

Equality strength opportunity respect fairness equality strength opportunity

WOMEN & WORK COMMISSION



Shaping a Fairer Future

Executive Summary

February 2006

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Women and Work Commissioners

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EXECUTIVE SUMMARY AND RECOMMENDATIONS

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.

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.

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.

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”.

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.

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 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.

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.

