



Equal Opportunities Committee *Women and work*

Response to the call for evidence

February 2013

1.0 Background and scope

Close the Gap is a partnership initiative whose project partners include Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, Scottish Trades Union Congress (STUC) and the Equality and Human Rights Commission (EHRC).

Close the Gap works with employers, economic development agencies and employees. The breadth of partnership recognises that equal pay is a productivity issue as well as an issue of fairness and equality, and that narrowing the gender pay gap would return aggregate productivity gains to the Scottish economy. Close the Gap has done considerable work around the business case, including producing a review of the evidence base linking work on equalities and productivity, and publications on the business case during periods of recession and recovery, and has listened carefully to employers about the most effective ways of communicating strong business arguments for action.

Close the Gap works with a range of organisations that are stakeholders in women's employment, including directly with employers and employer representative bodies. The project is exposed to a breadth of thinking on the part of policymakers and employers about women and the labour market, including perspectives on the regulatory context and interventions that have been designed to tackle the causes of the pay gap. It also works with policymakers across a range of issues, including occupational segregation, care, and women's entrepreneurship.

As far as is possible, this paper responds to the Committee's request for information around solutions to the many interrelated issues underpinning women's labour market inequality. Close the Gap has concentrated on 'workforce issues' and 'occupational segregation' in its response.

2.0 Workforce issues

2.1 Current challenges

Part-time working is widely used across Scotland as a way in which women can balance work and family life, and particularly their disproportionate share of care. 17 per cent of working women work part-time, compared with 4 per cent of working men¹. The use of part-time work as a work-life balance coping strategy is not an inevitability, though. In Finland, which also provides universal childcare at a low cost or no cost to families, part-time work is almost unknown as a solution to work-life balance issues, and is principally done by semi-retired people and students.

There is anecdotal evidence that flexible working arrangements, including part-time work, are less likely to be agreed as a result of labour shedding across the public and private sectors. Efficiency savings appear to have placed significant pressure on individual employees to deliver public services with reducing resources. Close the Gap carried out a piece of work with the STUC Women's Committee to look at the impact of public sector spending cuts on the workforce². This work, which included submitting freedom of information requests to every local authority in Scotland, revealed that local authorities generally do not keep centralised records on flexible working, and so cannot provide information on whether flexible working arrangements are decreasing or increasing in number. This aligns with Close the Gap's experience of working with individual public sector employers.

Within the private sector, there are a range of attitudes to part-time working at the enterprise level. Close the Gap has worked with large private sector companies in which only a tiny proportion of employees work part-time, and there is a strong cultural presumption against part-time working. Others are more positive about part-time working, and in which there is also more flexibility around work in other ways, for example homeworking. Although the challenge is smaller in the second type of organisation, progression is problematic for part-time workers. Despite most organisations having some kind of commitment in policy to part-time working, this rarely translates into the suite of measures that would encourage and enable part-time workers to apply for, and be appointed to, promoted posts. Employers appear to view part-time working as an accommodation to encourage retention, rather than as something positive that may attract talent. The lack of a quality part-time work recruitment market in London has been the recent subject of an investigation by the

¹ Scottish Government (2012) *Scotland's People Annual Report: Results from 2011 Scottish Household Survey* Scottish Government: Edinburgh

² Close the Gap (2012) *Invisible Women: Employment Data Collection In Scottish Local Government* Close the Gap: Glasgow

Joseph Rowntree Foundation³, and there is no reason to suppose that the quality part-time labour market in Scotland is more buoyant.

Joseph Rowntree did identify some evidence of a virtuous cycle, in which employers who have benefited from skilled and talented part-time workers are more positive about recruiting part-time workers. However, progress is painfully slow.

Current UK Government policy, including Universal Credit, describes itself as 'making work pay' for lower-skilled mothers. (This paper does not assess whether that is an accurate description of welfare reform.) There has been no focus on supporting mothers with skills that are not currently being utilised by quality part-time work.

2.2 Solutions

There is no mechanism by which employers can be required to offer work on a part-time basis, although many employees have legal rights to request to work flexibly. In practise, employers are able to deny such requests on a variety of grounds. In the absence of such a lever, solutions to the lack of part-time working may have a focus on persuading employers of the business case for employing people part-time; in supporting employers to design part-time jobs appropriately; in linking part-time working in the public sector to compliance with the public sector equality duty; and in building an evidence base of the benefits to an increase in quality part-time work to individual employers, specific economic sectors, and the economy as a whole.

Consideration could also be given to including issues around part-time working within public sector contracts, and within any investment made by Scotland's economic development agencies and other public investment in individual enterprises.

The Equality and Human Rights Commission, and any audit and scrutiny body that looks at equalities performance, or compliance with the public sector equality duty, may wish to consider whether the arrangements for approving, monitoring, and facilitating part-time working are adequate.

Universal childcare, available at low or no cost to families has the potential to transform women's participation in the labour market. Although it is beyond the scope of this paper, there are a range of models of childcare that would substantially reduce the constraints on women's choice of paid work.

3.0 **Occupational segregation**

³ Joseph Rowntree Foundation (2012) *Building a Sustainable Quality Part-Time Recruitment Market* JRF: London

Occupational segregation is a drag on the growth of Scotland's economy. It is a type of labour market failure, and the cost of 'allocative inefficiency' is high. Women across Scotland are simply in the wrong jobs, or wrong levels of job, with respect to their skills, talents, and abilities.

3.1 Horizontal occupational segregation

From nursery, through to higher education and the labour market, there is significant gendered segregation in terms of the subjects and careers that boys and girls, and men and women, are supposed to be interested and successful in. Although girls are now outperforming boys by many measures of academic attainment, they are doing so in different subjects.

Differences in educational focus translate into different career choices, and different rates of pay. Men are more commonly found in higher-paying science, technology, construction, manufacturing, and engineering jobs. Women are more likely to be found in the low-paid 'five Cs' of cleaning, catering, clerical, cashiering (retail), and caring work.

All of this happens within a cultural matrix that communicates very clear narratives about masculinity, femininity, and work to young people.

Existing programmes that challenge occupational segregation work with young people to encourage broad thinking about subject and career choice that moves beyond gendered stereotypes (e.g. Close the Gap's *Be What You Want* campaign); work with students and early career employees to support non-traditional career participation (e.g. Interconnect project at the Scottish Resource Centre for Women in SET); and work with employers and sectoral bodies to remove barriers to progression, and to encourage female recruitment and retention in non-traditional sectors (e.g. Close the Gap, Women in Renewable Energy Scotland, Scottish Resource Centre).

The analysis underpinning most of this activity, is that equipping girls to participate in the labour market in higher-paid careers will increase women's income from work, financial autonomy within the household, and decrease women and children's poverty. Of course, none of this addresses the relatively low value ascribed to female-dominated occupations, including the 'five Cs'. Apart from the mechanisms of the minimum wage and living wage, which disproportionately benefit women because women are clustered in the lowest paid occupations, the main way that the undervaluation of women's work is addressed is through wage reform. Single status in local government, Agenda for Change in the NHS, and the Framework Agreement in Higher Education have all, to one degree or another, sought to smooth out inequalities in pay between work of equal value done by men and women. This is an ongoing and complex challenge.

3.2 Solutions

Beliefs about the suitability of subjects and careers for boys and girls, and men and women, are deeply entrenched. Close the Gap has worked with groups of stakeholders on career choice who firmly believe that there are biological explanations for gender segregation, and that this is immutable. Some employers, particularly those in the public sector, are keen to act on occupational segregation, but are aware of their limitations to influence horizontal segregation, which is at least partly the result of events that frequently happen before an individual reaches the labour market.

It is unquestionable that occupational segregation, as an issue, has an exceptionally broad range of stakeholders, who can all act on only a part of the whole problem. For this reason, a national strategy or logic model has been seen as a necessary part of the solution by a number of organisations who have considered this issue. Whether or not a strategy or logic model is present, it appears self-evident that mainstreaming must be part of any solution. The large number of public authorities whose activities touch on some aspect of occupational segregation, should be appropriately resourced to undertake specific pieces of work on occupational segregation, where appropriate, and to mainstream an understanding of tackling occupational segregation into their day-to-day work, as appropriate. No skills or education policy or delivery should happen without consideration being given to how it will deliberately reduce occupational segregation. Activity to tackle occupational segregation, where it happens at all, is an addition to business-as-usual delivery. Meaningful mainstreaming would represent a radical shift in approach.

Economic development activity should also be sensitive to occupational segregation. Strategies to develop the domestic renewables sector to meet Scottish targets for energy generation and consumption, for example, should take cognisance of the gendered nature of the undersupply of skills that faces the renewables industry at the moment, and develop gendered solutions to this challenge. Access of women to the opportunities the sector presents should be facilitated, both for economic reasons, and for reasons of fairness.

It is immensely challenging to identify ways in which the undervaluation of women's work might be mitigated. It too is a product of gendered assumptions about value, and women's roles in society. Damian Grimshaw and Jill Rubery, in considering the issue on behalf of the Equal Opportunities Commission⁴, make a case for raising pay levels of the lowest pay. The business case arguments for doing so, which reflect those made in relation to the Living Wage more broadly, suggest that raising pay

⁴ Grimshaw, D., and J. Rubery (20xx) *Undervaluing women's work* Equal Opportunities Commission: Manchester

rates reduces staff turnover, and leads to better outcomes with regard to delivery. This echoes the experience of private sector employers who have introduced the Living Wage. Grimshaw and Rubery call upon the state to consider where it may act as the wage-setter, and where its wage policies may consciously address the issue of undervaluation.

While expanding childcare has the potential to transform women's participation in paid work, it risks doing so at the expense of impoverishing women who would work in an expanded care sector, unless the very low wages in the sector are increased by some mechanism.

3.3 Vertical occupational segregation

Across the labour market, whether in the private, public, or third sector, women are clustered towards the bottom of organisations. This occurs both in sectors that are female-dominated, and in sectors that are male-dominated.

Most organisations have two 'glass ceilings': one below the senior management levels, and one above the most senior administration grades. Although the first of these attracts more media and policy attention, the second also has profound impact on women's lifetime pay and pension income. In most organisations that Close the Gap has worked with on the issue of the glass ceiling, there is very limited progression from administration roles into broader operational roles, and extremely limited progression within administration roles themselves. Close the Gap is concerned about the public authorities who are resurrecting shared administrative services under pressure to make efficiency savings. These types of functions are more likely to deskill women, and to constrain the informal skills acquisition that may lead to progression, than embedding administrators within functional teams.

The issue of women in the boardroom has attracted considerable attention in the past year, and is important both because of its impact on the most senior women, and also because of the 'trickle down' effect that having women in the boardroom appears to have on female employees in private sector companies⁵. However, as with the vast majority of men, the vast majority of women will never sit on a board. It is important that efforts are focused further along the talent pipeline, to ensure that opportunities to progress are open to all.

3.4 Solutions

Women who speak to Close the Gap about progression identify a number of barriers to applying for, and being appointed to, promoted posts. Women in the private sector

⁵ Catalyst (2008) *Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers* Catalyst: US

speak about male-dominated networks from which they are excluded; management practices that reward presenteeism; corporate cultures that privilege and value stereotypically male interests and behaviours, and explicitly fail to value family life; increasingly remote HR practitioners and decentralised decision-making about working patterns, pay, access to talent pipelines, and promotions; and diminishing access to training and skills acquisition opportunities.

The experiences of women working in the public sector are slightly different, although some of the same issues read across.

The UK Government has rejected quotas for women in the boardroom, and there is no sense that it will regulate to achieve this in the near future. Consequently, activity to address women's underrepresentation at senior levels in the private sector is done on an entirely voluntary basis.

There are different imperatives in the public sector, and it is possible that a different approach may be taken in Scotland. There may be an argument for this on the grounds of better gendering delivery of public services, although it cannot be argued that the presence of women at senior levels automatically ensures this outcome.

With regard to the practice of individual employers, it is difficult to see the possibility for different approaches than that taken by a variety of organisations, which is to encourage employers to take steps to dismantle their glass ceilings for the good of their business. In addition to delivering better services, public authorities are also required to mitigate vertical segregation in their organisations to comply with the public sector equality duty.