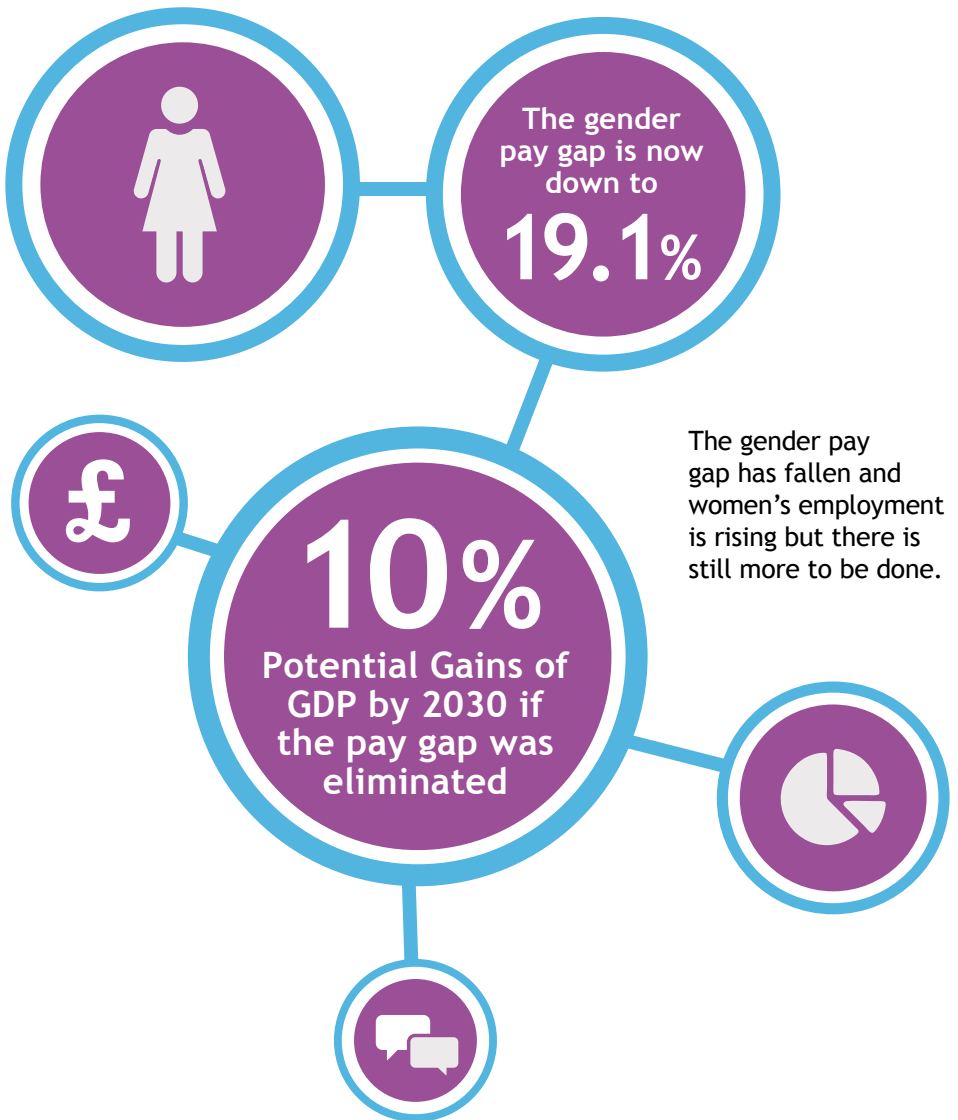


THE GENDER PAY GAP MATTERS



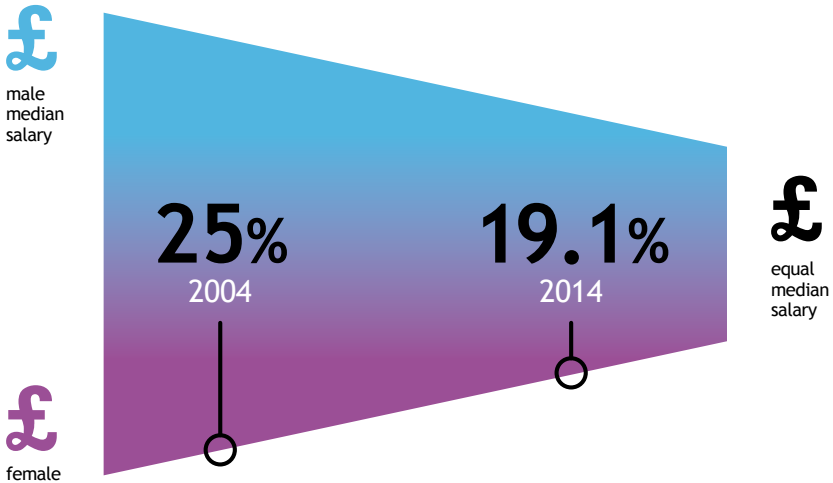
Government
Equalities Office

Created in partnership with

every
woman

What is the gender pay gap?

The gender pay gap is the difference in the average (median) hourly pay received by men and women in the UK. It is currently 19.1 percent. The figure has been slowly falling in recent years - from around 25 percent ten years ago.



Closing the pay gap.
Source: ONS Annual Survey of Hours and Earnings

“More women are employed than ever before, contributing to the economy and supporting their families, and the gender pay gap is narrowing.

I want women to feel able to hold employers to account if they feel they are not being paid the same as their male colleagues and I hope this new booklet will be an important tool in helping them to do that.”

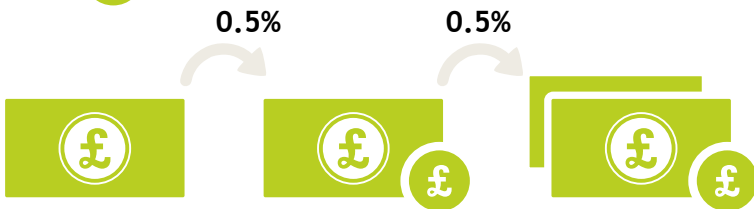
Rt Hon Nicky Morgan MP, Minister for Women and Equalities

Why the gender pay gap matters

By equalising the labour force participation rates of men and women, the UK could further increase GDP per capita growth by 0.5 percentage points per year. This means:



Potential gains of 10 percent of GDP by 2030. We need to address this mismatch to unlock women's contribution to the UK economy, to optimise its economic potential.



Effects of equalising the labour force on GDP
Source: Thevenon, Ali, Adema & Salva Del Pero (2012) 'Effects of Reducing Gender Gaps in Education and Labour Force Participation on Economic Growth in the OECD' OECD Social, Employment and Migration Working Papers No. 138

What is equal pay?

'The right to equal pay means there should be no difference in the contractual terms of a woman and a man doing equal work, who both work for the same employer.'

Equality Act 2010

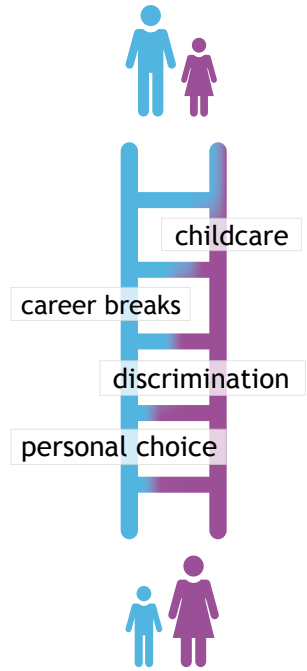
Employers must give men and women equal treatment in the terms and conditions of their employment contract if they are employed to do 'like work' - work that is the same or broadly similar, work rated as equivalent under a job evaluation study, work found to be of equal value in terms of effort, skill or decision making.

Pay includes basic pay as well as overtime pay, non-discretionary bonuses, holiday pay, occupational pensions, and benefits such as a company car, health insurance, free meals etc.

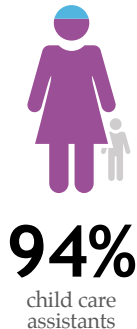
There are three key reasons that influence the pay gap

- 1** Women are concentrated in lower paid professions than men. Women make up 95 percent of secretaries and 94 percent of child care assistants; but only 13 percent of architects and 7 percent of engineers. **The UK produces fewer female engineers than any other OECD country.**
- 2** Women generally don't get as far up the career ladder than men - for a wide range of reasons, including career breaks, childcare, personal choice, and discrimination.
- 3** Women are sometimes not as well paid than the men in their organisation even when they achieve similar levels of seniority. This may be due to discrimination however this is sometimes unintentional, differences in pay may reflect historical pay rates for different jobs/roles, the legacy of mergers and acquisitions, past deals with staff associations, inconsistency in discretionary bonuses, unconscious bias, and men's greater willingness to ask for and negotiate pay rises.

Any and all of these can contribute to inequalities.



Reasons why women generally get less far up the career ladder



Percentage of female workers in different sectors

What is the government doing about it?

Working closely with business, the government is:

1

Stepping up efforts to encourage girls to enter a wider range of careers, including 'STEM' subjects (Science, Technology, Engineering, Maths)

- Supporting the '*Inspiring Women*' campaign to get more women to speak in schools about their careers
- Piloting new partnerships between schools and businesses
- Funding the STEM Ambassadors, Tomorrow's Engineers, and the Institute of Physics' '*Opening Doors*' programme, which encourages girls to take science subjects

2

Transforming the workplace to give women a fair chance to get to the top

- Introducing shared parental leave
- Extending the right to request flexible working to all employees
- Introducing more free childcare for young children, and the new childcare tax break
- Supporting the work of Lord Davies to ensure more women get on company boards
- Launched a code of conduct for executive search firms to improve gender balance on boards

3

Promoting greater pay transparency, to ensure women receive equal pay for equal work

- Requiring employers that lose equal pay cases to conduct full equal pay audits (introduced 1st October 2014)
- Promoting the *Think, Act, Report* scheme, through which companies take action on the causes of the pay gap, and publish information on their progress
- Banned pay secrecy clauses through the Equality Act (2010)

Comparison Toolkit

The Office of National Statistics publishes large amounts of pay data and there are also online benchmarking tools including:

www.glassdoor.co.uk

'Trip Advisor' type site for business, it contains a certain amount of pay information and allows a potential employee to see how companies are rated on a number of other relevant issues.

www.thejobcrowd.com

A similar product to Glassdoor but for graduate level jobs.

www.paywizard.co.uk

It includes wage information, labour law information and career advice - it is connected to the International WageIndicator Network.

www.comparemysalary.co.uk

Designed for professionals who work in Accountancy, Financial Services, HR, IT, Marketing, Professional Office Support and Executive specialisms. The site enables you to exchange salary details and keep an eye on salary trends.

www.salarysearch.co.uk

Features pay data collected from employers throughout the UK, the results are then checked and analysed by Croner Reward.

How can you find out if you're being paid a fair salary?



Ask other employees

You are within your rights to ask other employees about their employment and benefits package if you think it would help identify whether you may be being paid fairly. However, other employees do not have to discuss this issue if they do not wish to.



Talk to your peers

You can also get a sense of what you should be paid by speaking to peers in your sector. Staff associations and trade unions offer support and advice as well.

Recruitment agencies or job adverts in your local press are also a good way to benchmark and there are a number of **wage surveys** including the **CMI Annual Management Salary Survey** and ones that may cover your industry or geographical area.



What to do if you feel you are not being paid an equal salary

1 Start a conversation with your employer

If you think that a man at your company, doing work of equal value, is paid more than you, speak to your employer about it.

Many people feel awkward about this, but you can do it informally in the first instance. Ask for a private chat with your line manager or HR - whichever you feel more comfortable with - and say you think you are not being paid equally. Unequal pay rates may not be deliberate, and if your employer isn't aware of your concerns then they can't do anything about them. Keep a note of your conversation, and if they offer to look into it then give them time to do so. It may also be helpful to get advice from your staff representative or trade union if you have one.



2 Gather more information

The Government-run Equality Advisory and Support Service can give you information on your legal rights, and is a good place to start:

www.equalityadvisoryservice.com. There is also useful information on www.equalpayportal.co.uk. Advice on talking to your employer can be found on the ACAS website: www.acas.org.uk

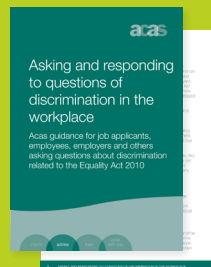


ACAS questionnaire

www.acas.org.uk offers guidance and support around the legalities of equal pay

The ACAS questionnaire is intended to help questioners to obtain information about whether they have received equality of contractual employment terms from their employer.

www.acas.org.uk/media/pdf/m/p/Asking-and-responding-to-questions-of-discrimination-in-the-workplace.pdf



3 Approach your employer formally

Following the ACAS guidance, ask your employer for the necessary information to establish whether there is a pay difference, and what the reasons for it might be. Some differences in pay may be entirely justified; others may not be. You can ask to compare terms in your contract with the equivalent terms in that of a comparator (a man in your company doing work of equal value), and so get a view on this.

If you believe the evidence confirms you are being underpaid, you should make this clear to your employer. At this stage you should be very clear what outcome you want.



4 Consider going to an employment tribunal

If your employer still refuses to pay you equally, then consider whether you want to take them to an employment tribunal. This would usually be a last resort.



“Women are a key source of untapped potential which we need to harness to boost economic growth in the UK.”

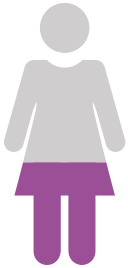
Ruby McGregor-Smith, CBE,
Chair of the Women’s Business Council
www.womensbusinesscouncil.dcms.gov.uk

Preparing yourself for a salary discussion

Women are less likely than men to ask for promotions or pay rises and are more likely to cite **lack of confidence** as a barrier.

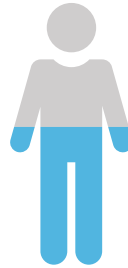
A minority of women (39 percent) say they would probably ask for a promotion or pay rise if they thought they deserved it, compared to a majority (52 percent) of men who say they would.

From an employer's position your remuneration package is a combination of **the value you bring to the organisation** and **the market rate** that applies to the job.



39%

of women say they would probably ask for a promotion or pay rise



52%

of men said they would

Confidence in salary negotiations
Source: www.yougov.co.uk

► Your free practical guide

You'll find more practical advice and action plans in the 'Negotiating Your Salary' workbook.

Download at:

www.everywoman.com/equalpay



How to ace a salary discussion

Whether in a current role or you're planning a negotiation for a new role, here are some tips from the **everywoman** 'Negotiating Your Salary' workbook.



Know your worth

- Be clear about your job description and contractual terms
- Research the market value of your role
- List your strengths and your measurable achievements
- Think about what your boss values about you and the value you bring to the business

Prepare

- Develop your business case
- Have options and alternatives available - plan B
- Work out and practise how to phrase your request
- Focus on your communication skills
- Give the other party time to prepare for the conversation

During the conversation

- Listen actively
- Don't get emotional and don't criticise colleagues
- Negotiate on objective criteria
- If the response is 'no' ask for the rationale behind the decision
- Document your discussion
- Agree timelines for a response if it is not immediate

After the conversation

- Send a follow-up communication in writing
- Follow-up if you haven't heard by the given deadline
- Send a summary of key items discussed during subsequent conversations
- Keep a hard copy record of all your communications, emails and letters etc.

Encourage your organisation to think, act and report

Companies can still do more to support women to get senior positions and ensure women at every level are paid fairly and equally for their contribution.

Companies supporting the *Think, Act, Report* initiative range from those just starting to think about gender equality issues to those with action plans and reporting mechanisms already in place. What they share is a **common desire to be more transparent about workforce issues and disseminate best practice.**

By signing up, your organisation will pledge to:

Think: identify any issues around gender equality

Act: take action to fix those issues

Report: on how your business ensures gender equality

Being aligned with this initiative also demonstrates that your organisation supports gender diversity.



Find out more at
www.gov.uk/think-act-report



Think Act Report
Gender equality at work

Produced by



Government
Equalities Office

In partnership with



Founded 15 years ago, everywoman recognised there was a lack of resource provision for women who wanted to improve their skills and raise their status within business. Today, everywoman delivers a range of innovative products and resources that unlock the potential and talent of women in business globally across a diverse range of sectors.

Find out more at www.everywoman.com

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We'd welcome your feedback. Please send any comments you have on it to WBC@Culture.gsi.gov.uk