

Women need lifelong careers information, advice and guidance

36. Women wanting information on a new job or training do have some resources available to them. Jobcentre Plus Advisers can talk through job opportunities and the Worktrain website provides an on-line careers information service from Jobcentre Plus. Learndirect can help find a local course and offers its own training covering a range of subjects, including management, IT, Skills for Life and languages. Advisers can also assist those who are unsure what to do on career options.

37. The available advice resources are most successful where the clients have a good idea of the new direction they want to go in. However, the current guidance does not challenge gender stereotypes or attempt to broaden women's horizons.

“Resources should be directed to improve career guidance for women at all stages in their working lives, with imaginative and individually-focused advice so that skills are properly identified and matched to job options.”

Women's Budget Group evidence

38. Some groups are particularly vulnerable. Those outside the labour market may feel isolated from sources of advice and guidance, and from local networks giving information about job opportunities.

UNION LEARNING REPRESENTATIVES

Liz Smith and Helen Cole from the TUC told Commissioners how Union Learning Representatives are successfully promoting lifelong learning in the workplace.

Union Learning Representatives identify learning and training needs, provide information and advice about learning and training opportunities, and promote the value of learning and training to employers and their staff.

There are now nearly 12,000 trained Union Learning Representatives who facilitate a range of learning and training from meeting basic skills needs to promoting continuous professional development. Projects include establishing networks of Union Learning Representatives and workplace learning centres. Their position in the workplace, in partnership with employers and trusted by colleagues, enables Union Learning Representatives to reach a wide range of workers, some of whom who may not otherwise have accessed training. Women in low-paid and part-time jobs have benefited from advice and guidance from Union Learning Representatives.

39. One Parent Families told us about its recent research on lone parents' access to training in East London. It found that lone parents lack one clear point of guidance and information on education and training. This means that exploring training options requires considerable investment. One participant also commented on "the time sitting around lacking self-confidence, trying to decide where to start looking".

40. In its evidence to the Commission, the TUC stresses that isolation can be a particular issue for women, and for lone parents. It adds that for women in work, work-life balance issues present additional barriers to accessing information and guidance. Access to information, advice and guidance may also be problematic for disabled women, migrant workers, those from ethnic minority backgrounds, or people who are geographically isolated. The TUC wants

outreach services to be further developed and adequately funded to address barriers faced by hard-to-reach groups.

41. The Communication Workers Unions told us that employers should be encouraged to go direct to the local community, including ethnic minority communities, to actively engage them in the type of employment available and the qualifications needed.

42. Quality, lifelong careers information, advice and guidance that challenges gender stereotypes is critical if women are to move into new areas of employment, particularly male-dominated occupations. In order to ensure that any new services provide value for money, we propose that they are piloted under the New Deal for Skills and Train to Gain.

ASIAN HOMEWORKERS VISIT

Commissioners met a group of Asian women homeworkers from the Rochdale area. The support group is organised by Tanzeem Mahmood, a Homeworking Officer for Rochdale Council, and meets regularly to discuss issues related to well-being, including health and safety, training and healthy eating. The group is funded by Oxfam's UK Poverty Programme.

Many of the women choose to work at home in order to combine their work and family responsibilities more easily. But others feel they do not have the necessary education, skills and confidence to work outside the home. Some enjoy homeworking but others feel isolated and that homeworking has contributed to ill health.

All the women feel that they lack information, or the knowledge of where to get it, about different types of work available both inside and outside the home. More importantly, they feel they lack information about how to access higher-paid, higher-skilled jobs, or the training necessary to equip them for a new job.

Women face age barriers to learning and training

43. Eligibility for education and training often depends on age. The rules are the same for men but women are more likely to come up against age barriers as they are more likely to have had a family and taken time out of the labour market during the period when they would have been eligible for training.

44. For example, the Adult Learning Grant, a pilot means-tested weekly grant for those studying full time, is available for adults of any age from 19 upwards for a first, full Level 2 qualification. For a first, full Level 3 qualification, equivalent to an A level or NVQ 3, eligibility for the grant is limited to those aged 19-30. Age Concern, England, in its evidence to us, expressed concern that, since women are more likely to have taken time out of the labour market than men in their twenties, this limit potentially reinforces the exclusion of mature women from intermediate, technical occupations.

45. Similarly, Apprenticeships are currently available to 16-24 year olds. At the point when some women gain the confidence to retrain for a new, possibly traditionally male, occupation, they may find they are too old to qualify for an Apprenticeship place. Some of these problems should disappear when the legislation which outlaws age discrimination in employment and vocational training comes into force.

46. Adult Apprenticeships are being piloted in three sectors: construction, engineering and health and social care. As discussed in Chapter 2, there are insufficient Apprenticeship places

in skills shortage sectors, and therefore no incentive for employers to recruit women into these Apprenticeships.

47. We want the New Deal for Skills and Train to Gain to be used to integrate skills and employment support, and to help low-skilled women to return to work, to progress in their careers and to secure more highly-paid employment in the longer term.

We recommend

- 22.** A £20 million package to pilot measures designed to enable women to change direction, and progress in their jobs and careers, through raising their skill levels. It should be led by the Department for Education and Skills and relevant Scotland, Wales and Northern Ireland departments and the Department for Work and Pensions.
- Women who are not in work who already have a Level 2 qualification should be entitled to free skills coaching, under the New Deal for Skills, and additional help to gain employment and training in an area of skills shortage.
 - Train to Gain, through the network of skills brokers, should be particularly focused on employers and sectors employing the greatest numbers of low-skilled women, particularly those from ethnic minorities.
 - Women should have access to a high-quality careers information, advice and guidance service which tackles gender stereotypes under the New Deal for Skills and Train to Gain, which provides

support in work and may include additional training.

- Free Level 3 training (free for the individual, match-funded by the employer) under Train to Gain should be piloted with employers from the five “c” sectors, particularly those employing part-time workers.
- Further pilots for Adult Apprenticeships or Train to Gain in areas of skills shortage should be introduced and focused on women returners.

Government should promote the opportunities of London 2012 to women

48. The London 2012 Olympics will bring many job opportunities to London and the South East, both in preparing for and running the Olympic Games. Many of the job opportunities will be in occupations traditionally regarded as “men’s jobs”. There is huge potential for women to retrain to work in these jobs.

49. All local partners involved in the Olympic projects, and in education and training, should promote training in the skills needed to local women.

50. Training more women in the roles needed is also imperative if existing skills shortages in the capital are not to impede Olympic preparations. The annual business survey of 4,000 companies for the London Development Agency found that, in 2004, the limited availability of appropriately skilled employees was seen as the biggest problem affecting business performance for the second year

running. The lack of skilled staff was greatest in construction, transport, communications and health and social work.

Meeting the skills needs of London 2012

The Skills Alliance Delivery Group, led by the Learning and Skills Council, which has been charged by the Government with improving the nation’s skills and productivity, may be best placed to ensure that women are able to access training in the skills required.

The group includes senior representatives of organisations such as the Higher Education Funding Council for England, the Sector Skills Development Agency, University for Industry, the Qualifications and Curriculum Authority, the Association of Colleges, the Association of Learning Providers, Investors in People, Regional Development Agencies, the Small Business Service and the National Institute of Adult Continuing Education (NIACE). One of the key priorities of the group is a new system of sector skills agreements to meet the skills needs of key employment sectors.

We recommend

- 23.** The Skills Alliance Delivery Group, which has an overview of skills activity including that related to the London 2012 Olympic Games, should ensure that reducing the gender segregation of jobs is part of plans for tackling skills shortages in the relevant sectors, such as construction.

Issues for women working in “men’s jobs”

Diana Holland of T&G and Tricia Dawson of Amicus highlighted workplace issues that need to be addressed if women are to successfully move into “men’s jobs” in larger numbers. These include:

- recruitment processes which favour men, for example word of mouth recruitment using existing male employees;
- sexual harassment and, at a lower level, a general climate which makes women feel isolated or not valued;
- access to adequate toilet facilities.

Career development can help women off “sticky floors”

51. Women in low-skilled, low-paying jobs often do not have routes to higher-paid jobs from their current jobs through either training or promotion. They are often said to be stuck on a “sticky floor”.

52. This is often a particular problem for those working part time. Many respondents to our call for evidence, including the Equal Opportunities Commission, TUC, Amicus, the Local Government Pay Commission, Fawcett, British Medical Association and Usdaw point out that part-time work remains categorised as low-status, is a highly segregated and female-dominated form of service work and offers limited opportunity for progression and development.

53. Opportunity Now (2002) surveyed over 1,000 women working for large and small employers in the public and private sectors about the barriers to women advancing from non-managerial and support roles into management positions. The top five barriers were:

- women have to balance work and family responsibilities;
- women are seen as less committed to work because they often have family commitments;
- stereotyping and preconceptions of women’s roles and abilities;
- stereotyping and preconceptions of non-managers’ aspirations for promotion;
- lack of clear procedures and processes for career progress out of support roles and into management.

54. Difficulties in balancing family commitments with career advancement emerged as one of the main barriers, although just 47 per cent of survey respondents actually had children. Women are stereotyped firstly as women and again as non-managers with little or no aspirations to advance, yet 64 per cent of survey respondents aspire to a higher grade, and of these, 58 per cent expect to achieve this within three years. 69 per cent of those looking for promotion want a post with managerial responsibilities.

55. Usdaw finds that women get stuck on the shop floor for a number of reasons. Industries such as retail often have very flat grading systems and there are few internal promotion opportunities. The jobs women do in retail are

often low-skill and do not attract much training or development. Women find it difficult to take up learning opportunities outside work because of caring commitments. Finally, Usdaw's experience shows that women cannot afford to take up learning opportunities.

“Trade unions and private sector employers can work together to address issues around skills and career progression.”

TUC evidence

56. The Public and Commercial Services Union (PCS), in its evidence to us, notes that employers tend to invest only in training related to a worker's current post with less emphasis on new career paths or general skills development.

57. In its evidence, the AUT, the higher education union, stresses that employers must implement good training programmes for

managers involved in annual career development reviews and promotion procedures. This will ensure that ongoing training fits with work allocation and working patterns, and will strengthen the career development process by identifying where individuals should be encouraged to apply for accelerated progression and promotion.

58. Some employers are pursuing good practice on career development and providing routes up and out of low-paid work.

59. The Employers' Organisation for Local Government has been developing a framework for skills pathways in areas such as

Margaret Prosser and Kay Carberry, Commissioners, visit Tesco store, Royston, Hertfordshire



CAREER DEVELOPMENT AT TESCO

Commissioners visited Tesco at Royston, Hertfordshire and heard about the opportunities for career progression Tesco provides to staff. Tesco has a development package at three levels of competency: bronze, silver and gold. Its in-house training can be tailored to fit anyone's part-time working hours with the exception of induction training.

While there are challenges such as a lack of senior women role models and senior part-time jobs, some of the female managers talked about their success in moving from shop floor to management. Tesco's training is accredited by the Qualifications and Curriculum Authority and therefore NVQ qualifications are awarded as part of their retail apprenticeship scheme.

CAREER DEVELOPMENT AT BRISTOL CITY COUNCIL

Rowena Hayward, Equalities and Social Inclusion Officer and GMB union representative, told Commissioners about an initiative to raise the skill levels of women working part time for Bristol City Council.

Rowena works with the Council, other trade unions, the Learning and Skills Council and City of Bristol College to provide women working for the Council in low-paid roles such as cleaning and catering, with access to basic training courses.

The basic computer skills courses were initially taken up by 120 staff, 90 per cent of whom were women working part time. Almost 90 per cent of participants completed the course, and a high percentage of women went on to do literacy and numeracy courses.

Gaining new skills allowed the women to consider developing their careers and potentially moving into new occupations. But the main effect of the training was to improve the women's self-esteem, and their confidence in their abilities and future prospects. Rowena emphasises that career progression paths, education and training, together with flexible childcare, need to be delivered as a package to enable women to break out of the cycle of low-paid, low-skilled work.

social care in order to provide opportunities for career progression out of lower-paid occupations (and off the "sticky floor"). Using the framework, employers examine what processes they need to have in place to ensure that people can develop the necessary skills, competencies and qualifications to progress from first-entry jobs to higher-level jobs. A key aspect of any progression framework is to identify and address the barriers to advancement.

60. In relation to the care workforce, the framework can help staff to identify where their skills fit into the wider job market. It should provide the workforce, in particular women and part-time staff in low-paid employment, with opportunities to increase

their earning potential without having to sacrifice work-life balance.

We recommend

24. The Department for Education and Skills DTI, Department for Work and Pensions and relevant Scotland, Wales and Northern Ireland departments should develop programmes, linking with Train to Gain and the Sector Skills Councils, identifying best practice on career development and working with partner employers to create career paths. The programme should consider how best to:

- recruit and retain women into non-traditional jobs;
- develop career paths for those working part time.

Women need flexibility in training and childcare

61. In order to successfully access learning and training, women need flexibility in the timing of training courses and childcare availability. The most accessible childcare is often that provided on site, alongside the training.

62. If women working part time are to get more training, employers and training providers must be more aware of the needs of part-time workers. Becky Gulc of QA Research told us about a recent survey of part-time workers she had conducted for West Yorkshire Learning and Skills Council. It found that the barriers to training for part-time workers are childcare costs, times of training, and employer attitudes.

“The department still does not make adequate provision to provide training which fits in with part-time workers and I know it really frustrates staff who get informed that a course is running, say Tuesday/Wednesday/Thursday, but they only work Monday to Wednesday. HR does not seem to understand that it can be an impossible and costly task to alter care provisions.”

Prospect member, Prospect evidence

63. The Scottish Low Pay Unit, in its evidence to the Commission, highlights that daytime

classes may be suitable for women who are not working, but working women or women who have difficulties affording or accessing childcare during the day need courses at weekends or in the evening. NATFHE, the university and college lecturers trade union, notes that the lack of flexible timetabling of training is one of the barriers women face in the workplace. It adds that courses targeted at mature students, such as access and evening classes, are in the decline.

64. Prospect, the union for professionals, told us that employers can often be inflexible in arranging training and development opportunities for those working part time or flexibly. Training is usually held at normal working days/times and involves travelling. Even where employers offer to pay for additional childcare, it is often extremely difficult to arrange childcare places at short notice or for short periods.

65. Women working in one job should be able to train for another, and training must be made available which fits around women's current working hours. Dave Prentis, General Secretary of UNISON, told us about specific barriers to career progression in the public sector. Care assistants wishing to train to become nurses and teaching assistants wanting to become teachers have to give up their jobs to move into education as it is only available on a full-time, grant-funded basis.

66. Women who are currently not working because they have children or caring responsibilities must have access to training to prepare them for the return to work. On-site and/or free childcare can be the critical factor in whether or not women can attend a training course.



Margaret Prosser and Sally Hopson, Commissioners, visit
Rosemount Lifelong Learning Centre, Glasgow

67. Several respondents to our call for evidence told us that local community training schemes at local centres, with crèche facilities

on site, are likely to make the most positive impact on accessibility of training for women. For example, the National Union of Journalists told us about the Oxford Women's Training Scheme which offers courses in small groups and specialises in courses in computing, media and construction. Courses run during school hours and term time, and help with childcare costs and travel is available to those who need it.

68. We also saw at first hand the Rosemount Lifelong Learning Centre, a local training centre with on-site childcare facilities.

ROSEMOUNT LIFELONG LEARNING CENTRE

Commissioners visited Rosemount Lifelong Learning Centre, a community-managed charitable organisation providing childcare and education for women and men wishing to return to the labour market. Rosemount operates from two centres in Royston, a disadvantaged area within the North Glasgow Social Inclusion Partnership.

Rosemount's services include under fives childcare, pre-school education, after school care, literacy, pre-vocational and vocational courses, adult education and leisure classes, computer access, parents' groups, asylum seeker support and integration groups, guidance aftercare and volunteering.

We met women who use the centre and heard about their experiences of employment and training. Many had worked in low-paid jobs in shops or factories and had left when they had children. All are now training in basic skills such as IT to try to get back into the jobs market.

The women we spoke to find Job Centres threatening and poor sources of advice and guidance, and said that visiting them made them feel inferior. This experience perpetuates their earlier poor experiences of careers guidance, which could crudely be characterised as "aim low to avoid disappointment".

For those with very young children, the on-site childcare provision is critical to them taking up the training. Some women are taking the chance to train now so they will be prepared to go back to work as soon as the children are old enough to go to school. Rosemount gives women confidence that they can gain the necessary skills, juggle home and family life, and successfully return to the labour market.

We recommend

- 25.** The Office for Standards in Education, Children's Services and Skills, HM's Chief Inspector of Education and Training in Wales, HM Inspectorate of Education in Scotland and the Northern Ireland Education and Training Inspectorate should report on:
- whether training providers offer their courses flexibly to meet the needs of those with caring responsibilities, and those combining study with part-time or full-time jobs; and
 - the extent to which childcare support is provided local to, or at, training sites.

Entrepreneurship can be a route to flexible working

69. As discussed earlier, the Government has recognised the importance of women's entrepreneurship to the UK economy. DTI has a Strategic Framework for Women's Enterprise which highlights four key areas for action: improving business support services; access to finance; caring and childcare; and transition from benefits to self-employment. The Women's Enterprise Panel has been working with the banks to break down the barriers to access to finance experienced by some women, and with the Regional Development Agencies to ensure that women have access to female-friendly support from the pre-start-up stage onwards. From Spring 2006, the Task Force on Women's Enterprise will continue this work.

70. There has also been a substantial expansion of women-only business networks as more women start businesses and build contacts for their work.

71. We feel that the current promotional and support activities aimed at women starting their own businesses are missing an important element of its appeal – the flexibility it offers. Starting a business requires a high level of commitment and effort; however, it can also provide the opportunity for women to take control of their earnings and work-life balance. Many women start their own businesses after having a family and having been unable to find an employer who can meet their requirements for flexibility. More women may consider starting their own business if the opportunities for flexibility are “sold” to them.

We recommend

- 26.** All organisations promoting entrepreneurship to women should promote, as a key benefit, the work-life balance and flexible working possibilities of running your own business.

Training and career development are not enough to raise wages

72. Historically, “women's work”, or jobs in the five “c” occupations, particularly caring, catering and cleaning, have been under-valued. We decided to focus on the care sector as a case study of a low-paid sector which employs predominantly women but is also important to the economy, now and in the future.

73. High-quality childcare can potentially improve children's development, and ultimately their contribution to the economy and society. Accessible and affordable childcare and social care are needed to enable people of working age, predominantly women, who bear the

caring responsibilities, to combine those responsibilities with paid work.

74. The care workforce encompasses all those working in childcare and social care, early years, and in support roles such as healthcare assistants and teaching assistants. It is overwhelmingly female and around half work part time. At least 80 per cent of care workers are women, rising to 95 per cent in some occupations. There are, however, more men than women in managerial positions (Orme, 2001). In 2005, median hourly pay of all workers, full-time and part-time, in the caring personal service occupations was £7.00. This compares to £9.25 for skilled trade occupations and £12.70 for associate professional and technical occupations.

75. One of the solutions to low pay in caring occupations, which is generally put forward, is to raise skill levels and “professionalise” the occupations – an estimated 80 per cent of care staff have no formal qualifications (Equal Opportunities Commission, 2004b; Rogers, 2002). This could be combined with developing career pathways within the sectors.

76. There are a number of initiatives to raise skills. For example, the Department of Health has targets for 50 per cent of residential care staff to have a Level 2 qualification by 2005 and for 50 per cent of the care provided by a domiciliary agency to be delivered by Level 2 qualified staff by 2008. Sector Skills Councils – the Training Organisation for Personal Social Services and the Children’s Workforce Development Council – are charged with raising skill levels in the care workforce.

77. Fair Play Scotland told us that positive promotion of training and personal development attached to jobs and professions can attract those who may not have considered such work in the past. It addressed a shortage of workers in the social care sector in Scotland by developing a campaign linked to the new standards in training and development in the sector. This was seen as a way of attracting more people to the sector by creating a clearer career path, and upskilling and training existing staff who had not been given these opportunities before.

78. But training alone will not raise wages. Employers are unlikely to be prompted to raise wages, even when required to train their staff to Level 2, without any increase in the value of contracts for care, many of which are awarded by the public sector.

79. If demand for childcare and social care increases in future, wages may need to rise relative to other occupations in order to attract more workers. But women – and men – must be able to afford childcare and other care services in order to combine care with paid work.

80. Affordability of childcare is a particular problem in London, and the Department for Education and Skills, the London Development Agency and the Greater London Authority are jointly funding the London Childcare Affordability Programme.

London Childcare Affordability Programme

This project will invest £30 million in childcare in London over a three-year period. Phase One of the pilot started in November 2005 and provides subsidies to providers to keep childcare costs for parents working full time under £175 per week and that prices are within the limits of the childcare tax credit. It is also designed to incentivise childcare providers to offer more flexible hours of care to support people working. A subsidy is available which varies depending on the amount of flexibility and value for money offered.

Phase Two begins in April 2006 and will support innovative proposals – suggested and developed through dialogue with local authorities, providers and parents – provided they address barriers to employment by increasing access to high quality childcare for lower income families.

81. The Ten Year Childcare Strategy (HM Treasury, 2004) makes a commitment to affordable childcare. The Government must now address pay and skill levels for childcare workers in order to support the targeted growth in employment rates, particularly allowing women to combine paid work with their caring roles.

82. The Government should apply the lessons learned in developing the Ten Year Childcare Strategy to develop a similar strategy for social care. This should consider how to attract workers to the sector to meet future growth in demand caused by the ageing population, but keep care affordable for working families.

We recommend

- 27. The Department for Education and Skills should ensure that its strategy for the early years workforce considers the levels of pay needed to build a better-qualified workforce, which reflects the importance of higher skill levels to the development and welfare of children, while at the same time keeping childcare affordable for working families.
- 28. The Government should develop a strategy for the social care sector incorporating issues such as pay, quality of care, qualifications of the workforce, and future demand.

Low-paid women are helped by the National Minimum Wage

83. The National Minimum Wage has helped over one million workers every year since its introduction. Low-paid women are the main beneficiaries. For example, two-thirds of the beneficiaries of the October 2004 uprating were women and nearly half were women working part time. The terms of reference for the 2005 report specified that, in making any recommendations for future changes, the Low Pay Commission should have regard for the wider social and economic implications, including the effect the minimum wage has on the gender pay gap.

84. Many stakeholders stressed the positive impact of the National Minimum Wage in the move towards more equal pay. For example, the Northern Ireland Committee of the Irish Congress of Trade Unions told us that the National Minimum Wage is the policy with the

most significant impact on the gender pay gap in Northern Ireland.

85. The Low Pay Commission targets particular sectors in its enforcement efforts and we think that future efforts should be directed towards sectors employing high proportions of women.

We recommend

29. The Low Pay Commission's standing terms of reference should be amended to include a gender impact assessment as part of each report. Targeted enforcement of the National Minimum Wage should be directed at sectors employing large numbers of women.

Chapter 5

IMPROVING WORKPLACE PRACTICE

Our investigation has shown that there are many different factors, from school to workplace, contributing to the gender pay gap. Discrimination in the workplace also causes differences in pay for women and men. This is often unintended and arises through the way pay systems operate. Equal pay reviews can benefit women, provide clear incentive systems and reduce the costs of litigation. But they only address part of the problem.

Our recommendations encourage employers to consider all the issues that we have raised and to take action that will have most impact on women's pay and opportunity. A number of private sector companies have agreed to pilot projects which will put our recommendations into practice and demonstrate the business benefits.

We want to particularly encourage small firms and firms in sectors employing large numbers of women to adopt the Investors in People framework for good practice. We recommend the development of a new tool, an equality check, to help employers understand where their contribution might best lie. Trade union equality representatives, working with employers to support equal pay and opportunity, can resolve problems at the sharp end.

We believe that the public sector should lead the way, learn from this report and adopt our recommendations. Public sector employers should carry out equal pay reviews. Procurement in both public and private sectors should be used to encourage diversity and equal pay practice.

An increasing proportion of the pay gap is unexplained

1. As discussed in previous chapters, much of the gender pay gap is caused by differences between men and women that can be seen in labour market data. These include their skills and qualifications, the jobs they do and the patterns they work. As the differences that can be observed between men and women become less marked or have less impact, it is important to seek to explain and address the remaining portion.

2. Anderson et al (2005) explain that while it is tempting to attribute the unexplained portion of the gender pay gap to discrimination, this is not necessarily fair. Yet even studies looking at groups of very similar workers find unexplained differences

suggesting that some degree of discrimination does exist. Discrimination may underlie some causes of the "explained" gender pay gap. Some of this, intended or otherwise, is unlawful discrimination under the Equal Pay or Sex Discrimination Acts.

3. Survey evidence confirms that discrimination accounts for only a portion of the gender pay gap. The Chartered Institute for Personnel and Development questioned around 40 organisations that had undertaken equal pay reviews about the size and the causes of their pay gap. Over a third found gaps of 10 per cent or more. The gaps were explained by a range of factors, and only a part of the gap related to unlawful pay discrimination.

4. For example, Amicus finds that pay discrimination accounts for just five per cent of the pay gap in the finance sector, which has a large overall pay gap of over 40 per cent. In this sector, women form the majority of the lower-paid administrative grades with men in the majority in managerial roles. Glass ceilings are not in themselves unlawful unless women receive unfair treatment under the Sex Discrimination Act.

Legislation has been only part of the answer

5. Prior to the 1970s, women and men in the same jobs could be lawfully paid different rates. The Equal Pay Act was placed on the statute book in May 1970 but did not come into force until December 1975.

This legislation makes it unlawful for an employer to discriminate between men and women in terms of their pay and conditions, whether this discrimination is intended or not.

6. Collective bargaining arrangements which then covered large segments of the economy were used to make the new legislation bite. Rates of pay were equalised and large groups of women employed in the lowest paid occupations saw their pay increase.

The gender pay gap narrowed as a result and the impact of the legislation is widely acknowledged (Dickens et al, 2005).

7. A more in-depth discussion of the factors behind the pay trends for men and women in the early 1970s can be found in Zabalza and Tzannatos (1983) and (1988), Chiplotin and Sloane (1988) and Sloane and Theossidou (1994).

The Equal Pay Act

The Equal Pay Act makes it unlawful for an employer to discriminate between men and women in terms of their pay and conditions, whether this discrimination is intended or not. To bring a claim, a worker must compare herself with someone of the opposite sex (a “comparator”) in the same employment who is doing the same or similar work, doing work that has been rated as equivalent under a job evaluation scheme, or doing work of equal value.

Completely different jobs can be of equal value. They are compared by looking at, and separately valuing, aspects such as effort, skills and decision-making. If the demands of the work are equal overall, the pay should also be equal.

The first step for someone taking a claim is to use the equal pay questionnaire. This asks the employer questions to find out if the employee has received equal pay to their comparator.

8. The law on equal pay has been amended and developed through case law over the past 30 years. A 1983 amendment brought equal value within the scope of the Equal Pay Act, bringing it into line with European law. However, this legislation had no clear impact on the pay gap trend, although the full-time pay gap continued to narrow.

The Sex Discrimination Act

The Sex Discrimination Act 1975 makes it unlawful for an employer to treat a person less favourably on grounds of his or her sex. It is also unlawful for an employer to apply a provision, criteria or practice equally to all employees, which puts a considerably larger proportion of women at a disadvantage and cannot be justified by the employer. For example, a requirement that a certain job must be worked full time without having a reason which can be justified on objective grounds might put women at a disadvantage compared to men.

There is a limited exception to allow for positive action measures. Examples might include single-sex training courses to equip women with skills for specific work where they are under-represented, or encouragement to women to apply for work where they are under-represented. However, job selection must always be based on merit.

9. During the 1980s and 1990s a series of landmark cases confirmed that claims could be made in respect of the whole pay package, including pensions. It opened up a wider range of potential comparators, for example, by enabling women working part time to claim equal hourly pay with men working full time. The range of potential defences for not offering equal pay was also limited, for example by establishing that collective bargaining or market forces could not be used as blanket defences to a claim. Other cases have provided guidance on matters such as the need for pay systems to be transparent,

the treatment of bonuses, how to deal with pay progression, and the extent of remedies when claims are won.

10. Since 1996, these developments have been brought together into an Equal Opportunities Commission Code of Practice on Equal Pay. This provides employers with practical guidance on how to ensure pay is determined without sex discrimination. The current Code came into effect in December 2003. It is admissible in evidence before the employment tribunal. While it is not binding, the employment tribunal may take into account an employer's failure to act on its provisions.

The concept of equal value

We heard from a variety of stakeholders that the concept of equal value is difficult to understand. This may result in employers not seeing the inequality that arises from separate pay systems, for example, for manual and non-manual jobs. It can reduce the impact of equal pay reviews and also affects individuals who may not see that they have a claim.

We analysed tribunal claims in the private sector, and found that claims were usually of "like work" – the simplest kind of equal pay claim where pay in the same or similar jobs is compared. A number of claims foundered on basic misunderstandings of the Equal Pay Act.

The Scottish Close the Gap campaign includes an equal value project which is piloting post-graduate materials on job evaluation with partners such as Acas and the University of Strathclyde. Individual managers could use these materials to learn more about equal value.

11. Complex equal value cases have taken years to come to conclusion. In one famous case, Pam Enderby, a speech therapist, won her claim for pay equal to that of a clinical psychologist in 1998, but only after a court battle lasting 11 years. In response, in 2004, the Government streamlined tribunal procedures to speed up decisions on such cases.

12. Equal pay claims make up a tiny proportion – just half of one per cent – of the claims that go to tribunals (Employment Tribunal Service, 2005). We analysed all employment tribunal decisions against private sector employers over the period 2000-2004 and found that only 25 claims reached decision stage, with the applicant being successful in just five.

Pay discrimination can arise through the operation of pay systems

13. The Equal Pay Act relies on individuals to make claims. Yet the evidence shows us that often, discrimination arises out of pay systems and can affect groups of women as well as individuals. We commissioned research from Incomes Data Services (2005) to better understand how this happens. Here, we use the term pay discrimination to refer to pay inequality which is potentially unlawful whether or not this discrimination is intended.

14. The research explains the different types of pay systems in use today and builds up a picture of evidence of their potential for discrimination using case studies drawn from organisations conducting equal pay reviews. We also received evidence from unions, employers and practitioners about the extent of pay discrimination in workplaces in the public and private sectors.

How does pay discrimination arise?

Few organisations have gender inequality deliberately built into their **pay structures**, but such discrimination does exist and can stem from a range of causes. It is most likely where there are different pay structures for different groups of staff, such as used to exist for local government manual and non-manual groups. Or it may arise where employers seek to **match pay to market rates** but do this imperfectly and end up “importing” pay discrimination without questioning the need for higher rates in male-dominated jobs or for men.

Acas told us about one manufacturing company, which had no payment structure for salaried staff. Even employees with the same job title had different salaries with women earning up to £3,000 less than a recently recruited man. The female finance director was paid less than all the other directors who were men. People did not talk about what they earned and salaried staff were not unionised.

Re-structures and mergers can lead to a legacy of pay gaps where **pay protection** (or “red-circling”) is not phased out, and where male groups are more successful in achieving pay protection than women.

Determining pay levels

Job evaluation can be discriminatory if the scheme’s factors do not cover all the main demands of all jobs, including those important for female-dominated jobs. Discrimination can also creep in if job evaluation is poorly applied.

Starting pay is a problem area. Commonly, employers import lower pay for women, particularly for women returners who cannot bargain from the basis of a recent rate of pay. Men may be better able to bargain their starting salary upwards. These pay gaps persist if pay increases are a percentage of starting pay.

Different market rates can be a legitimate reason for pay gaps if they are necessary to recruit someone with a particular skill set. But sometimes “market” rates of pay reflect different collective bargaining power, historical undervaluing of “female” jobs, or preconceived or outdated ideas about scarce skills/market rates.

Progression

Long service-related pay scales are a common source of gender pay gaps. Due to career breaks, women are less likely to achieve long service. Yet for many jobs, three years’ service results in the same productivity as many years’ experience. *Lloyds-TSB found that long service was a major reason for its pay gap (case study from Equal Opportunities Commission, www.eoc.org.uk).*

If jobs are grouped in **broad bands** with wide salary ranges and no fixed pay points, this can open the door to pay gaps if organisations lose sight of relative pay within the band and the reasons for overall pay differences.

The greatest risk for **performance pay** to influence pay gaps comes from how line managers implement it, especially where they do not receive regular training and if there is no check for bias. Part-time workers are at particular risk of being marked down because of mistaken impressions about their achievement.

Bonuses and incentives

A number of high profile equal pay cases have involved the level of City **bonuses**. In some organisations, particularly in the public sector, jobs of equal value do not have the same access to bonuses. In the private sector it may be women on maternity leave who miss out. Bonuses may also be skewed towards more senior staff, who are more likely to be men.

Men may have greater access to overtime and overtime pay. Men’s jobs may attract higher shift pay than women’s jobs.

Incomes Data Services (2005)

15. Taken together, the evidence demonstrates significant inequality of pay, and part of this is down to pay discrimination. In general, this inequality is not because managers set out to pay women less.

Inequality can be identified through equal pay reviews

16. Many stakeholders, public and private sector businesses and trade unions told us that equal pay reviews are the best way to address discrimination in pay systems.

17. Women are the most obvious beneficiaries of an equal pay review. The Commission received evidence about some of the sums that women receive in equal pay following equal pay reviews.

18. Angela Wright – an academic, formerly a pay consultant – gave evidence to us citing a financial services firm where an equal pay review revealed that women middle managers earned 50 per cent less on average than men of the same level of seniority. In another firm a woman HR manager earned less than half the salary of her male predecessor. The T&G union provided us with evidence of pay gaps addressed through equal pay reviews, including a £1.36 an hour pay rise awarded to 12 canteen workers and a pay rise of more than 10 per cent for 15 shift-workers in a cleaning company.

19. Equal pay reviews can bring additional benefits as well as redressing unlawful inequalities. When organisations find that a major reason for their pay gap is the lack of promotion of women, some go on to address the wider causes for this. Others move from looking at pay inequalities between women and men to looking at pay by race and disability.

What is an equal pay review?

An equal pay review (sometimes called an equal pay audit) is a systematic examination of how men and women are rewarded in an organisation. It compares the pay of men and women doing equal work, identifies any equal pay gaps and seeks to explain why these have arisen. If the gaps cannot be explained on grounds other than the different sex of those doing the work, action is taken to eliminate the gaps. The result should be a fair and transparent pay system that rewards men and women equally for equal work and work of equal value.

The best-known model for undertaking an equal pay review is the Equal Opportunities Commission's Equal Pay Review Kit available on its website, www.eoc.org.uk. But there are a variety of other models meeting the standards set out in the EOC Code of Practice on Equal Pay, and many employers use consultants to support the process.

“The best audits are those in which an organisation has entered into them to learn not just whether or not they have potential legal claims, but also to learn more about the experiences of female employees within their organisation.”

Incomes Data Services (2005) research for Women and Work Commission

“Employers should be acting on equal pay because it makes business sense. If employers are basing their remuneration decisions on misconception, biased value systems, stereotypes and prejudice, they are undermining their ability to realise the full potential of all their employees.”

Chartered Institute of Personnel
and Development evidence

20. Equal pay reviews that result in transparent and fair reward systems give employees clear incentives to work more productively. Conversely, if, for example, a woman's performance pay is downgraded

because she works part time, this will not provide an incentive for her to work better. If a man's bonus is based on the job he does, rather than his effort or productivity, he also has no incentive to work harder. Incentives to progress are also diminished if a woman can never catch up with a man on a long pay scale.

21. Equal pay may also make recruitment easier, reduce the costs of staff turnover and improve retention of women, enabling organisations to reap the benefits. Firms who have taken action to ensure that they pay their employees fairly are less likely to experience equal pay litigation and the associated costs. These include the fees of lawyers, up to six years' back pay (which can be negotiated if cases do not go to court), and any wider impact on pay of other workers in the same job, plus the more immeasurable costs if reputation or morale is damaged.

EQUAL PAY REVIEW AT BMW COWLEY

Commissioners visited BMW at Cowley, Oxfordshire where we met the HR team and T&G trade union representatives. Its 2004 equal pay review found small discrepancies between the pay of men and women. In some cases these were explained by the different genders of those on the lowest grades, who had just been promoted. One unfortunate person had been wrongly graded. These issues were then addressed. The process continues with an annual update. The 2005 update found that the pay differentials had been reduced and that remaining differences were explained by different occupations undertaken by men and women within grades.

The review highlighted the fact that only seven per cent of employees at the Cowley plant are female, and that women and men tend to do different jobs. BMW is now concentrating on action to attract more women to the sector, looking at working with schools, addressing flexibility in the shift system and ensuring that both men and women take up training and development opportunities.



Round table discussion,
chaired by Fair Play Scotland, Glasgow

22. Litigation equalises the pay of particular individuals or jobs, case by case. This may lead to anomalies and give rise to equal pay claims in other parts of the system and higher costs as pay is ratcheted up. So it is better for an organisation at risk of discriminating in pay to

take action to ensure that pay systems and practices are fair in the first place.

23. Some organisations, including the Inland Revenue, have found that the process of undertaking an equal pay review improves employee morale, loyalty and relations, which in turn have a beneficial effect on productivity.

24. The Government works alongside employers, trade unions, the Equal Opportunities Commission and Opportunity Now to promote voluntary equal pay reviews. It has a Public Service Agreement target of 45 per cent of large organisations having completed equal pay reviews by 2008.

25. To help meet this target, action has included providing funding to the trade unions

EQUAL PAY REVIEW ACTIVITY IN WALES AND SCOTLAND

The Welsh Close the Pay Gap campaign holds a Castle Award for good practice in equal pay. It was launched in 2002 as a partnership campaign between the Welsh Assembly Government, the Equal Opportunities Commission and the Wales TUC. It followed the development of various equal pay review toolkits and other advice. Seminars and briefings for public and private sector employers both large and small, and for trade union officials, together with other activity, have resulted in over 100 equal pay reviews to date.

Independent evaluation of the first phase of the campaign concludes that a distinctive equal pay agenda has developed in Wales. This is due to:

- a strong political lead from the Welsh Assembly Government;
- the provision of additional funding from the Welsh Assembly Government so that public bodies can tackle pay inequality;
- determined partnership working.

An equivalent Close the Gap project is running in Scotland, using innovative ways to reach the private sector to persuade employers of the benefits of equal pay reviews. For example, companies are contacted through Customs & Excise (which has dealings with all VAT-registered companies) and Jobcentre Plus.

to support an equal pay panel of experts to promote equal pay reviews to employers and offer technical support. The Castle Awards, named after Barbara Castle, the Minister who introduced the Equal Pay Act, reward good practice in equal pay.

“Whilst recognising that putting right unequal pay can cost money, the process can be negotiated in a way that is far preferable to long-drawn out costly and very divisive equal pay legal cases.”

T&G evidence

26. The Equal Opportunities Commission has developed a range of tools to support equal pay reviews. Its promotional activity is aimed at employers and practitioners and it has undertaken targeted work to overcome specific barriers. For example, it has worked with software providers to ensure that their products support equal pay reviews, and with pay consultancies and lawyers to raise awareness of equal pay review tools. The Equal Opportunities Commission works with Opportunity Now on an Equal Pay Forum that encourages employer members to share best practice on equal pay.

27. Our terms of reference asked us to look at the case for making equal pay reviews mandatory through legislation, to ensure that all organisations undertake one. *The Commission was divided on this issue and we did not reach consensus.*

The case for mandatory equal pay reviews

28. Those of us who favour a new statutory obligation on all employers to conduct and act on periodic equal pay reviews argue that as long as the law remains based on individual rights, affording remedies to individuals who take cases to employment tribunals, we will not eradicate systemic discrimination in pay systems and workplace practices. This systemic discrimination is often hidden and not well understood.

29. Despite the good business reasons for undertaking equal pay reviews, employers can be reluctant to conduct reviews voluntarily. The Equal Opportunities Commission’s latest survey (2005d) on equal pay review activity found that over two-thirds of organisations had not completed an equal pay review, had none in progress and did not plan to conduct one. This position has not changed since 2002. The EOC concluded that progress on equal pay reviews, particularly in the private sector, had stalled.

“Amicus supports the introduction of mandatory pay reviews in the public, private and voluntary sectors as the voluntary approach is not working. Equal pay reviews are an essential tool for identifying and addressing pay anomalies.”

Amicus evidence

30. Even now, many employers have never heard of an equal pay review. Others are reluctant to do a review because they fear the unknown scale, complexity and costs of the review process and its implications. But the costs of undertaking an equal pay review vary, depending on the complexity of the pay systems of the organisation. This means that the process need not be particularly costly or burdensome. Once an equal pay review has been completed, the regular cost of repeating the process is reduced.

31. In evidence to the Commission, many stakeholders reported managerial ambivalence and even hostility towards equal pay reviews. PCS – the public and commercial services union – reported that it does not believe that individual government departments and agencies would have undertaken pay reviews without central government commitment. Some managers simply feel that equal pay reviews are a diversion from business aims with no significant contribution to increasing profits and competitiveness. Angela Wright reported a high level of managerial opposition to equal pay and to equal pay reviews.

32. For all these reasons, some of us concluded that mandating equal pay reviews would be necessary.

Evidence from countries where equal pay reviews are mandatory

We looked at the experience of proactive legislation abroad. In Sweden, the law requires firms with more than 10 employees to conduct annual wage surveys and, since 2001, to take action to rectify any unwarranted pay differentials between men and women. A 2003 assessment of the legislation found it had a minor impact on pay, limited to the public sector. In the private sector a survey of 500 organisations found that very few pay adjustments were made, and those that were all concerned pay for individual women.

The effectiveness of the law is reduced because it is difficult to understand and use, particularly in the methods of analysing wage structures including the concept of equal value. Employers are also concerned about high consultancy costs. The equal pay reviews confirmed that pay setting is objective. However, a report of the survey (cited in JämO, 2003) questions this finding.

Some Canadian provinces have legislated to oblige the public sector, and in some cases the private sector, to take positive action on equal pay. The best-known example, Ontario's 1989 Equal Pay Act, amended in 1993, requires all public employers and private sector firms with 10 or more employees to register equal pay action plans. Smaller firms have the option of phasing in wages adjustments.

But the impact has been modest. A significant proportion of firms make no pay equity adjustments. One survey found a fair amount of non-compliance and manipulation of the requirements of the Act. Smaller organisations in particular do not comply. Women who work in non-unionised workplaces, particularly non-professionals, also see little benefit.

On the other hand, there have been significant steps forward for public sector employees. The process has heightened the image and perceptions of women's work and the diversity of skills involved. It allows employers to update pay systems and has led to an improvement in labour relations.

Human Resources Centre of Canada (2001); Pay Equity Task Force Final Report (2004).

The case against mandatory equal pay reviews

33. Some of us believe that the voluntary approach is the best way forward. Some stakeholders feel the same, for example the CBI feel that mandatory pay reviews would represent an excessive burden, out of proportion to the problem and out of tune with the current deregulatory climate. Any new regulations that we propose must be proportionate to the risk and targeted at the problem, with minimal side-effects, as well as being clear, predictable and user-friendly.

34. Many companies consider their existing pay systems to be adequate. Indeed, there are very few private sector equal pay legal claims

and many companies uncover little or no pay discrimination when they conduct pay reviews. In addition, equal pay reviews only address that part of the pay gap which arises out of unlawful discrimination in pay systems and may leave other aspects untouched.

35. Many employers who had undertaken equal pay reviews told us that the process was costly and resource-intensive. Twelve per cent of respondents to the Chartered Institute of Personnel and Development's 2005 Annual Survey Report state that they do not have the financial resources or data to carry out an equal pay review. A CBI survey finds a medium-sized firm that had paid a consultant £14,000 to carry out its equal pay review, and a large company that calculates it would require a dedicated member of staff working on the audit for a month.

36. In most cases, equal pay reviews look at equal value in order to properly consider whether women and men are doing equal work. This is difficult to understand and means the process takes up more resources. International evidence suggests that equal value is a barrier to making legislation mandating pay reviews clear and user-friendly.

37. By contrast, a voluntary risk-based approach, whereby employers only undertake equal pay reviews if they perceive a risk of unlawful discrimination, would enable employers to assess the costs in proportion to the benefits of undertaking a review and to manage the risks of litigation.

“The nature of the pay gap is such that it would not be sensible for all employers to undertake a pay review and could well distract employer and government focus and resources away from tackling the causes of the gender pay gap.”

CBI evidence

38. We met with a number of large employers at an Opportunity Now round-table discussion. Many of them are addressing equal pay but not necessarily undertaking a full equal pay review. They focus on particular occupations or a particular area they know to be difficult. One finance sector company focused on performance pay and bonuses which made up the largest part of their employees' pay. They felt that mandatory equal pay reviews might mean that employers would lose the focus on the equal pay issue most relevant to their organisation. They might take time and resource away from other activity that has more potential impact on women's opportunity and pay.

“There is a danger that if pay reviews were made mandatory, it could become a tick box exercise only.”

Participant at a Women and Work Commission equal pay reviews round table of large employers

39. The impact of an equal pay review can depend on how thoroughly it is carried out. International evidence suggests that if equal pay reviews were imposed by law, the emphasis could be on delivering the process in order to comply with the law, rather than on the outcome.

Our approach

40. Given the divisions between Commissioners on the issue of mandatory equal pay reviews, we are unable to make a recommendation in this area. However, we did identify a number of practical proposals that we agreed would make a difference in the workplace. We agreed that it is vital that employers consider what part they can play in narrowing the pay gap across all causes.

41. In previous chapters, we make recommendations for all key players, including employers. Here we suggest that employers should reflect on the themes of this report and take the action that has the most impact on women that they employ or might employ and capitalise best on women's potential in their workplace. Good practice by employers, such as that highlighted in this report, can be the best way for other organisations to learn about how to target their efforts.

Investing in people

42. The Investors in People Standard provides organisations with a kite mark of good practice. It is a way of improving business performance through an organisation's people. According to Investors in People, organisations which have reached the

Standard outperform competitors without it, across a range of areas related to productivity and profit. But some smaller companies may find it an expensive process to reach the Standard, and do not pursue it despite the eventual business returns.

43. We recommend the new Investors in People Profile. It presents organisations with a real challenge to ensure that they are both making the most of women's potential and rewarding them fairly.

The Investors in People Standard and Profile

The Investors in People Standard involves all people in an organisation by embedding approaches such as clear communication of the business plan, communicating targets and giving feedback to all employees. This helps employees to cope with business change and improves their motivation. Investors in People told us that there are nearly 40,000 organisations that have achieved the Standard, covering up to 36 per cent of UK employees.

Recognition as an Investor in People depends on outcomes, and specific action to reach the Standard is determined by, for example, the size of the organisation seeking accreditation. Performance is measured over a range of indicators. Of particular interest to us, managers must ensure that there is equality of opportunity to learn and develop. Evaluation evidence is collected at all levels including from staff, so that top-level commitment is documented

and middle managers must be seen to follow good practice.

The Investors in People Profile was launched in 2005. It stretches organisations into broader areas of people management and development, with four levels. Level one is the same as the Standard, while the higher levels include:

- strategies to promote equality and manage diversity in the workplace;
- work-life balance and how to make the most of people's talents;
- clear and fair reward and recognition strategies which involve representative groups (where they exist) in their development. At the highest level, Profile covers how these strategies are externally benchmarked and looks for a forward-thinking benefits strategy with policies going beyond the minimum required by the law.

A new, light-touch tool to check for equality

44. We agreed that an equal pay review only targets part of the problem. One idea we considered is an equality check. This would be a new light-touch tool that would help employers look across the range of issues that impact on the gender pay gap. Where the check identified a high risk of a problem, the equality check would point the way to further investigation and action.

45. The advantages of this approach are that it would encourage employers to take the

initiative to tackle all the causes of the gender pay gap. It would enable employers to focus quickly on areas that call for action and give them the freedom to decide what action to take. It would mean that large employers would not immediately have to evaluate data on the workforce as a whole – groups of employees could be sampled; for employers in general, the diagnosis and action would be proportionate to the size of the organisation.

Equal Opportunities Commission equality check

The EOC is to commission the design and trialling of an equality check. This is intended to enable employers to assess the risk of discrimination and/or unequal treatment across all relevant causes of the gender pay gap: unequal pay or sex discrimination; occupational segregation; and the impact of family responsibilities.

A trial with employers will find out what can be learned about this new approach, assess which model is most successful and see how it works in practice. The resulting equality check will be:

- rigorous: setting out the standards of transparency, consistency, and objectivity that the law requires of employers;
- comprehensive: covering all relevant causes of the gender pay gap;
- consistent with the Code of Practice on Equal Pay.

46. We believe that this could provide a useful way forward, raising the profile of these issues in the workplace and attracting more employers with its simplified approach.

The Opportunity Now Benchmark

Opportunity Now runs the UK's single largest benchmarking exercise on gender equality. A survey asks about the motivation for organisations taking action to recruit, retain and develop women in the workplace, the types of action being undertaken, and the impact of such action on the organisation. The survey also asks for information about the profile of women in member organisations. Between 160 and 225 organisations participate each year.

A team from Opportunity Now validates the evidence and the organisation receives an overall marking ranging from Platinum to Bronze. Comparative tables are compiled showing an individual organisation, in confidence, its marks year on year, and comparison with its sector and with Opportunity Now more widely.

In addition to providing detailed analysis, advice and debriefing to each participant, Opportunity Now also analyses the trends and identifies best practice.

Naaz Coker, Commissioner



Equality representatives resolve problems at the sharp end

47. Genuine dialogue between employers and workers' representatives can improve decision-making. The joint existence of employee participation and equal opportunities policies is generally associated with greater productivity over and above the separate effects of the two types of policies (Perotin and Robinson, 2000).

48. We believe that all employers should consider the role that employees and their representatives can play in supporting equality and diversity. This includes consideration of their role under information and consultation arrangements.

49. The Commission welcomes a proposal from the TUC, supported by a number of trade unions and other stakeholders, for a system of trade union equality representatives. These individuals would provide a lens of equality across workplace practices, raise issues related to equality and diversity, tackle discrimination, resolve conflict and seek

solutions with management alongside other union colleagues.

50. The presence of equality reps should facilitate joint working at a local level to develop well-targeted action on issues most relevant to individual organisations and their workforce. They could improve the business benefits associated with equal opportunities policies by providing a focal point for dialogue and improving decision-making.

51. Equality reps would act as specialists when policies and procedures related to diversity and work-life balance are under negotiation. They would have a particular role to play in raising equal pay up the workplace agenda and assisting in equal pay reviews. They should support a move towards looking at systemic pay inequalities and away from piecemeal individual claims.

52. The TUC and unions believe that, as has happened with union learning reps, the role of equality reps would attract a more diverse group of union members to become involved.

EQUALITY REPS IN PRACTICE

Some unions have already put in place a network of equality reps, operating by agreement with employers. On our visit to Oxfordshire, Commissioners met a number of T&G equality reps and we also heard from equality reps from a range of unions at a round-table discussion in London.

Equality reps look at a wide range of issues including flexible working, equal pay and how to break down the barriers preventing women from moving into non-traditional jobs. The T&G told us that its network of equality reps is becoming more involved in the bargaining agenda, for example around policies on parental leave, and not just dealing with individual discrimination. The Government has provided funding to the TUC to train over 400 representatives on equal pay issues.

53. Union learning reps provide bottom-up pressure to engage and work with employers to improve the UK skills base. These reps were placed on a statutory footing in 2004, following a period of government-funded capacity building. This means they have rights to paid time off to be trained and to carry out their duties.

54. To be effective, equality reps will require good quality, thorough training, not least because of the complexity of the law. We propose that a capacity building programme be put in place under the Union Modernisation Fund. This fund supports innovative projects designed to speed unions' adaptation to a changing labour market and new ways of working.

55. Unions and employers will also need to reach agreement to give equality reps:

- paid time off for training and to carry out their duties and facilities;
- an undertaking to disclose relevant information, including separate pay data by gender, which equality reps may need to carry out their role effectively.

56. To this end, we propose that the TUC, the CBI and public sector employers identify exemplar workplaces to be evaluated to provide more information about the added value of equality reps.

57. Some of us feel that, as with union learning reps, following a period of capacity building, union equality reps should be placed on a statutory footing to ensure that they have paid time off for duties and activities and for training. Without this, equality reps would not be sufficiently effective nor achieve their potential for adding value in the workplace.

58. Others among us are unconvinced of the need for a statutory basis for equality reps without evidence of added value. Issues to be considered include the overlap with existing trade union reps whose remit already includes equality and equal pay, and the costs of time off. We therefore did not reach agreement on whether or not the capacity building period should lead to a statutory role for equality reps.

We recommend

- 30.** Private sector companies should consider the implications of this report for how they operate in order to make the most difference to the most women. A cross-government UK-wide package of measures should support awareness-raising and capacity building to enable organisations to adopt solutions most relevant to them, which will have the most impact on women's pay and opportunity, including:
- promotion of best practice via business links and the business.gov website;
 - £1 million funding for Investors in People (IiP). This should be used to support the adoption of the IiP Standard by small firms focusing on those growing rapidly, and to market to all firms – particularly in the five “c” sectors – the IiP Profile, in order to spread best practice on equality and diversity, fair pay and reward, and training;
 - supporting employee involvement in workplace equality development via £5 million additional funding for the Union Modernisation Fund for capacity building to support training and

development for equality reps in the private and public sectors;

- support for the development and marketing of equality checks.

31. DTI, through partners such as Opportunity Now, should build a set of exemplar companies willing to pilot projects such as:

- a new offer to schools to give girls work experience, in particular in non-traditional jobs;
- setting up a new women's network in senior or traditionally male jobs within the company;
- actively promoting quality part-time jobs;
- a recruitment round which supports women returners' development needs including confidence building and other support mechanisms;
- developing career pathways for women working in lower-paid jobs;
- providing paid time off, support and facilities to a network of equality reps;
- undertaking an equal pay review.

The public sector should be a best practice employer

59. The public sector employs nearly 40 per cent of women employees, and 20 per cent of male employees. It has a lower full-time pay gap than the private sector. Indeed, the public sector full-time gender pay gap based on the median is 10 per cent, half that of the private sector (Annual Survey of Hours and Earnings, 2005).

60. The reasons for the lower gender pay gap may be because women who work full time simply do better in the public sector. Also men at the higher end earn less and women at the lower end earn more than in the private sector, and the public sector provides good opportunities for women in professions (Disney and Gosling, 1998). The lower gender pay gap may also be a product of higher rates of trade union membership in the public sector. Metcalf (2000) finds that if there were no unions the gender pay gap would be 2.6 per cent wider.

61. Through the evidence we received, we heard that slow but significant progress has been made in breaking through glass ceilings in some public sector organisations. Julie Dent, Chief Executive of the South West London Strategic Health Authority and Heather Lawrence, Chief Executive of the Chelsea and Westminster Hospital told us about the NHS Leadership 2000 programme – a successful positive action programme: in South West London, five of the eight Chief Executives are women.

62. We also heard about exciting initiatives that will have a real impact on women's opportunity and pay, notably the Agenda for Change in the NHS and the Equalities Standard which mainstreams a wide range of diversity considerations into local government policies.

63. But there remains a significant amount of segregation of women and men into traditional jobs in the public sector and the glass ceiling persists in many services. The NUT's evidence shows a particular problem for black and minority ethnic women teachers seeking senior roles.

AGENDA FOR CHANGE IN THE NHS

Agenda for Change is the new pay and careers modernisation package covering the million-plus employees who work for the NHS. It was introduced at the end of 2004 and singled out for praise by Sharon Holder, National Officer at GMB in her evidence to us, as well as by many other stakeholders.

Agenda for Change applies to all directly employed NHS staff, except very senior managers, doctors and dentists. It includes the biggest overhaul of NHS-wide pay, terms and conditions in over 50 years. Underpinned by a non-discriminatory job evaluation system and a new minimum wage, a new pay system is designed to deliver equal pay for equal value. Staff are paid on the basis of the jobs they do and the skills and knowledge they apply to these jobs.

The Knowledge and Skills Framework was identified by many stakeholders including the TUC and NHS employers. This framework defines and describes the knowledge and skills NHS staff need to apply in their work to deliver quality services. It provides a consistent, explicit basis for review of staff and their training and development. Whatever the post, whether full-time or part-time, in the day, evenings or at night, staff are supported to learn and develop throughout their working lives in the NHS, and have the prospect of career progression.

Negotiated in partnership with trade unions, Agenda for Change is a good example of how employers and unions can work together to find organisational solutions to all aspects of gender inequality. It benefited from central government funding and strong political leadership.

In addition, the NHS childcare strategy has done much to support women with young families. Launched in 2000, the initiative has created 6,000 new and subsidised nursery places and ensures all staff have access to a childcare co-ordinator. A survey in 2004 by the Daycare Trust found that more than 83 per cent of parents had found the initiative helpful and one-third said it had helped them remain in or return to work.

Despite the introduction of Agenda for Change, stakeholder evidence from the NHS often mentions a lack of quality part-time work and flexibility, and a lack of training for part-time employees. We spoke to NHS domestic workers in Leeds. They have seen real improvements in pay but feel that hours are still rigid and managers do not have the resources to offer training or even conduct appraisals. We also heard from stakeholders that black and ethnic minority women seeking senior positions in the NHS encounter particular difficulties – in response a national mentoring scheme has been set up.

64. Disappointingly, there has been little progress in the part-time pay gap in the public sector. The pay gap between women working part time and men working full time is much the same in the public and private sectors.

65. A single public sector employer tends to offer a wider variety of jobs than a private sector employer. For example, a local authority may employ a nursery nurse and an architectural assistant – very different jobs, one female-dominated and one male-dominated, but found to be of equal value in one tribunal decision (*McKenzie and Others v Gloucestershire County Council*). Likewise, jobs in hospitals require a wide variety of different skills and responsibilities at high levels.

66. The history of collective bargaining in the public sector has been one where different groups of staff – often segregated by sex – had different unions bargaining on their behalf. This led to different pay and pay structures for the different groups. Often, basic pay and bonuses for different jobs reflected traditional assumptions about skills associated with men and women as well as different bargaining strengths. Part-time jobs have also traditionally been segregated.

67. Nowadays, many public service employers are working with all their recognised unions to build single, coherent, non-discriminatory pay systems for all staff. The Local Government Single Status Job Evaluation Scheme was designed by employers and trade unions to evaluate manual and non-manual jobs and incorporates equal pay principles. It deals with past under-valuation of female-dominated jobs by, for example, rewarding the skill, demands and responsibilities linked to

caring aspects of jobs and weighting caring aspects equivalently to mental and physical aspects. The new harmonised reward system for the NHS is underpinned by a job evaluation scheme which similarly incorporates equal value pay principles.

68. The Equal Opportunities Commission (2005d) found that organisations in the public sector are more likely than those in the private sector to have completed an equal pay review, with 27 per cent having done so. Similarly, the Employers' Organisation for Local Government reports that one-third of local authorities have completed pay and grading reviews, while all 88 government departments and agencies have also completed equal pay reviews.

69. This activity in the public sector reflects the experience overseas. In the USA, numerous state and local governments have undertaken exercises to give their employees equal pay in jobs of comparable worth. Some of the most impressive results have been achieved in Minnesota. 8,500 state employees received an average \$2,200 adjustment over four years, which closed 31 per cent of the pay gap (Evans and Nelson, 1989; and Gunderson 1994). The international evidence suggests that the public sector has the capacity to properly incorporate equal value considerations.

70. However, we also heard evidence of a number of public sector employers who have not taken action to address equal pay. Best practice in the public sector would make a difference to the nearly 40 per cent of women employees who work in public sector jobs spread across the country. Good practice in the public sector can also influence better practice in the private sector.

71. Taxpayers' money should be spent in a way that does not discriminate. And taxpayers deserve the value for money gained by making the best use of women's skills and potential. The Government must put its house in order and address the full range of measures covered in this report. And all public sector employers must be at the forefront of implementing good practice in their treatment of women.

The Equalities Standard for local government

This Standard was developed by the Employers' Organisation, the Equal Opportunities Commission, the Disability Rights Commission and the Commission for Racial Equality, with input from the Audit Commission. It is primarily a tool to enable local authorities to mainstream gender, race and disability into council policy and practice at all levels. It recognises the importance of fair and equal treatment in local government services and employment.

The Standard is now included as a Best Value Performance Indicator for 2005/6. Three-quarters of local authorities are on level 1 or better.

We recommend

32. Public sector employers should account to a Ministerial Committee and report to a Cabinet Office Steering Group, with representatives from UK-wide public service employers and trade unions, on how they have put the recommendations in this report into practice, in particular on the

results arising from their establishment of:

- equal pay reviews;
- time off and facilities for a network of equality reps;
- job share registers for high-quality occupations and e-networks for senior and professional women;
- a network of senior part-time role models to champion quality part-time work;
- career development pathways for low-paid part-time workers;
- continuous training for all line managers on flexible working and diversity issues;
- a coherent approach to schools' World of Work Programme, offering work experience and taster days and encouraging girls and boys to experience non-traditional occupations.

Early action ensuring equal pay in the public sector

72. We would like to see employers and employees in the public sector take a forward-looking approach, completing pay reviews and actively pursuing negotiated settlements on back pay.

73. We are concerned about the rising tide of litigation in the public sector. Unions have often used litigation as a tactic to encourage employers to the negotiation table when they feel that they are dragging their feet over implementing fair pay systems. But unions prefer to establish equal and fair pay through agreement, and most recently litigation in the

public sector instigated by no win-no fee lawyers threatens to undermine large-scale negotiated agreements.

74. Recent legal changes mean that women who are found to be receiving unequal pay can claim up to six years' back pay – until 2003 this was limited to two years. This has attracted the attention of no win-no fee lawyers who can find women with potential claims relatively easily because of the transparent pay systems and well-documented sources of pay inequality in the public sector.

“The tide is turning against a collective bargaining approach towards litigation spurred on by the activities of ‘no win-no fee’ lawyers and the prospect of higher compensation for our women members. UNISON’s preferred approach continues to be negotiation, but this is being undermined.”

UNISON evidence

75. This in turn puts pressure on unions to support litigation to recover back pay for their members. Estimates of these costs run into billions of pounds. The unions told us that that they are only too aware that budgets are tight in the public sector. They would prefer to negotiate settlements that balance women members’ rightful claims with job security.

76. We investigated the possibility of a legal amendment to limit an employer’s liability to pay back pay where cases arose out of an equal pay review and there was strong evidence of genuine partnership action to sort out inequalities going forward. But we concluded that such an amendment would not be lawful within the European framework that overarches our equal pay laws.

77. We heard views from a cross-section of stakeholders that some public sector employers were pursuing successive appeals to court decisions that had very little chance of success. Their motive appears to be to delay the day when they will have to pay up. As a side-effect, this litigation damages the reputation of Government as a fair employer and the guardian of the equal pay legislation.

78. In the prison service, a set of long-running equal pay cases date back to 1998. However, the two parties have returned to the negotiating table following the intervention of Margaret Prosser who played a mediating role in her capacity as Chair of the Women and Work Commission. A settlement is likely.

79. The new Gender Duty, enshrined in the new Equality Act 2006, is an exciting legal development that will affect all causes of the pay gap. This Duty will come into effect in April 2007 and requires public authorities to eliminate unlawful discrimination under both the Equal Pay Act and the Sex Discrimination Act and to promote equality of opportunity between men and women.

80. More detail will be set out in regulations and guidance to help public authorities to comply with the new requirement and deliver the aims of the Duty. At present, the Gender Duty consultation proposes that all public authorities have a policy for developing equal pay arrangements. These specific duties are currently being developed.

81. Several stakeholders such as the TUC, the British Medical Association and Fairplay Scotland recommend in their written evidence that the Government should introduce compulsory pay reviews across the public sector. NHS Employers' view is that "equal pay reviews should form an integral part of all organisations' equality and diversity and pay policies".

82. We are persuaded that in a significant number of public sector workplaces, women are at risk of substantial pay inequality and that a proportionate response is the introduction of compulsory equal pay reviews including an action plan to deal with pay discrimination the reviews uncover.

83. In the Pre-Budget Report in December 2005, the Government announced a new, single decision-making "gateway" to better manage public sector pay (HM Treasury, 2005). This will consist of a Public Sector Pay Committee reporting to the Chief Secretary to the Treasury for approval on all major public sector pay decisions. It will establish a common set of objectives across Government on public sector pay and ensure that individual pay decisions meet these objectives.

84. The Government also stated that it is determined to modernise outdated and unfair pay systems in the public sector and secure greater flexibility in the public sector, and that it will continue to work with key stakeholders such as the Women and Work Commission to ensure the public sector remains at the forefront of good practice on equal pay.

85. We believe that this new single gateway must cover all public sector pay deals. It needs to be forward-looking and must ensure that all proposals for new pay systems have a positive impact towards closing the gender pay gap.

We recommend

- 33.** The new Gender Duty should specifically ensure that action is taken on all causes of the gender pay gap including occupational segregation, the impact of family responsibilities and unequal pay. Specified action should include a regular equal pay review and action plan. In seeking solutions to equal pay, public authorities should act in partnership with unions.
- 34.** The Public Sector Pay Committee gateway should call all public services to account for how any proposed new pay systems address all the causes of the gender pay gap which give rise to costs in the longer term. HM Treasury should ask public sector employers to account for their progress on equal pay during the Comprehensive Spending Review.

Improving practice on equal pay and diversity through procurement

86. In the past, compulsory competitive tendering was used to reduce the costs of providing services. Its introduction resulted in a loss of jobs, hours, and pay for manual workers and this impact was greater for women than for men (Escott and Whitfield, 1995). Introduced since 1997, the best value regime has to some extent mitigated this threat but stakeholders tell us that it still remains.

“Promoting gender quality through procurement matters. It matters to local authorities who have a duty to make the best use of public funds, and get the best value from the money they spend. It matters to their providers who share a mutual interest in delivering high quality services. But most of all it matters to public sector employees and our communities who have a right to expect that public money is spent in a way that promotes equality of opportunity and delivers high quality services.”

Equality in Service Provision Group (of local government procurement and HR practitioners and equality experts) evidence

87. Some stakeholders see procurement as a significant opportunity to spread good practice on the range of equal opportunities measures discussed in this report, including in particular, equal pay practices. Public procurement in central government departments is worth around £15 billion a year, rising to £100 billion a year across the wider public sector.

88. Business stakeholders suggested to us that procurement could be a more effective incentive than regulation to change behaviour. The Equal Opportunities Commission and others argue that tendering bodies with transparent and fair pay structures are more efficient and better run, and so better able to undertake their contractual duties.

89. We investigated the legal and policy position governing public sector procurement in the UK, including at a round-table discussion of key stakeholders held by the John Smith Institute. John Oughton, Chief Executive of the Office of Government Commerce which advises on the law and the Government's procurement policy, addressed this round table.

90. We also received evidence from stakeholders and spoke to legal experts and other specialists in this arena. From these discussions, we conclude that there is nothing in the current legal framework which prevents issues of equal pay being taken into consideration. There are many positive links that can be made between equal pay and value for money, efficiency and good service delivery.

“In order for procurement to be a more powerful tool in the promotion of gender equality, there is a need for a more positive lead from Central Government.”

Equality in Service Provision Group evidence

91. We also heard how contractors are not building equal pay into procurement partly

because of an uninformed fear of contravening European and UK laws. The TUC feels that the Government has a key role in leading by example both as an employer and a purchaser.

92. We heard how sometimes there is little leadership from the management of procuring authorities to ensure that spending power is used to eliminate unequal pay. Continued pressure on budgets leads managers to seek lowest cost bids. This puts pressure on good contractors with fair and transparent pay structures and diversity policies who are

PROCURING FOR EQUAL PAY AT THE NATIONAL ASSEMBLY FOR WALES AND THE GLA

The National Assembly for Wales aims to take into account economic, environmental and social issues in everything that it does, including in procurement. The Assembly seeks to promote equality of opportunity in the way it procures buildings, goods and services by:

- developing its value for money criteria to take into account the equality of opportunity policies and practices of suppliers;
- clearly specifying the information it wants from prospective suppliers, in order to apply these criteria fairly – including practical, measurable demonstrations of commitment to equality in working practices, recruitment policy, equal opportunity plans and contractual arrangements with others;
- inviting prospective suppliers to describe their equality of opportunity policies and credentials, taking care not to impose unnecessary barriers to entry to public sector markets; and
- working with suppliers to identify how their employment and other policies and practices can reflect their voluntary code of practice.

The Greater London Authority promotes good practice in equality matters among contractors bidding for public procurement contracts. The GLA is doing this by introducing a fair employment clause into its contracts allowing the option of giving some weight to contractors' attitudes towards fair employment when procuring services. This clause is not just about equal pay but also covers training and staff development as being potentially beneficial in addressing the problems of capacity building and occupational segregation.

undercut by lower priced firms with poor practices. But over the longer term, the good contractors run lower risk of litigation and may have better retention rates, higher productivity, quality of service and better value.

93. Procurement managers need guidance on what the law does allow in this area, and how to address competing priorities and build equal pay considerations into the process. There are many good examples of positive models.

94. We also discussed business-to-business contracts. Ford told us that it has moved the focus of its diversity work from employment, to all the areas in which it operates, including procurement. Other leading companies should consider how their equality work could be extended into the communities in which they operate, including the business community they deal with.

We recommend

- 35.** The Equal Opportunities Commission or Commission for Equality and Human Rights, with support from DTI, the Office of Government Commerce, the Scottish Executive Procurement Directorate and other interested stakeholders should develop practical, equalities-led procurement advice which actively encourages public sector procuring authorities to promote good practice in diversity and equal pay matters among contractors so that it becomes the norm.
- Public authorities should ensure that their contractors promote gender equality in line with the public sector Gender Duty, and equal pay in line with

current legislation. This intention should be flagged up in contract documents to ensure that it is built into contractors' plans and bids.

- Government should appoint a ministerial champion of procurement as a means of spreading best practice in diversity and equal pay matters.
- Private sector companies who engage in substantial procurement should also use procurement to spread best practice.

The Equal Pay Act could work better

95. The Equal Pay Act has been in force for 30 years. But stakeholders told us that they find it inaccessible and unwieldy for those seeking justice. In our wider consideration of the legal framework, we learned about recent streamlining of the Equal Pay tribunal process. But we also found that there remain technical reasons why the law is not working as well as it should.

96. Individuals may not know if they are receiving unequal pay because pay systems are not always transparent. A key factor in this lack of transparency is that appraisals – now covering around three-quarters of the workforce (WERS, 2004) – are normally considered personal and confidential between individuals and employers. So individual rates of pay, based partly on appraised performance, are also often kept confidential. Performance-based pay has been commonplace for white-collar staff since the 1980s (Incomes Data Services, 2005).

97. The equal pay questionnaire came into force in April 2003. It aims to help those

thinking about taking a claim to ask key questions of their employer to establish whether they are actually being paid less than their comparators and, if so, why. It includes an eight-week time limit for employers to respond.

98. By establishing the key facts, it is hoped to clear up any misunderstandings and resolve differences in pay before the issue reaches the courts. But we heard evidence that the questionnaire is not working as well as it might.

99. Tess Gill, a leading barrister specialising in equal pay, told us that while employers generally answer questionnaires, they rarely offer the key information as to what comparators are paid without an application to the tribunal. The reason given by most employers is data protection, because of the confidentiality issue set out above. But when information is needed for legal proceedings, it must be given. It can be argued that data protection is highlighted in the questionnaire in a way that invites the employer to refuse to state what the comparator is paid.

“The guidance which arguably fails to point out the exception to data protection when information is reasonably required for legal proceedings needs to be revisited. At present it provides a well-used excuse for not supplying the most essential information.”

Tess Gill evidence

We recommend

36. Current guidance to the equal pay questionnaire should be altered to make it clear that the Data Protection Act does not prevent the provision of pay information, in order to encourage employers to respond without the need for the employee to apply to a tribunal.

100. In addition, individuals may not understand the law. Some may not realise that gender pay inequality is not always overt and accept unfairness without seeking legal redress or further advice. Others may not know about or understand the concept of equal value and so not seek to compare themselves with men doing a different job.

“The legislation can be complex and demanding for all parties.”

Usdaw evidence

101. Another barrier to taking equal pay claims to a tribunal is fear of victimisation, such as being harassed or sacked. In our analysis of equal pay tribunal decisions in the private sector, in three of the five cases won by the applicant, the applicant had resigned, been dismissed or made redundant. Victimisation can also be more subtle, leading to a loss in career prospects.

102. One way of overcoming this barrier might be to enable more women to take claims altogether, or for representative bodies

to take claims on behalf of those they represent. Unions, such as UNISON, argue that group action would shift the burden of taking a claim from the individual to the employer. Amicus believes that this would simplify the process. Tess Gill argues in her evidence to the Women and Work Commission that generic claims or representative action brought before a specialist tribunal with an experienced judge would also speed up the process.

103. A further barrier for some women is the lack of a comparator. This might come about where workplaces are very highly segregated and women in certain occupations do not have a man in a job of equal value to compare with. They may be evaluated as doing work of 90 per cent of the worth of a male, but be paid just 70 per cent of his pay. Or, a man might be offered a job at a higher rate than a woman but refuse it, so the woman who accepts the job at a lower rate has no one to compare herself to.

Sally Hopson and Jenny Watson, Commissioners



104. Some respondents to our call for evidence, including the Equal Opportunities Commission and the TUC, suggest that the use of hypothetical comparators in equal pay cases are the way forward. These allow a woman to draw on other evidence of what a man might be paid in order to make a claim. But this is controversial. Other stakeholders, particularly employers, argue that it would introduce too much uncertainty into the law.

105. The Government has responded to long-held concerns about inconsistencies in the current anti-discrimination legislative framework by announcing a Discrimination Law Review. This is considering the fundamental principles of discrimination legislation and working to develop a simpler, fairer and more streamlined legal framework that should be more user-friendly for employees and employers alike. Following consultation in a Green Paper, a Single Equality Bill is intended during this Parliament.

106. Some stakeholders suggest that the hypothetical comparator issue should be included in this review: the Sex Discrimination Act allows for hypothetical comparators but the Equal Pay Act does not, adding to complexity. They also point to European developments as a reason why the law should be reviewed in this area.

We recommend

37. The Discrimination Law Review should consider more fully the issues of whether or not to extend the hypothetical comparator to equal pay claims, and of generic or representative equal pay claims.

Chapter 6

THE WAY FORWARD: MAKING CHANGE HAPPEN

The complex and interrelated nature of the causes of the gender pay gap means that we have recommended sustained action to be taken by a range of players. Our task was to consider how to close the pay and opportunities gap in a generation. Momentum must not be lost if this challenge is to be met.

We recommend practical ways forward to make a real difference to women's lives. But they can only be effective if all players are committed to the progress our recommendations represent. Now is the time for action, and we urge all concerned to implement the recommendations in full.

Our recommendations set out a system to ensure that such actions become embedded into the work of the Government, through Public Service Agreement targets, through the operation of a Ministerial Committee, and through our review in a year's time.

Where we began our work

1. There are numerous academic and evidence-based studies about what contributes to the pay gap between men and women, and various exercises have considered ways and means of narrowing aspects of the gender pay gap. These include the Kingsmill Review (2001), Rake et al (2000), *Just Pay*, the report of the Equal Opportunities Commission's Equal Pay Task Force (2001) and more recently, the Equal Opportunities Commission's General Formal Investigations, *Free to choose: tackling gender barriers to better jobs* (2005a), and *Britain's hidden brain drain* (2005c).

2. Much thought has been given to identifying levers that could reduce the gender pay gap or develop a strategy for change. What distinguishes our work from that done previously is that we have been able to look at the whole picture, in all its complexity.

3. At the start of our work, the Women and Work Commission agreed that the way forward lay in charting a set of practical suggestions that would make a real difference

to women's lives. We have held to this guiding principle throughout. The Commission's specific task – to make recommendations about how to close the gender pay and opportunities gap within a generation – was therefore widely acknowledged to be an important and challenging one.

The scale of the task ahead will require concerted action

4. The publication of this report will, we hope, mark the start of a new phase that sees a closing of the pay gap between women and men, particularly the part-time pay gap, which remains truly unacceptable.

5. With the input of most of the key players represented as Commissioners, we were able to consider all issues from a number of perspectives. Having taken this with extensive evidence from a wide range of people and organisations, we are confident in the strength and scope of our recommendations.



Liz Snape and Stella Manzie, Commissioners

6. We hope the spirit of partnership in which the Commission has conducted its work will continue. In our consideration of the pay gap, we found a multi-faceted problem. Closing the pay gap between men and women requires a significant and concerted effort on the part of a number of people if real and lasting change is to be achieved.

7. In making change happen, the role of the Government – as one of the main agents for change – is crucial. While we have made much of the need for a concerted effort by all, the Government's unique role as both employer and designer of the overall policy framework presents a specific opportunity for action.

Existing government activity

8. At the very top level, we are aware of the work that successive Ministers for Women have done to promote gender equality. The Rt Hon Patricia Hewitt, then Secretary of State for Trade and Industry and Minister for Women, was responsible with the Prime Minister for establishing the Women and Work

Commission in 2004. The current Minister for Women, and the Secretary of State for Trade and Industry, have both volunteered their strong support for the Commission.

9. We now have more women Ministers than ever in Government. This is a significant step forward: increasing women's participation in political life is one practical way of ensuring greater gender considerations in policy-making, and we hope the trend continues. We thank all the Ministers who made time to see us and offer their own perspectives on tackling gender inequalities.

Public Service Agreement targets

10. Alongside the interest of individual Ministers, the most concrete manifestation of the Government's commitment to gender equality is the establishment of Public Service Agreement (PSA) targets on a range of issues related to gender, the first of their kind across Government.

11. Within Government, the Women and Equality Unit has the task of co-ordinating the numerous targets and measures that make up the Public Service Agreements relating to gender. These aim to bring about measurable improvements in tackling gender inequalities in areas such as flexible working, childcare, encouraging women into job sectors where they are currently under-represented, public appointments, and tackling violence.

12. Two Gender Equality Public Service Agreements were agreed in the 2002 and 2004 Spending Reviews respectively and another is about to be negotiated as part of the Comprehensive Spending Review in 2007.

Public Service Agreements

In 2002, the Government negotiated the first cross-government Gender Equality Public Service Agreement (PSA), to deliver measurable improvements in gender equality by 2006. This PSA has 12 targets.

A Gender Equality PSA was also negotiated during the Government's 2004 spending round. This builds on the existing PSA and extends the number of participating departments. This PSA has 19 targets, which have a delivery date of 2008.

The Gender Equality PSA provides the context for the Women and Equality Unit to have structured intervention in key spending departments, ensuring that the Government's equality objectives are mainstreamed in policy-making processes and service delivery.

13. Discussions are under way across Government, with key stakeholders and importantly with the Treasury, to identify the main challenges for Government and to start developing some stretching goals that will bring about measurable improvements in equality between men and women.

14. Despite high-level commitment, progress on the Public Service Agreements has been sporadic. As the recent Trade and Industry Select Committee (2005), notes: "It is not clear to us whether the slowness of other departments in addressing the issues is a result of insufficient vigour in the lead department, the DTI, or a lack of co-operation from other departments." This sums up the view of the Commission.

We recommend

38. The Women and Equality Unit should develop the Gender Equality Public Service Agreement so that the Comprehensive Spending Review 2007 target better reflects the themes, ambitions and recommendations of this report.

New Cabinet sub-Committee

15. While the Public Service Agreements are an important lever, greater co-ordination between government departments is clearly necessary too. As the Trade and Industry Select Committee (2005) found, there is still "considerable work to do" to put gender equality at the heart of better policy-making within Government.

16. We recognise that the current domestic affairs ministerial structure is designed to embrace gender and other equality issues. But we are recommending a significant programme of work to change our culture. This requires political leadership. The most effective mechanism for delivery will be the establishment of a new Cabinet sub-Committee of Ministers, embracing the government departments with responsibilities for implementing our recommendations.

We recommend

39. A new Cabinet sub-Committee of Ministers should be formed, chaired by the Minister for Women, to oversee the implementation of our recommendations.

The new Gender Duty

17. The Commission welcomes the proposed public sector Gender Duty on equality which will come into effect in April 2007. The Duty requires public authorities to eliminate unlawful discrimination under both the Equal Pay Act and the Sex Discrimination Act and promote equality of opportunity between men and women (see Chapter 5). We also welcome the opportunity to comment on the Government's detailed proposals on the Gender Duty which, if implemented by the public authorities, will ensure effective compliance.

18. The Commission is keen that the Gender Duty becomes and remains a powerful motivator for equalising pay, opening up better opportunities for women who work part-time or flexibly, ensuring fair promotion and development opportunities and tackling the gender segregation of jobs.

19. We cannot stress enough the importance of public authorities taking their obligations under the duty seriously both as employers and as service providers.

The role of employers – pilots

20. During the course of our evidence-gathering and visits we have been heartened to find that many employers have adopted imaginative and innovative practices to break down gender inequalities in the workplace.

21. A number of companies have agreed to pilot some of our ideas. Further information on this initiative will be published alongside our report and available from Opportunity Now.

Monitoring progress

22. All Commissioners have given their time and expertise to the Women and Work Commission unstintingly. The evidence presented to us has both inspired us and challenged our assumptions. The collective learning has been significant and the commitment to the task enormous.

23. There is real will from Government and Ministers to make the changes highlighted in the recommendations happen. To this end Ministers have asked whether Commissioners would be willing in a year's time to come together again for a short review of progress to look at how the recommendations are being implemented in practice, and to what extent real and lasting change is starting to take hold.

We recommend

40. The Women and Work Commission should be brought together one year from now, to receive a report into progress on our recommendations and to comment on their effectiveness.

REFERENCES

CAUSES OF THE GENDER PAY GAP

Anderson, T., Forth J., Metcalf, H., and Kirby, S. (2001) *The gender pay gap* Report to the Women and Equality Unit, DTI.

European Commission (2003) *Gender pay gaps in European labour markets – measurement, analysis and policy implications* Commission Staff Working Paper, SEC(2003) 937.

Grimshaw, Damian, and Rubery, Jill (2001) *The gender pay gap: a research review*, Equal Opportunities Commission Research Discussion Series.

Joshi, H. (2005) *Gender and pay: some more equal than others* in Heath, A., Ermisch J., and Gallie D. (eds) *Social Challenges and Sociological Puzzles*, Oxford, Oxford University Press.

Joshi, H. and Paci, P. (1998) *Unequal pay for women and men: evidence from the British Birth Cohort Studies*, MIT Press.

OECD (2002) *Women at work: who are they and how are they faring?* Chapter 2, OECD Employment Outlook 2002.

Walby, S. and Olsen, W. (2002) *The impact of women's position in the labour market on pay and implications for UK productivity* Report to the Women and Equality Unit, DTI.

Walby, S. and Olsen, W. (2004) *Modelling gender pay gaps* Report to the Equal Opportunities Commission.

OTHER

Anderson, T., Forth, J., Metcalf, H., and Kirby, S. (2001) *The gender pay gap* Report to the Women and Equality Unit, DTI.

Berkeley, J. (2004) *Listening to the work-based learner: a report on the piloting of the national trainee feedback system for engineering* Modern Apprenticeships Department for Education and Skills, Research Report No 519.

CBI Employment Trends Survey (2004) *Measuring flexibility in the labour market* CBI 2004.

Chartered Institute of Personnel and Development (2005) *Recruitment, retention and turnover* Annual Survey Report.

Chiplin, B. and Sloane, P.J. (1988) *The effect of Britain's anti-discrimination legislation on relative pay and employment: a comment* Economic Journal 98.

- Dex, S., Smith, C. and Winter, S. (2001) *Effects of family-friendly policies on business performance* Research papers in management studies, University of Cambridge.
- DfES (2005a) *Youth Matters* Department for Education and Skills, July 2005.
- DfES (2005b) *Skills: getting on in business, getting on at work* Department for Education and Skills, March 2005.
- DfES (2005c) *14-19 Education and skills* Department for Education and Skills, February 2005.
- Dickens, Linda (1994) *The business case for women's equality: is the carrot better than the stick?* Employee Relations, Vol. 16, No. 8, pp 5-18.
- Dickens, L., Hall, M. and Wood, S. (2005) *Review of research into the impact of employment relations legislation* Employment Relations Research Series No. 45.
- Disney, Richard and Gosling, Amanda (1998) *Does it pay to work in the public sector?* Fiscal Studies, Vol. 19, No. 4, pp 347-374.
- DWP (2005a) *Women and pensions: the evidence*.
- DWP (2005b) *Five year strategy: opportunity and security throughout life*, Department for Work and Pensions.
- Elias, P., McKnight A., Pitcher, J., Purcell, K., and Simm, C. (1999) *Moving on: graduate careers three years after graduation* Manchester: Higher Education Careers Services Unit/Department for Education and Employment.
- Elwood, J. and Gipps, C. (1999) *Review of recent research on the achievement of girls in single-sex schools* Institute of Education, University of London.
- Employment Tribunal Service (2005) Annual Report, 2004-5.
- Equal Opportunities Commission (2004a) *Plugging Britain's skills gap: challenging gender segregation in training and work Report of phase one of the EOC's investigation into gender segregation and Modern Apprenticeships* May 2004.
- Equal Opportunities Commission (2004b) *The care workforce* Factsheet No. 4.
- Equal Opportunities Commission (2005a) *Free to choose: tackling gender barriers to better jobs* Great Britain Summary Report – EOC's investigation into workplace segregation of women and men, March 2005.
- Equal Opportunities Commission (2005b) *Greater expectations: summary final report, EOC's investigation into pregnancy discrimination* June 2005.

- Equal Opportunities Commission (2005c) *Britain's hidden brain drain: executive summary and final report of the EOC's investigation into flexible and part-time working* September 2005.
- Equal Opportunities Commission (2005d) *Monitoring progress towards equal pay* EOC.
- Equal Opportunities Commission (2006) *Sex and power – who runs Britain?* January 2006.
- Equal Pay Task Force (2001) *Just pay: the report of the Equal Pay Task Force*.
- Escott K. and Whitfield D. (1995) *The gender impact of CCT in local government* Centre for Public Services.
- Evans, Sarah and Nelson, Barbara (1989) *Wage justice: comparable worth and the paradox of technocratic reform* Chicago: University of Chicago Press.
- Evans, M., Harkness, S., and Ortiz, A.R. (2004) *Lone parents cycling between work and benefits* DWP Research Report No 217, September 2004.
- Fawcett (2005) *Money, money, money: is it still a rich man's world? An audit of women's economic welfare in Britain today* Bellamy, K. and Rake, K., Fawcett Society.
- Francesconi, M. and Gosling, A. (2005) *Career paths of part-time workers* Equal Opportunities Commission, Working Paper Series No. 19, University of Essex.
- Grant, L., Yeandle, S. and Buckner, L. (2005) *Working below potential: women and part-time work* Equal Opportunities Commission, Working Paper Series No. 40, Centre for Social Inclusion, Sheffield Hallam University, Gender and Employment in Local Labour Markets (GELLM) project, European Commission.
- Gray, Helen (2002) *Family-friendly working: what a performance! An analysis of the relationship between the availability of family-friendly policies and establishment performance* Centre for Economic Performance, LSE.
- Green, F. (2005) *Trends in the proportions of overeducated and under educated workers – analysis of Skills Survey data* University of Kent, Women and Work Commission paper (unpublished), March 2005.
- Gunderson, Morley (1994) *Comparable Worth and Gender Discrimination: an international Perspective* Geneva: International Labour Office.
- Hakim, C. (2004) *Key Issues in Women's Work: Female heterogeneity and the polarisation of women's employment* Athlone Press.
- Hatten, W., Vinter, L., and Williams, R. (2002) *Dads on dads: needs and expectations at home and at work* MORI Social Research Institute, October 2002.

HM Treasury (2004) *Choice for parents, the best start for children: a ten year strategy for childcare*, HM Treasury December 2004.

HM Treasury (2005) Pre-Budget Report, *Britain meeting the global challenge: enterprise, fairness and responsibility*.

Hogarth, T., Daniel, W.W., Dickerson, A.P., Campbell, D., Wintherbotham, M., and Vivian, D. (2003) *The business context to long hours working* University of Warwick, Institute for Employment Research, IFF Research Ltd, Employment Relations Research Series No.23.

Houston, D.M. and Marks, G. (2003) *The role of planning and workplace support in returning to work after maternity leave* British Journal of Industrial Relations, 41:2 pp197-214.

Houston, D.M. and Marks, G. (2005) *Working, caring and sharing: work-life dilemmas in early motherhood* in Houston, D.M (ed.) *Work-life balance in the Twenty-first Century* Palgrave-Macmillan.

Human Resources Centre of Canada (2001) *Lessons learned: gender equality in the labour market* Government of Canada.

Incomes Data Services (2005), *Equal pay and private sector pay systems: a report for the Women and Work Commission* (unpublished).

JämO (2003) *Legislation concerning wage surveys, analysis and equal action plans* Report on Swedish Experiences by the Equal Opportunities Ombudsman.

Kingsmill, Denise (2001) *A review of women's employment and pay*.

Labour Market Trends (2005) *Occupational segregation by sex and ethnicity in England and Wales, 1991 to 2001* Louisa Blackwell and Daniel Guinea-Martin, Labour Market Trends, December 2005, Office for National Statistics.

Learning and Skills Council (2005) *Skills in England 2004 Volume 1: Key messages* March 2005.

Manning, A. and Petrongolo, B. (2004) *The part-time pay penalty* Report to the Women and Equality Unit, DTI.

Manning, A. and Swaffield, J. (2005) *The gender gap in early-career wage growth* Centre for Economic Performance, LSE, Discussion Paper, No 700, July 2005.

Marks, G. and Houston, D.M. (2002) *The determinants of young women's intentions about education, career development and family life* Journal of Education and Work, 15, 321-336.

McRae, S. (2003) *Constraints and choices in mothers' employment careers: a consideration of Hakim's Preference Theory* British Journal of Sociology, Vol. 54, part 3.

- Metcalfe, David (2000) *Fighting for equality* Centrepiece, Summer 2000, pp24-27.
- Miller, L., Neathey, F., Pollard, E. and Hill, D. (2004) *Occupational segregation, gender gaps and skill gaps* Equal Opportunities Commission Working Paper Series No. 15, May 2004.
- Miller, L. and Neathey, E. (2004) *Advancing women in the workplace: case studies* Equal Opportunities Working Paper Series No. 13 Manchester: Equal Opportunities Commission.
- Millward, L., Houston, D.M., Brown, D. and Barrett, M. (2006) *Forthcoming report to DTI on young people's job preferences and perceptions: gender segregation and skills shortages*.
- National Audit Office (2004) *Connexions service: advice and guidance for all young people* Report by the Comptroller and Auditor General, HC 484 Session 2003-2004: 31 March 2004.
- O'Brien, M. and Shemilt, I. (2003) *Working fathers: earning and caring* Equal Opportunities Commission, Research Discussion Series.
- OECD (2005) *Economic Survey of United Kingdom*, October 2005.
- Opportunity Now (2000) *Breaking the barriers: women in senior management in the UK* Catalyst and Opportunity Now.
- Opportunity Now (2001) *Equality and excellence: the business case* November 2001.
- Opportunity Now (2002) *Sticky floors and cement ceilings: women in non-managerial roles in the UK* Opportunity Now.
- Orme, J. (2001) *Gender and community: social work and social care perspectives* Palgrave, London.
- Parker-Jenkins, M., Hartas, D., Irving, B.A. and Barker, V. (1999) *The careers service and young Muslim women* Sheffield, Department for Education and Skills.
- Pay Equity Task Force Final Report (2004) *Pay Equity: a new approach to a fundamental right* Department of Justice, Canada.
- Payne, J. (2003) *Choice at the end of compulsory schooling: a research review* Department for Education and Skills Research Report 414.
- Pensions Commission (2005) *A new pension settlement for the twenty-first century. The second report of the Pensions Commission* November 2005.
- Perotin, V. and Robinson, A. (2000) *Employee participation and equal opportunities practices: productivity effect and potential complementarities* British Journal of Industrial Relations 38:4 December 2000, pp 557-583.
- Public Accounts Committee (2004) *Forty-Eighth Report* October 2004.

Purcell, K. (2002) *Qualifications and careers – equal opportunities and earnings among graduates* EOC Working Paper Series No.1.

Rake, K. (ed.) Davies, H., Joshi, H. and Alami, R. (2000) *Women's incomes over the lifetime* A report to the Women's Unit, Cabinet Office.

Recruitment Employment Confederation (2005) *Poll on discrimination for The Money Programme*, BBC.

Rogers, J. (2002) *Support staff in health and social care – an overview of current policy issues* London: ippr.

Semta – Sector Skills Council for Science, Engineering and Manufacturing (2005) *Forensic science: Implications for higher education 2004*.

Sheffield Hallam University (2005) *We care, do you?* for ACE National Action for Carers and Employment, led by CARERS UK.

Singh, V. and Vinnicombe, S. (2005) *The female FTSE report 2005* Centre for Developing Women Business Leaders, Cranfield School of Management.

Skelton, C. and Hall, E. (2001) *The development of gender roles in young people: a review of policy and literature* Equal Opportunities Commission, 2001.

Sloane, P. J. and Theodossiou, I. (1994) *A generalised Lorenz Curve approach to explaining the upward movement in women's relative earnings in Britain during the 1970s* Scottish Journal of Political Economy, Vol 41, No. 4, November 1994.

Smithers, A. and Zientek, P. (1992) *Gender, primary schools and the national curriculum* University of Manchester for the NASUWT/Engineering Council, 1992.

Strategic Group on Women in Scotland (2003) *Improving the position of women in Scotland: an agenda for action*.

Tomlinson, J., Olsen, W., Neff, D., Purdam, K. and Mehta, S. (2005) *Examining the potential for women returners to work in areas of high occupational segregation* University of Manchester, report to the DTI.

Trade and Industry Select Committee (2005) Sixteenth Report, *Jobs for the girls: the effect of occupational segregation on the gender pay gap* HC 300-I, 2004-5.

Walby, S. and Olsen, W. (2004) *Modelling gender pay gaps* Report to the Equal Opportunities Commission.

WERS (2004) *Workplace Employee Relations Survey*.

Wilson, R., Homenidou, K. and Dickerson, A. (2004) *Working futures: new projections of occupational employment by sector and region, 2002-2012* Institute for Employment Research, University of Warwick, for the Sector Skills Development Agency and the Learning and Skills Council.

Women and Equality Unit (2004) *Interim update of key indicators of women's position in Britain* December 2004.

Woodhams, C., Lupton, B. and Raydon-Rennie, S. (2004) *Gender-based equal opportunities in SMEs: establishing policy and practice* Manchester Metropolitan University, for the European Social Fund and Northwest Development Agency.

Younger, M. and Warrington, M., with Gray, J., Ruddick, J., McLellan, R., Bearne, E., Kershner, R. and Bricheno, P. (2005) *Raising boys' achievement* University of Cambridge, Faculty of Education, for the Department of Education and Skills.

Zabalza, A. and Tzannatos, Z. (1983) *The effect of Britain's anti-discriminatory legislation on relative pay and employment* Centre for Labour Economics, London School of Economics, Discussion paper No.155.

Zabalza, A. and Tzannatos, Z. (1988) *Reply to the comments on the effects of Britain's anti-discrimination legislation on relative pay and employment* Economic Journal 98 (September 1988), pp839-843.

Appendix 1

WOMEN AND WORK COMMISSIONERS

Chair of Women and Work Commission



Baroness Margaret Prosser

Chair of the Women's National Commission. Director of Trade Union Fund Managers and a member of the Employment

Appeal Tribunal. Former member of the Low Pay Commission. Former Deputy General Secretary of the Transport and General Workers' Union. She is also a Non-Executive Director of Royal Mail.



Christopher N Banks CBE

Chair of National Learning and Skills Council. Deputy Chair of the National Employment Panel and Chair of its Skills Advisory Board.

Member of the board of Improve, the Sector Skills Council for Food and Drink. Chief Executive of Bigthoughts, a leading-edge food and drink company. Previously, Managing Director of Coca-Cola Great Britain and Chief Executive Officer, Justerini & Brooks. Fellow of the Institute of Grocery Distribution (IGD), a member of the Marketing Society and immediate past President of the British Soft Drinks Association (BSDA).

Commissioners



Sarah Anderson CBE

Ran own company for 19 years – Mayday Group – a four-branch specialist employment business and agency providing catering

staff. At the end of 2004, the business was sold, although she remains a consultant to the business. Other business interests include being joint founder and Director of Simple Solutions Ltd, which makes toddlers' folding loo seats which are sold to the retail industry in the UK and overseas. She is also a Non-Executive Director of Flexexecutive, a company providing flexible work solutions; MSB International plc, a provider of human capital solutions; and of JobcentrePlus, the UK's largest government agency. Member of CBI SME Council and Employment Policy Committee. Board Member of Hoxton Apprentice Ltd. Member of Acas Council. Member of Management & Leadership Advisory Panel.



Kay Carberry

Assistant General Secretary of TUC. Joined the TUC in 1978. She held posts dealing with education and training policy before being appointed as

head of the TUC's Equal Rights Department in 1988. She has served on a number of government advisory bodies on equality and employment, and is currently a Commissioner of the EOC. She is a Trustee of One Parent Families, the People's History Museum and the Work Foundation and is a member of the Franco-British Council.



Naaz Coker

Chair of the Refugee Council and Chair of St George's Healthcare NHS Trust. She spent 20 years in the NHS as Pharmaceutical and Clinical

Director as well as General Manager in NHS trusts. She was Director of the Race and Diversity Programme at the King's Fund, and has also written extensively on racism and ethnic health inequalities during her time in the NHS and on the rights of asylum seekers and refugees since she joined the Refugee Council. In 2003, Naaz was awarded Asian Woman of the Year and, in 2004, she won the "Asian Woman of Achievement" award in the public sector category for her 30 years of work in the public and voluntary sector and her efforts to fight against racism, health inequalities and hardship suffered by asylum seekers and refugees. She was awarded an Honorary Doctorate of Science by Leeds Metropolitan University in 2005.



Debbie Coulter

Deputy General Secretary of the GMB Trade Union – a general workers' union with almost 650,000 members working in both public and

private services. She is the most senior elected female trade union official among the larger trade unions and the youngest and first ever woman to hold the post of Deputy General Secretary within the GMB. Debbie is also a member of the Labour Party's National Executive Committee and of the NEC's Women, Race and Equalities Committee.



John Cridland CBE

Deputy Director-General at the CBI since 2000 and is responsible for the management of the CBI's policy and membership

activities. John joined the CBI in 1982. In 1991, he was appointed Director of Environmental Affairs and played a key role in lobbying for the Environment Act 1995. He was appointed Director of Human Resources Policy in 1995, negotiating the UK's first National Minimum Wage, entry into the EU Social Europe and the Employment Relations Act 1999. He is also a member of the Low Pay Commission and the Acas Council.



John Hannett

John Hannett is General Secretary of the UK's fifth biggest union, Usdaw. He was elected General Secretary of the 340,000-

strong union in May 2004. He sits on both the TUC General Council and Executive Committee. He is also a member of Skillsmart, the government-created initiative for skills development in the retail sector. Before becoming General Secretary, he was the Union's Deputy General Secretary from August 1997, with responsibility for recruitment and organising. Prior to this he was a National Officer based at the union's Central Office in Manchester.



Sally Hopson

Retail Managing Director of ASDA. Sally graduated from SOAS, and joined Habitat on its graduate scheme, progressing to Store Manager

of its flagship store in London. Since then, Sally has worked for Asda for 11 years, joining as a Store Manager and moving through operations roles to Customer Service Director and People Director before returning to an operations role as Retail MD for the North Division and, most recently, the East Division. She is also a member of the Board of Directors of Students In Free Enterprise (SIFE) and the CBI Employment Policy Committee.



Adeeba Malik MBE

Deputy Chief Executive of QED-UK, a Bradford-based national economic development charity which aims to improve the position

of south Asian communities. Current activities include being Chair of the DTI's Ethnic Minority Business Forum and a member of DWP's Ethnic Minority Employment Task Force Stakeholder Group. She is a member of the Advisory Board on Naturalisation and Integration at the Home Office, and sits on the DTI's Muslim Women's Advisory Group. Adeeba's previous activities include being a board member of Yorkshire Forward (where she set up the region's Young People Enterprise Forum), Non-Executive Director of British Waterways, National Clinical Assessment Authority, Director of Northern Ballet, Trustee, Yorkshire Water Community Trust and member of the University of Bradford Council.



Stella Manzie OBE

Chief Executive of Coventry City Council. Previously Chief Executive of West Berkshire Council and Chief Executive of Redditch Borough Council.

During a period as a Management Consultant Stella also worked for a number of London boroughs and a range of other public sector organisations. Her early career saw her working for Birmingham City Council, SOLACE (Society of Local Authority Chief Executives) and the Association of County Councils. She was appointed a non-executive member of the Treasury Board with effect from 1 June 2005.



Julie Mellor DBE

(to June 2005)

Julie Mellor was Chair of the Equal Opportunities Commission from February 1999 until June 2005.

Julie was Corporate Human Resources Director for British Gas and has some twenty years' experience of human resources management in a wide range of environments, from the Greater London Council to Shell and TSB. Julie is a board member of the Employers' Forum on Disability and the National Consumer Council and Chair of Fathers' Direct. She became a partner at PricewaterhouseCoopers in July 2005.



Christine Ray

Group Human Resources Director of The Rank Group plc. Joined The Rank Group in 1987 and held a number of Divisional HR Director

positions before becoming Group HR Director in January 2000. Industry experience includes: hospitality and leisure, process control and measurement, and chemical, plus a short spell in a management consultancy. Christine has also worked in Europe and North America.



Ruth Silver CBE

Principal and CEO, Lewisham College and Visiting Professor of Educational Development in the Faculty of Arts and Human Sciences at London

Southbank University. Fellowship from City and Guilds. She is an adviser to the Education and Skills Select Committee in the House of Commons and a board member of the Higher Education Policy Institute.



Liz Snape

Director of Policy and Public Affairs at UNISON, Britain's largest union, from 1999, after working on European and employment policy

for UNISON. Member of TUC's Executive Committee and General Council. Served since 1996 as an executive member of the European Public Services Union. Appointed to the Health and Safety Commission in November 2003. Worked from 1990 to 1994 as Legal Officer with the union NALGO.



Jenny Watson

(from May 2005)

Jenny Watson was appointed Chair of the EOC in November 2005. She was appointed to the board

of the EOC in 1999 and became Deputy Chair in 2000. Jenny is a director of Global Partners and Associates, and has broader consumer interests as the Deputy Chair of the Banking Code Standards Board, and a member of the Advertising Standards Authority's Advertising Advisory Committee. She sits on the Council of the Women's Library at London Metropolitan University, and is a former Chair of Fawcett, a not-for-profit organisation campaigning for equality between women and men.

Appendix 2

WRITTEN EVIDENCE TO THE WOMEN AND WORK COMMISSION

Aberdeen City Council	Economic & Social Research Council
Acas	Educational Competences Consortium Ltd
Accord	Employers' Organisation for local government (EO)
Age Concern England	Engineering Employers' Federation
Alliance & Leicester Group Union of Staff	Enver, Mrs Seref – Independent
Amicus	Equal Opportunities Commission
Association for Teachers' Widows	Equal Opportunities Commission (Wales)
Association for Women in Science & Engineering	Equality in Service Provision Group
Association of Anaesthetists	Ethical Trading Initiative
Association of University Teachers	
Aurora	Fair Play Scotland
	Fair Play South West and Equality South West
Bimrose, Dr J, University of Warwick	Faulkner, Dr W, University of Edinburgh
Broussine, M, Director, Research Unit for Organisation Studies, Bristol Business School, University of the West of England	Fawcett Society
British Medical Association	First Division Association
Burton, Professor L, University of Birmingham	Francis, Dr B, London Metropolitan University
	Frank, Professor J, University of London
	Fredman, Professor S, Exeter College, University of Oxford
CBI	
Chartered Institute of Personnel Development	Gatrell, Dr C, Lancaster University Management School
The Chartered Society of Physiotherapy	Gender Awareness in Education
Chevalier, Dr A, University of Kent	Girdwood, Gwen – Independent
City of Edinburgh Council	Glendinning, Professor C, University of York
Civil Contingencies Secretariat	Goldberg, Angela, Learning and Development Manager, Greater London Authority
Communication Workers Union	Greater Glasgow NHS Board
Connect Union	Greater London Authority
Connolly, Dr S, University of East Anglia	Greenwich and Woolwich Constituency Labour Party
Co-operative Women's Guild	Grosser, Ms K, Visiting Fellow, Nottingham University Business School
Corby, Ms S, Reader in Employment Relations, University of Greenwich	
Crompton, Professor R, City University, London	
	Hakim, Dr C, London School of Economics
Doherty, Dr E J, Oxford Brookes University	Headlam-Wells, Ms J, Senior Lecturer, University of Hull
	Highland Council
	Himmelweit, Professor S F, Open University

Institute for Fiscal Studies
 Institute of Employment Rights

Jenkins, Dr S, Cardiff Business School, Cardiff University

Johnes, Professor G, University of Lancaster

Joshi, Professor H, Institute of Education, University of London

Learning and Skills Council
 Local Government Pay Commission

MACA (Mental Health Aftercare Association)
 Maddock, Dr S, Manchester Business School
 Medical Women's Federation
 Moore, Dr J, University of Teesside

Nagu – Independent
 NAPO (The Trade Union & Professional Association for Family Court & Probation Staff)
 NATFHE (University and College Lecturers Union London)
 National Assembly of Women
 National Association of Schoolmasters Union of Women Teachers (NASUWT)
 National Association of Women Pharmacists
 National Child Minding Association
 National Union of Journalists
 National Union of Teachers
 Nationwide Group Staff Union
 NHS Employers

Oliver, Dr E A, University of Leeds
 One Parent Families
 Opportunity Now
 Oxfam

Penn, Professor H, University of East London
 Prospect
 Public and Commercial Services Union

QA Research

Recruitment & Employment Confederation
 Rogers, Ms G

Rosemount Lifelong Learning

Royal Bank of Scotland

Royal College of Midwives

Royal College of Physicians

Rubery, Professor J, Manchester School of Management

Scientific Information Support Systems Ltd
 Scott, Dr J, University of Cambridge
 Scottish Council for Development and Industry
 Scottish Low Pay Unit
 Scottish Trades Union Congress
 Sheffield Women's Forum
 Sloane, Professor P J, University of Swansea
 Smith, Ms M J, Research Fellow, Sheffield Hallam University
 Society of Chief Personnel Officers (SOCOP)
 Stonewall

Taylor-Hodkinson, Mrs R E – Independent
 Third Age Employment Network
 Trades Union Congress
 Transport & General Workers Union

UNISON
 Usdaw

Viitanen, Tarja K – Independent
 Vinnicombe, Professor S, Cranfield School of Management

Walby, Professor S, University of Leeds
Wales TUC
Wass, Dr V, Cardiff University
Wattis, Ms L, Liverpool John Moores University
Welsh Labour Women's Committee
West Dunbartonshire Council
Whitfield, Professor K, Cardiff Business School,
Cardiff University
Willemsen, Professor T M, Tilburg University
Wilson, Professor F M, University of Glasgow
Women Like Us
Women Onto Work
Women's Budget Group
Woodhams, Dr C, Manchester
Metropolitan University
Wright, Ms A, Westminster Business School,
University of Westminster

Yeandle, Professor S, Sheffield Hallam
University
YWCA England and Wales

4 Children

Appendix 3

VISITS BY WOMEN AND WORK COMMISSIONERS

Regional Development Agency Chairs and Ministers Meeting, London, 3 March 2005.

We discussed the role of RDAs in the economic development of the regions, including the participation of women in the labour market.

Opportunity Now Round Table, London, 21 March 2005.

We met representatives of Accenture, Anglia Polytechnic University, Aviva, BAE Systems, the British Association for Women in Policing, Citigroup, Co-operative Group, Deloitte & Touche LLP, the Department for Constitutional Affairs, Deutsche Bank, Ford Motor Company, Goldman Sachs International, ING, Kimberley-Clark Europe, Lehman Brothers, Lloyd's of London, the Ministry of Defence, Morgan Stanley, npower, the Royal Institute of Chartered Surveyors, Shell International Ltd and West Midlands Police.

Greater London Authority, London, 8 April 2005.

We met officials at the GLA, including the Director for Major Projects and Service Delivery, and the Mayor's adviser on women's issues.

Women's Budget Group Round Table, London, 6 May 2005

We met members of Women's Budget Group.

BT Round Table, London, 10 May 2005.

We talked to female employees about their experience of working for BT.

Equality Representatives Round Table, London, 11 May 2005.

We met representatives of GMB, T&G, USDAW, NUJ and Nationwide Group Staff Union.

Equal Pay Reviews Round Table, London, 11 May 2005.

We met representatives of the University of Sheffield, Addenbrookes Hospital, Tayside Police, the City of Edinburgh Council, Acas, Accord plc, GSK, Nationwide and AXA.

ASDA, Bradford, 12 May 2005.

We met senior and hourly-waged women employees.

Bradford College, Bradford, 12 May 2005.

We met participants on the "Let's Twist" (Train Women in Science and Technology) course.

Quest for Economic Development (QED) Round Table, Bradford, 12 May 2005.

We met minority ethnic women working in the voluntary sector and local government.

UNISON Round Table, Leeds, 13 May 2005.

We visited UNISON's Yorkshire & Humberside regional office for a discussion with public sector workers.

GMB Union Round Table, Wakefield, 13 May 2005.

We visited the GMB's Yorkshire and North Derbyshire regional office for a discussion with private sector care workers.

Ethnic Minority Business Forum, London, 18 May 2005.

We met a range of ethnic minority business leaders, predominantly small businesses.

Small Business Council, London, 19 May 2005.

We met a panel of Small Business Council members to discuss the Commission's work.

Tesco, Royston, Hertfordshire, 19 May 2005.

We visited the company's store in Royston to learn from both management and staff about the issues affecting the employment of women at Tesco.

Round Table discussion, Glasgow, 23 May 2005.

We had a discussion with representatives of the Scottish Parliament, the Scottish Executive, Scottish Enterprise, the Equal Opportunities Commission Scotland and Careers Scotland.

Rosemount Lifelong Learning Centre, Glasgow, 24 May 2005.

We talked to a number of women who use the Centre about their experiences of education and employment.

Fair Play Scotland Round Table, Glasgow, 24 May 2005.

We participated in a round-table discussion of the Commission's work organised by Fair Play Scotland in co-operation with the Equality Unit of the Scottish Executive.

Experience Corps Round Table, London, 24 May 2005.

We participated in a round-table discussion facilitated by the Experience Corps with a range of volunteers from across the UK.

Asian Homeworkers Round Table, Rochdale, 26 May 2005.

We met a group of Asian women homeworkers who attend a support group organised by Rochdale Council and funded by Oxfam's UK Poverty programme.

Ford Motor Company, Dunton, Essex, 13 June 2005.

We met senior managers and women engineers at Ford's Technical Centre.

John Smith Institute Round Table on Procurement, London, 14 June 2005.

We participated in a round-table discussion on procurement and equality.

Round Table, Belfast, 15 and 16 June 2005.

We met representatives of the Northern Ireland Civil Service Central Personnel Group, the Northern Ireland Equality Commission, the Irish Congress of Trade Unions and the Northern Ireland Women's European Platform. We also met with Lord Rooker.

Quintin Kynaston School, London, 16 June 2005.

We visited the school in order to talk to young women studying for GCSEs and A levels about the influences on their decisions about education and work and careers.

CBI, London, 21 June 2005.

We met the CBI's SME Council.

National Assembly for Wales, Cardiff, 27 June 2005.

We met a number of officials to discuss the National Assembly's experience as a champion of equality, both as an employer and as a procurer of goods and services.

BMW, Oxfordshire, 1 July 2005.

We visited BMW's Cowley plant for meetings with the BMW HR team and T&G union representatives from the Cowley plant, other BMW plants and other local firms.

Appendix 4

PRESENTATIONS TO THE WOMEN AND WORK COMMISSION

[Banks, Christopher N](#)

Chair, Learning and Skills Council

[Bell, Marcus](#)

Head of Youth Green Paper, Department for Education and Skills

[Bennett, Fran](#)

Senior Research Fellow, Department of Social Policy and Social Work, University of Oxford

[Campbell, Pat](#)

Head of Equality, Health and Safety Department, Public and Commercial Services Union

[Cantelo, Anne](#)

Products and Services Marketing and Communications, e-skills uk

[Cole, Helen](#)

Learning Services Co-ordinator for the South-West Region, TUC

[Darton, David](#)

Director of Research and Statistics, Equal Opportunities Commission

[Davis, Mike](#)

Procurement Policy Adviser, Office of Government Commerce

[Dawson, Tricia](#)

Equality Policy Adviser, Amicus

[Dent, Julie](#)

Chief Executive, South West London Strategic Health Authority

[Dickerson, Dr Andy,](#)

Institute for Employment Research, University of Warwick

[Gill, Tess](#)

Barrister, Old Square Chambers

[Greevy, Judy](#)

Director of Diversity and Corporate Responsibility, Centrica

Harker, Lisa

Consultant and Chair of Daycare Trust

Harkness, Dr Susan

University of Bristol

Harrop, Andrew

Policy Unit, Age Concern England

Hayward, Rowena

Equality and Social Inclusion Officer, Bristol City Council and GMB representative

Holder, Sharon

National Officer, Public Services Section, GMB

Holland, Diana

National Organiser for Women, Race and Equalities, Transport & General Workers Union

Houston, Professor Diane

University of Kent

Howarth, Catherine

Organiser, The East London Citizens Organisation (Telco)

Joshi, Professor Heather

Institute of Education, University of London

Lawrence, Heather

Chief Executive, Chelsea and Westminster Hospital

LeFevre, Ann

Manager, Homestead Care Services

Madden, Anne

Director of Policy, Equal Opportunities Commission

Manning, Professor Alan

London School of Economics

Mattison, Karen

Director, Women Like Us

Meikle, Anne

Space Project Manager, Fair Play Scotland

Paddison, Lorraine

Managing Director, TMS Equality & Diversity Consultants

Petrongolo, Dr Barbara

London School of Economics

Prentis, Dave

General Secretary, UNISON

Rubery, Professor Jill

Manchester School of Management

Saggar, Professor Shamit

University of Sussex

Savage, Carol

Managing Director, Flexexecutive

Shaw, Ian

Deputy Director, Women and Equality Unit, Department of Trade and Industry

Smith, Liz

Director of Learning Services, TUC

Stewart, Emma

Director, Women Like Us

Topman, Simon

Chief Executive, Acme Whistles

Twitchin, Elaine

Service Manager, Camden Connexions

[Wainwright, Stuart](#)

Policy Adviser, Women and Equality Unit, Department of Trade and Industry

[Wakefield, Heather](#)

National Secretary, Local Government Service Group, UNISON

[Walker, Mike](#)

Secretary to National Employers' Organisation for School Teachers

[Williams, Annette](#)

Director, UK Resource Centre for Women in Science, Engineering and Technology (SET)

[Wright, Mandy](#)

Associate Director, Employers' Organisation for Local Government

Appendix 5

TERMS OF REFERENCE

Women now make up 45% of the workforce, up from 38% in 1971. The Equal Pay Act and the Sex Discrimination Act in the 1970s were important milestones in breaking down the barriers to women's participation in the labour market. But wages are low in many occupations dominated by women and there is still a gap in mean hourly earnings between men and women: it is 18% among full-time workers and 40% for those women working part-time.

There are a number of factors influencing the gender pay gap. The DTI's review of maternity, paternity and flexible working legislation takes account of how caring responsibilities impact upon men and women's labour market attachment and their earnings. The Women and Work Commission will examine the other key factors shaping the difference in hourly earnings between men and women, including labour market experience, skills and education and discrimination.

In investigating the impact of discrimination, the Commission will look at the measures necessary to strengthen equal pay legislation, including the case for equal pay reviews to be mandatory.

Making progress on the gender pay gap is a key priority because in a full employment economy, we have to draw on the skills and talents of all potential workers, men and women, and remove obstacles to women's greater participation in the labour market. But it is also important because women have the right to expect a fair deal in the labour market.

The aim of the Women and Work Commission will be to look at these wide-ranging influences on the gender pay gap:

- How men and women's educational experience and skills acquisition foreshadows occupational segregation
- General factors shaping women and men's labour market experience, including entry into employment, occupational segregation, full-time and part-time work experience, progression in the workplace and the tax and benefit system, as well as discrimination.
- Women's experience in the labour market before and after having children
- As a substantial employer of women, the public sector warrants particular examination.

The Commission will make recommendations to the Prime Minister within twelve months from Autumn 2004, taking account of the importance of promoting employability, the wider benefits to the economy and the impact on employers and public expenditure. The Commission will take account of the DTI review of maternity, paternity and flexible working legislation in shaping its recommendations.

