Do women leaders of nonprofit public service organisations help to reduce the gender pay gap? – Rhys Andrews

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Note: institution affiliation and country only, no department details are required.

Abstract:

It is often asserted that the representation of women in leadership positions within public service organisations is likely to result in improved outcomes for other women within those organisations. However, there has been little systematic research devoted to understanding whether this argument holds for the nonprofit organisations that now provide many public services. To cast light on this important issue, this article presents an analysis of the representation of women in leadership roles and the gender pay gap in Welsh housing associations – registered societies responsible for providing more than half of the social housing within Wales. The findings show that nonprofit service providers led by women in the most senior organisational positions may be more likely to have a lower gender pay gap, confirming arguments about the importance of actively representing female interests. At the same time, it seems that representation in the upper echelons in general is not likely to influence gender pay equality, which raises questions about whether a glass ceiling may be present, as has been observed in state-led public service provision. These findings suggest a need for more in-depth, multi-method research which systematically evaluates the way in which female leaders actively represent women’s interests in the myriad organisations that provide public services. This article has important implications given a renewed period of austerity in the public sector, which, as in the past, may threaten further progress on equality for those women who provide and receive public services.

Key words:

Representative bureaucracy; gender pay gap; women leaders; nonprofit; public services; social housing; voluntary sector; quantitative analysis

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Introduction

Theories of representative bureaucracy suggest that the representation of women in leadership positions within public service organisations is likely to result in improved outcomes for other women within those organisations (Hooker and Guy, 2022; Kelly and Newman, 2001). Female leaders are assumed to be motivated to actively represent other women within the organisations that they lead by helping them to achieve promotions, pay rises and improved working conditions. Whether by campaigning alongside other women, mentoring them, or intervening directly in human resource management practices, female public leaders are often thought to act as ‘femocrats’ within public service organisations (Chappell, 2002; Eisenstein, 1996). Alongside the growth of agencies for the promotion of ‘state feminism’ within many countries (McBride and Mazur, 2010), the presence of women leaders within public service organisations could therefore have the potential to address longstanding concerns about gender pay gaps within those organisations (Bishu and Alkadry, 2017; Flood and Pease, 2005).

The issue of gender pay inequality has become a key focus of social and employment policy in countries across the globe, with major international institutions demonstrating growing concern about the gap between male and female rates of pay (International Labour Organization, 2019; OECD, 2022; World Bank, 2020). Aside from the demands of social justice, policy-makers acknowledge that the benefits of gender pay equality include improved productivity, better quality of life and reduced welfare payments (Government Equalities Office, 2016; OECD, 2012; Wodon et al, 2020). This concern for reaping a “gender dividend” has given rise to a slew of policy proposals for narrowing the gender pay gap at the organisational level, especially the
use of pay transparency tools, gender equality audits, target-setting and quotas for board representation (OECD, 2022).

In the UK, a distinctive equality architecture has evolved in the wake of the 2010 Equality Act, which established the legal right to equal pay for equal work and the foundations for an amendment requiring medium to large-sized organisations to publish their gender pay gap. Importantly, the 2010 Equality Act also stipulated the Public Sector Equality Duty (PSED), requiring the leaders and managers of public bodies and other organisations carrying out public functions to ensure that ‘policies and services are appropriate and accessible to all’ (Government Equalities Office, 2011: 3). Within this context, policy-makers are promoting organisational-level practices that can potentially reduce the gender pay gap (Government Equalities Office, 2017), but rarely address whether women in leadership roles act as agents of change supporting other women to progress within the organisations that they lead (Cohen and Huffman, 2007). At the same time, very little attention has been paid to the potential for women leaders to actively represent female employees in the nonprofit organisations responsible for many public services in the UK (or elsewhere). In this study, the role that women leaders might play in reducing the gender pay gap in nonprofit public service organisations is investigated through an exploratory analysis of the mean and median pay gaps in Welsh housing associations – registered societies providing most of the social housing in Wales.

Public policy researchers have long demonstrated a concern about issues of gender equality, representation and female leadership within the organisations that provide public services (Andrews and Ashworth, 2013; Johnston, 2019; Burman and Johnstone, 2015; Halford, 1988; Lombardo and Meier, 2022; Miller and McTavish, 2014; Rao, 2015; Young, 1997). However, surprisingly few empirical studies have
addressed the potential connections between women leaders and the gender pay gap within public service organisations (for rare examples see Funk and Molina, 2022; Magda and Cukrowska-Torzewska, 2019; Rabovsky and Lee, 2018). In particular, very little is known about women leaders and the gender pay gap in the many nonprofit organisations that now provide social services. These organisations are increasingly important within the public services landscape (Smith, 2018), and share many of the values typically associated with public organisations, including gender equality and representative bureaucracy (Le Roux and Sneed, 2006). Evidence on the relationship between women leaders on the gender pay gap in nonprofit providers of public services can therefore cast valuable light on the potential for active representation on behalf of female employees to occur beyond the traditional boundaries of the state.

A growing literature addresses whether the presence of women in leadership and management roles within organisations can be beneficial for the remuneration of all the women that work within those organisations (e.g. Abendroth et al, 2017; Hek and Van der Lippe, 2019; Stojmenovska, 2019). Moreover, public policy researchers and policy-makers increasingly argue for improvements in gender representation amongst the senior management of public service organisations, which they suggest will ultimately benefit other women (Cabinet Office, 2017; Dolan, 2000; Johnston, 2019). As the boundaries between sectors have become blurred within the mixed economy of welfare (Billis, 2010; Bromley and Meyer, 2017), it is timely to investigate the extent to which these insights apply to nonprofit organisations providing public services. Does increased gender representation in the upper echelons of nonprofit service providers narrow the difference between men and women’s pay? Is the gender pay gap in nonprofits with female chief executives lower than in those with
male chief executives? Do female chairs of nonprofit boards of directors play a role in reducing wage disparities between men and women?

In this paper, theory and evidence on women’s representation in leadership roles within organisations is drawn upon to develop arguments relating to the gender pay gap within nonprofit providers of public services. Those arguments are tested through a statistical analysis of the mean and median rates of pay for men and women in Welsh housing associations since the introduction of mandatory gender pay reporting in 2017. Housing associations are one of the largest groups of nonprofit public service providers in the UK and are prevalent in the social housing sector in many other European countries (Czischke, Gruis and Mullins, 2012). Those in Wales are required to meet more stringent regulatory requirements relating to profit distribution and equality legislation than their counterparts in England. As such, they represent an especially interesting case for exploring whether women leaders can help to reduce the gender pay gap, which could offer insights for policy-makers in the UK and beyond.

In the next part of the paper, the context of nonprofit public service provision will be briefly reviewed, before the role of housing associations in providing social housing services is discussed. Then, the gender pay gap reporting amendment to the 2010 Equality Act is explained along with the rationale for its introduction and some initial findings from studies assessing its impact to date. Following that, prior research on the active representation of gender issues within organisations is examined in order to develop arguments regarding the relationship between women’s leadership roles and the gender pay gap in Welsh housing associations. In the fourth part of the paper, data on the mean and median gender pay gaps in Welsh housing associations are presented, along with a description of the variables used to
develop and test Ordinary Least Squares (OLS) regression models of the female leadership-pay gap relationship. The statistical results are then presented and interpreted. Finally, theoretical and practical implications of the findings are discussed along with an agenda for further research addressing key issues in the implementation of gender pay equality policy.

**Nonprofit public service provision: the case of social housing**

In many countries, New Public Management and New Public Governance reforms have reduced the central role played by state in the provision of public services (Bryson, Crosby and Bloomberg, 2014; Butcher and Gilchrist, 2016). This development has been especially striking at the local level, with the emergence of an array of service providers from across the public, private and voluntary sectors contributing to the emergence of what has been termed the ‘dispersed state’ (Carmel and Harlock, 2008; Clarke and Newman, 1997; Sandford, 2019). Within this context, nonprofits have now become major providers of many of the social services citizens rely upon, especially those that can enable disadvantaged groups to flourish within the local economy (Lindsay et al, 2018; Sørensen, Bryson and Crosby, 2021). Importantly, nonprofit organisations are assumed to have a distinctive commitment to advocacy on behalf of key client groups (Almog-Bar and Schmid, 2014). In particular, the nonprofit sector is regarded as having a mutually reinforcing relationship with women’s empowerment that can result in improved gender equality (Themudo, 2009). As women participate more in nonprofit service providing organisations, so those organisations are able to contribute more to the welfare of women, and vice versa.
Amongst the nonprofit organisations now responsible for providing social services, those tasked with providing social housing have an especially critical role to play in promoting gender equality. Women often have ‘a need for shelter and safety in a society in which they are likely to earn low incomes’ and are often ‘responsible for children’ (Smith, 2005: 143). The substantial role that the nonprofit sector takes in achieving these goals has long been evident within many continental European countries, such as Denmark and the Netherlands (Scanlon, Whitehead and Arrigoitia, 2014). In the UK, the transfer of large swathes of publicly-owned social housing to not-for-profit housing associations has meant that nonprofit organisations are now the most important providers of social housing services throughout the country.

Housing associations, as a distinctive organisational form, emerged in the twentieth century, especially in the post-war era, first, as the demand for social housing grew, and, second, when the Conservative governments of Margaret Thatcher encouraged the transfer of publicly-owned social housing away from local authorities (Malpass, 2000). In particular, the 1988 Housing Act redefined housing associations as non-public bodies, which permitted them to access private finance and to invest more in housing stock improvement than local authorities, which were constrained by housing finance restrictions. This process was given further impetus under Tony Blair’s governments during the 2000s through financial incentives to encourage local authorities to find ways to improve the quality of their housing stock (Malpass and Mullins, 2002).

Because stock transfer can only occur following a positive outcome from a ballot of council tenants, large-scale transfer of council housing to housing associations was only common during the 1990s amongst Conservative-led local
authorities (Malpass and Mullins, 2002). However, in the 2000s, many Labour-led authorities also transferred their stock to housing associations either directly or after a period of having managed their social housing at a distance through the creation of Arms-Length Management Organisations (Mullins, 2010). Importantly, authorities retain a degree of influence over transfer housing associations through representation on associations’ boards of directors (Mullins and Pawson, 2010). At the same time, national regulatory agencies in England, Scotland and Wales closely supervise the finance and governance of housing associations. As such, housing associations in the UK (and elsewhere) are hybrid organisations with a uniquely close relationship with the state (Mullins, Milligan and Nieboer, 2018).

The sheer scale of the transfer of public assets along with the on-going role of local authorities in the governance of housing associations and the stringent national regulations to which they are subject, has led to several legal rulings stipulating that associations should be regarded as public bodies in certain circumstances (Blessing, 2015). Indeed, to comply with the 2010 European System of Accounts, housing associations were reclassified by the Office for National Statistics as Public Non-Financial Corporations – a development, which added £60 billion to the net public sector debt (Johnstone, 2015). Given the critical role that nonprofit organisations, such as housing associations, now play in the provision of public services, it is therefore important to understand their distinctive status within the evolving equality architecture in the UK.

Gender equality and pay reporting in the nonprofit sector

During the 2000s, the UK Labour government introduced several policies to make public organisations more accountable for the representation of disadvantaged
groups within their workforce (Newman and Ashworth, 2008). In particular, the Gender Equality Duty (GED), which came into force in April 2007, placed a legal obligation on public authorities to actively promote equality of opportunity between women and men, including ‘any person who has functions of a public nature’, thereby potentially applying to nonprofit public service organisations. Likewise, the PSED, which came into force in 2011, can potentially apply to nonprofits, such as housing associations, because the duty requires ‘public bodies and others carrying out public functions’ to ‘understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people’s needs’ (Government Equalities Office, 2011: 3). Hence, the potential for nonprofits to promote gender equality within their workforce is an issue of major political as well as practical significance.

Although there is some dispute about whether housing associations undertake public functions, peak organisations within the housing sector have advised that associations comply with the PSED because it makes “good business sense” (Parkes, 2015). To ensure that the duty is implemented effectively leaders and managers are expected to incorporate its provisions within their strategic and operational human resource management activities (Government Equalities Office, 2011, p. 6). Moreover, like all other major employers, housing associations are also required by the 2010 Equality Act to ensure that there is equal pay for equal work i.e. that men and women in the same employment performing equal work must receive equal pay (Hepple, 2010). In the wake of female activism ‘outside of the state machinery, particularly with businesses and business influencers’ (Milner, 2019: 136), the 2010 Equality Act was then amended in 2017 to include a statutory requirement that employers with a headcount of more than 250 people should report
annually on the difference between the average (mean or median) earnings of male and female employees (https://www.gov.uk/guidance/who-needs-to-report-their-gender-pay-gap).

Gender pay reporting has become one of the most popular policy tools used to promote gender equality within the workplace across Europe (Eurofound, 2018). The motivating assumption behind pay transparency initiatives is the idea that publication of salary information can encourage employers to reduce pay differentials to establish their credentials as a good employer (Cullen and Perez-Truglia, 2022; Duchini, Simion and Turrell, 2020). Recent evidence indicates that the UK gender pay reporting legislation has led to a narrowing of the gap between men’s and women’s wages (Blundell, 2021), especially for organisations with a large gender pay gap (Jones and Kaya, 2021). However, concerns continue to be raised about the persistence of a larger gender pay gap in the public than the private sector (Bawden and Thomas, 2021), due in part to “glass ceiling” effects (Jones and Kaya, 2019) that occur when women confront male norms and biases that prevent them from progressing to the most well-remunerated senior leadership roles (Naff, 1994). While the burgeoning gender pay gap research has rarely addressed the dynamics of the pay gap within the nonprofit sector, the increasing prevalence of nonprofit service providers within the public services ecosystem underlines that the need to address this lacuna in knowledge is growing in importance.

In most developed countries, the nonprofit sector has a mixed reputation on gender issues in the workplace. Scholars have identified greater pay equality in nonprofits than in private firms in the US (Faulk et al, 2013, c.f. Zhao, 2020) and France (Etienne and Narcy, 2010). Moreover, nonprofits are thought to have a strong commitment to flexible-working and family-friendly policies that reflects the value-
based mission of the sector (Parry et al, 2005). However, other scholars have suggested that nonprofits are prone to replicating existing patterns of inequality by reinforcing the gender roles already present within wider society, especially for organisations providing social services where gendered job expectations and responsibilities persist (Baines and Cunningham, 2011; Charlesworth and Marshall, 2011). Given that nonprofit organisations in the UK are potentially subject to the PSED, is it surprising that so little is known about the state of gender equality within them.

According to the National Council for Voluntary Organisations (NCVO) (2022), women make up around two thirds (67%) of the workforce of nonprofit organisations in the UK – a figure that has remained relatively constant for the past decade and that is higher than the public (64%) or private (42%) sectors. The disproportionate number of women working in the nonprofit sector reflects the concentration of organisations providing services in social work, residential care, education and human health (NCVO, 2022). Evidence from the 2009 Labour Force survey suggested that despite forming the majority of the nonprofit sector workforce, women were nonetheless under-represented among the most senior management positions in nonprofit organisations (Teasdale et al, 2011). Similarly, research has suggested that women are likely to be under-represented on the boards governing nonprofits in the UK (Lyon and Humbert, 2012). However, while the gendered nature of the sector as a whole (and its similarity to the public sector) is well-recognised (Kamerāde and McKay, 2015), there is comparatively little systematic evidence on the role that women leaders can play in reducing the gender pay gap in nonprofit service providers in the UK (or elsewhere). To frame this investigation of those issues, we turn next to prior theory and evidence on gender representation and pay equality.
Women leaders and pay inequality in nonprofit service providers

In the past, there was fierce debate as to whether women’s position within the workforce in developed countries reflected their career choices, rather than wider social forces (Hakim, 1996; Walsh, 1999). Nevertheless, there is now increasing recognition that the gender regimes present within particular countries, industries and organisations, such as the male breadwinner/female carer model, are an important influence on pay inequality (Chanfreau, forthcoming; Pascall and Lewis, 2004; Tomlinson, 2007). In addition to the introduction of social and employment policies aimed at re-ordering those regimes (Walby, 2004), there has been a growing emphasis on organisational-level practices to reduce pay disparities between men and women, including gender pay transparency and reporting (Government Equalities Office, 2017; OECD, 2022). Amid concerns about the variable impact of this focus on organisations on the sector-wide pursuit of equal pay (Rubery and Grimshaw, 2015), comparative gender policy researchers have sought to identify instruments and processes likely to result in better gender equality policy implementation (Engeli and Mazur, 2018).

National-level political forces in countries, such as the UK and France, have long played a vital role in determining the implementation of gender equality policy (Lang, Meier and Sauer, 2023; Mazur and Engeli, 2020; Milner, 2019). Nonetheless, several studies highlight the importance of feminist mobilisation within trade unions and collective bargaining processes as well (Brochard, Pochic and Charpenel, 2020; Deakin, Butlin, McLaughlin and Polanksa, 2015). Hence, in addition to widespread recognition of the institutional practices that improve or worsen gender pay gaps (Peetz and Murray, 2017), scholars are paying attention to the mechanisms by which
women themselves might address pay inequity within organisations, especially by actively representing other women when they occupy leadership roles.

The implementation of public policies presents opportunities for ‘descriptive and substantive representation’ (Pitkin, 1967). In particular, powerful female (and male) actors within and outside of government may be critical to the substantive representation of women’s interests when implementing gender equality policies (Mazur, 2017). As such, a growing body of literature assesses whether the representation of women in the upper echelons of organisations is related to improved outcomes for other women in those organisations (e.g. Kirsch, 2018; Stainback, Kleiner and Skaggs, 2016; Terjesen, Sealy and Singh, 2009). In particular, the increased salience of the gender pay gap in policy debates has been mirrored in several studies addressing the female leadership-pay gap relationship in private and public organisations.

Research in the private sector has largely drawn on theories of social homophily to suggest that the common interests between women leaders and their female subordinates can motivate positive changes that counter discrimination (Kanter, 1977). Much of this research finds that the gender pay gap is narrower in private firms with a greater proportion of women in senior managerial and director roles (Abraham, 2017, Ahamed, Wen and Gupta, 2019; Stojmenovska, 2019). Nevertheless, some suggest that this applies mainly when women are in senior managerial positions with more authority (e.g. Abendroff et al, 2017; Cohen and Huff, 2007), whereas others emphasise female representation among line managers in close contact with employees (e.g. Hultin and Szulkin, 2003; Zimmerman, 2022). However, some researchers have found that the gender pay gap is unaffected or even becomes wider in some private companies when more women are in
managerial positions (e.g. Magda and Cukrowska-Torzewska, 2019; Srivastava and Sherman, 2015; van Hek and van der Lippe, 2019).

Where no relationship between female leaders and the gender pay gap is observed, scholars suggest that this is because women have become “cogs in the machine” (Srivastava and Sherman, 2015). In other words, women have essentially been socialised into conforming with the gender regime within the workplace, which privileges male over female career advancement (Maume, 2011). Whatever the merits of this perspective, studies located in the public sector have largely assumed that women leaders are associated with a narrower gender pay gap (Magda and Cukrowska-Torzewska, 2019). The reasons scholars advance for anticipating a negative female leader-pay gap relationship in public organisations are usually related to the distinctive nature of human capital within the public sector and its role as a model employer with regard to gender equality duties (Barry and Cook, 2002; Parken and Ashworth, 2019). Because there is a stronger commitment to gender equity in the public sector, female leaders of public organisations are assumed to be more committed to improving the situation of the women who they manage and supervise.

Drawing on representative bureaucracy theories, public administration scholars have long suggested that women who work for public service organisations will actively represent the interests of other women within the organisation because of their broader commitment to promoting the welfare of women (Dolan, 2000; 2002; Naff, 1994; Meier and Funk, 2017; Wilkins and Keiser, 2006). A commitment to actively representing female interests by enacting changes that benefit women requires that women in leadership roles are able to exercise significant discretion (Sowa and Coleman Selden, 2003). The discretion to influence pay disparities
between men and women is likely to be something that is more prevalent in the upper-echelons of public organisations, albeit that pay determination may be constrained due to unionisation and national pay bargaining structures in the public sector (Elliott, Lucifora and Meurs, 1999).

To date, the sparse evidence on women leaders and the public sector gender pay gap offers mixed support for representative bureaucracy arguments. Rabovsky and Lee (2017) find that female representation among senior academics and in executive management roles makes no difference to the gender pay gap among junior academics in US public universities. By contrast, in Funk and Molina’s (2022) study of Brazilian municipalities the presence of women mayors and councillors is associated with a narrower gender pay gap among all municipal employees. These latter findings pertaining to local public services are perhaps of more significance for the patterns of active representation likely to be present in nonprofit providers of public services, than the findings relating to US universities. Nevertheless, while researchers have begun to address gender issues within dispersed systems of governance involving public and nonprofit organisations (e.g. Johansen and Zhu, 2017; Johnston, 2017), surprisingly little attention has been paid to the role that female leaders might play in actively representing women’s interests within non-state service providers.

As noted above, nonprofit organisations are assumed to share similar values with public sector organisations, including a commitment to both gender equality and representative bureaucracy (Le Roux and Sneed, 2006). Although the nonprofit sector in the UK has traditionally been less unionised than the public sector (Cunningham, 2012), in recent times, employees working for nonprofit service providers have increasingly sought to organise and articulate their demands for
improved pay and conditions (Baines and Cunningham, 2020). Given the large female workforce in the nonprofit sector, this has been associated with a growth in what Crain (1994) terms “gender-conscious organising tactics” – an approach that seems *prima facie* more likely to result in positive outcomes in organisations with women leaders. At the same time, nonprofit organisations in the UK are potentially subject to the PSED, which places further pressure on their managers to address gender pay inequality – something that female leaders may again be more inclined to do, given their presumed commitment to women’s interest. Importantly, this pressure is likely to be especially great within the Welsh nonprofit sector, where Wales-specific PSED duties require public service providers to address the gender pay gap across different occupational groupings, and to report the pay gap if they have more than 150 employees (Parken and Ashworth, 2019). Thus, despite little empirical evidence on the female leadership-pay gap relationship in nonprofit organisations, it seems reasonable to assume that women leaders will be associated with a reduction in the gender pay gap among nonprofits providing social housing in Wales.

**Data and Measures**

The units of analysis for this study are Welsh Housing Associations. These organisations are not-for-profit registered societies providing social housing services across Wales. They are Registered Social Landlords (RSLs) (now named Community Landlords) – nonprofit-making organisations registered in Wales approved by the Welsh Government to carry out a range of housing services, subject to regulation of their management and performance ([https://law.gov.wales/registered-social-landlords-0](https://law.gov.wales/registered-social-landlords-0)). Welsh RSLs are able to access
various sources of government funding, but, unlike those in England, are not permitted to distribute profits from their operations. The services provided by housing associations in Wales range from the building, maintenance and renting of affordable housing units through to the management of specialist support for vulnerable people requiring assisted living, refuge from domestic abuse, or help avoiding homelessness. Welsh housing associations vary considerably in the size and scope of their operations. The largest association included in the analysis, Pobl Group, provides services throughout South Wales, employing nearly 2,000 staff in several subsidiary entities, with a turnover of more than £150 million. The smallest association included in the analysis, Merthyr Tydfil Housing Association, provides services exclusively within the Merthyr area, employing around 40 staff, with a turnover of around £6 million.

The transfer of council-owned housing by Labour-led local authorities during the 2000s, meant that many new housing associations were created and the size of many established associations expanded substantially (Smith, 2018). These organisations represent an especially interesting context in which to explore the relationship between women leaders and the gender pay gap. They now provide more than half of all social housing in Wales being the main alternative to council housing, they all take a similar legal form (i.e. a registered society, typically an industrial and provident society), and have a strong commitment to social justice, including to women’s issues (Hutson and Stirling, 2010). Furthermore, the Welsh Government has a longstanding commitment to boosting women’s participation on the boards of housing associations (Welsh Government, 2020) and has made elimination of the gender pay gap one of the key targets for its commitment to the well-being of future generations.
In this respect, Welsh housing associations are subject to stronger regulatory pressures than their counterparts in England, and the cultural change needed to underpin improvements in gender equality may potentially be more likely to occur (Milner, Pochic, Scheele and Williamson, 2019).

**Dependent Variables**

The exploratory statistical analysis presented here focuses on the gap in men and women’s average earnings in the workforce of each housing association included within the study sample. Several of those associations undertake activities in social care, which is a sector employing significantly more women on low pay, and so this is controlled in the analysis by including a variable capturing whether an association is also a registered provider of care services (see below). Nonetheless, a focus on the determinants of average earnings can furnish a valuable insight into the dynamics of pay inequality within not-for-profit providers of public service providers that have an explicit social justice mission, as housing associations do (Cope, 1990). Indeed, a significant number of associations in Wales now publish their gender pay data, even though they qualify for an exemption due to their small size (Community Housing Cymru, 2021). As a result, sufficient data on the overall gender pay gap, measured as the difference between both the hourly mean and median wages of the men and women employed by housing associations, is publicly available and can be matched to other organisational-level data to better understand variations in pay inequality. To illustrate reported levels of pay inequality in Welsh housing associations, figure 1 presents the trajectory of the mean and median gender pay gaps for those associations that published that information between 2017-2020.
Figure 1 suggests that the average male-to-female pay gap in Welsh housing associations in 2017 was around 9%, and that there was a large reduction in the gender pay gap in 2018, the year following the introduction of the pay transparency legislation, which has not been sustained in the years since. Nevertheless, on the whole, the trend for the gap between men and women’s pay in Welsh housing associations appears to be downwards, especially for the mean pay gap, while the gaps in mean and median pay are now quite similar. This trend is comparable to the one observed for all people in full-time employment across the UK economy (Office for National Statistics, 2021), but is considerably more equitable than the pay gap observed for people working in the public sector, which remains ‘stubbornly high, at 15.5% versus 9% in the private sector’ (Bawden and Thomas, 2021).

**Independent Variables**

The representation of women in leadership roles is measured at more than one level in housing associations. Firstly, similar to prior research, the proportion of women in the upper salary quartile of housing associations is used to gauge whether representation among the senior ranks of the organisation is related to a narrowing of the gender pay gap. Secondly, whether a housing association is led by a female chief executive officer (CEO) is measured by creating a dichotomous variable coded one for those associations that have a *female CEO* and coded zero for those with a male CEO. This measure has been used previously in pay gap studies (e.g. Ahamed, Wen and Gupta, 2019; Rabovsky and Lee, 2017). Thirdly, whether the
board of a housing association is chaired by a woman is measured by creating a dichotomous variable coded one for associations that have a female chairperson and zero for those with a male chairperson. A negative relationship is expected between each of these women leaders’ variables and the gender pay gap.

As for the information on the gender pay gap in Welsh housing associations, the data on salary quartile and CEO gender are drawn from the annual pay transparency reports published by Community Housing Cymru. The information on the gender of housing association chairpersons is drawn from the annual reports of housing associations for the financial years 2017/18-2020/21 that are available electronically via the mutuals public register website hosted by the Financial Conduct Authority (https://mutuals.fca.org.uk/).

**Control Variables**

To control for other potential influences on the gender pay gap within housing associations, six additional variables are included in the statistical models. First, organisational size measured as the total number of employees (FTE) employed by each housing association. Bigger organisations may have more capacity to be proactive about workplace inequality (Walsh 2007), but find it harder to address issues of gender equality due to the sheer number of individuals who potentially require redress. Put simply, efforts to overturn pay inequality in larger organisations make less of an impact than in smaller ones. Next, organisational age is measured as the number of years since the year in which the association was established, as per prior empirical studies (Johansen and LeRoux, 2013). Older organisations are assumed to be more resistant to change (Le Mens, Hannan and Pólos, 2015), and to, therefore, have a wider gender pay gap.
Third, *subsidiaries* is measured as the number of subsidiary companies controlled by each housing association. Women leaders may find it more difficult to influence the HR practices within subsidiaries due to the presence of values and logics that potentially conflict with those of the parent organisation (Smith, 2010). Fourth, *registered care provider* is captured by creating a dichotomous variable coding housing associations that are also registered providers of social care 1 and 0 for all other associations. This measure controls for the likelihood that associations providing social care services have a higher proportion of low-paid female employees. Fifth, *median pay* is included in the models to control for the possibility that higher-paying organisations have greater difficulty addressing pay gaps (Ahamed, Wen and Gupta, 2019; Rabovsky and Lee, 2017).

Finally, the *profitability* of each housing association was calculated as the return on capital employed, which refers to an organisation’s earnings before interest and taxes, divided by its assets minus its current liabilities (Vernimmen et al, 2017). This measure is used by the UK government to evaluate the value for money performance of social housing providers (Regulator of Social Housing, 2022). It is anticipated that more profitable associations are able to invest more financial resources in initiatives to reverse pay inequality (Meng, 2004), especially as they are subject to the non-distribution constraint preventing the issue of dividends to managers and owners. The descriptive statistics and data sources for the dependent and independent variables are shown in Table 1.

[Position of TABLE 1]
The table highlights that during the study period the mean pay gap in Welsh housing associations was 7.73% and the median pay gap was 6.97%, indicating that, on average, men were paid around 7-8% more per hour than women. Almost sixty per cent of associations were led by a female CEO, with just over 50% of the employees in the upper salary quartile being women, highlighting that gender representation appears to be high in the social housing sector in Wales. However, female representation among housing association chairpersons is less than 30%, something that remains a concern for the Welsh Government (2020). Housing associations in Wales are comparatively small organisations employing, on average, 365 people, though the size of the associations included in this analysis does vary considerably, with the smallest employing only 37 people and the largest having nearly 2,000 employees. On average, housing associations are about twenty-eight years old, with most pre-dating the large-scale housing transfers that took place in the 2000s, do not operate any subsidiaries, and paid employees, on average, around £25,000 during the study period. Six of these associations were also registered providers of social care. In terms of profitability, the mean ROCE is 0.49, but the standard deviation is quite large, suggesting that the profitability of associations varies considerably.

**Statistical results**

In Table 2, the results of two Ordinary Least Squares (OLS) regressions are presented in the following sequence: the second column shows the results when regressing the independent and control variables on to the mean gender pay gap in Welsh housing associations; and the third column shows the results when regressing the same variables on to the median gender pay gap. OLS is one of the most
common techniques of statistical analysis employed by representative bureaucracy researchers (see Bishu and Kennedy, 2020), and can also potentially facilitate the inclusion of the results in meta-analysis research at a later point (see Ding and Ricucci, forthcoming). The average Variance Inflation Factor (VIF) score for the independent variables is about 1.5, so multicollinearity is unlikely to be a problem (Bowerman and O’Connell, 1990). Dummy variables for three years of the analysis control for the possible effects of idiosyncratic events within individual years, such as new housebuilding programmes or board turnover. The organisational size variable is logged prior to inclusion in the OLS models to normalise its distribution.

The results shown in Table 2 provide qualified support for the arguments about the role of female leaders in actively representing women within the organisations that they manage. Firstly, Welsh housing associations with a female CEO have a lower mean and median pay gap than those with a male CEO – the coefficient for female CEO is positive and statistically significant in both regression models. Substantive interpretation of the coefficient suggests that the presence of a women CEO in a Welsh housing association is associated, on average, with between a 5.7-7.3% decrease in the gender pay gap during the study period. Inclusion of a variable multiplying the female CEO and their salary made no difference to the explanatory power of the regression models (available on request), suggesting that the negative female CEO-pay gap relationship is not a product of the higher salary paid to women CEOs.
Secondly, the female chairperson coefficient is negative in both models, but is statistically significant only for the mean pay gap model, which implies that board representation may matter less once more extreme gaps in the pay of women within an association are smoothed out. Nevertheless, substantive interpretation of the coefficient for the mean gender pay gap model implies that female chairs are associated with, on average, a 4.2% decrease in the pay gap for the study period.

Thirdly, and contrary to expectations, the coefficient for the proportion of women in the upper salary quartile is positive in both models, but is not statistically significant, indicating that it is not possible to state whether the representation of women in the upper echelons of housing associations improves or worsens the gender pay gap in those organisations.

Turning to the findings for the control variables, it seems that large housing associations are more likely to have a wider gender pay gap, as the organisational size coefficient is positive and statistically significant in the mean pay gap model. This points towards the challenges of addressing gender pay inequality in organisations with more employees. Older housing associations also appear likely to have a wider mean gender pay gap, which implies that the culture change needed to achieve successful gender equality policy implementation (Engeli and Mazur, 2022) could be a challenge for long-established organisations. The mean pay gap is also wider for housing associations which provide social care services as well as housing, underlining the pervasive problems with gender equality in that sector (World Health Organization, 2019).

Contradicting the existing pay gap literature, housing associations with a higher median pay level have a narrower rather than a wider median gender pay gap, suggesting that better paying associations may be more equitable employers.
Importantly, there has been an upward trajectory in median salaries in Welsh housing associations during recent years, indicating that it is unlikely that male salaries have decreased, but have instead not increased as fast as female salaries. Likewise, associations that are more profitable have a narrower median gender pay gap, indicating that surplus income in the Welsh social housing sector may be getting reinvested in efforts to address gender inequality within service providers.

Conclusion

Policy-makers increasingly emphasise the importance of gender pay equality and gender pay reporting, especially within public organisations. At the same time, researchers are drawing ever greater attention to the role of critical policy actors in the implementation of gender equality policy, along with the promise of better gender equality outcomes in public service organisations (Mazur, 2017; Rubery and Grimshaw, 2015). Within this context, there has been little analysis of the gender pay gap in the nonprofit organisations that are increasingly responsible for providing social services, or the role that women leaders might play in reducing that pay gap. Drawing on ideas from the representative bureaucracy literature, this study finds that nonprofit public service organisations led by women may be more likely to have a lower gender pay gap, confirming arguments about the importance of the discretion to actively represent female interests. In addition, it seems that, representation in the upper echelons in general, is not likely to influence gender pay equality, which raises questions about whether a glass ceiling may be present within the housing associations analysed in this study, as has been observed in state-led public service provision (Jones and Kaya, 2019). These findings have important theoretical and practical implications.
The study contributes to the representative bureaucracy literature by focusing on women leaders and the gender pay gap in nonprofit providers of social housing services, paying especial attention to the potential significance of the discretion available to those leaders. Importantly, the analysis goes beyond prior pay gap research in the public sector to focus on a specific set of nonprofit service providing organisations, and the impact of key leadership roles within those organisations. In doing so, the analysis affirms insights from the gender equality policy implementation literature regarding the role of critical actors, suggesting that women chief executive officers and female board chairpersons may be able to help improve gender pay equality.

The results of the study therefore suggest that efforts to enable women to gain access to leadership roles in public service providers, and to then support them to actively represent other women when they are in post, can potentially generate desirable outcomes within the organisations that they lead.

Lessons from the experience of Welsh housing associations and other nonprofit organisations with female leaders could potentially be shared with providers operating in other service areas, such as social care, leisure or culture. In the UK, such lesson-drawing could be promoted through professional networks, including through those bodies that support gender mainstreaming in the local public sector, such as CIPFA, the Local Government Association, and the Government Equalities Office. Given the importance of genuine norm change for the achievement of gender equality (Engeli and Mazur, 2022), initiatives to cultivate and support ‘male allies’ within the senior management teams and boardrooms of public service organisations subject to the PSED could be valuable. ‘Gender-sensitive’ training and
management education (European Institute for Gender Equality 2016; Thompson, 1995), may play a useful role here, as would wider recognition of the need to draw upon ‘gender expertise’ when implementing gender equality policies (Hoard, 2015). At the same time, it is possible that stronger regulatory measures relating to female representation in leadership roles, including Temporary Special Measures, such as gender quotas, corporate governance codes and “comply or explain” provisions could help to enhance the impact of women leaders on pay equality within public service organisations (Dahlerup, 2021). Indeed, a policy implementation approach that blended legislative measures with sector-wide collective action may offer the best prospect of long-term success (Deakin, Butlin, McLaughlin and Polanksa, 2015).

The exploratory analysis presented here furnishes important insights into the potential relationship between female leadership and the gender pay gap in nonprofit service providers. Nevertheless, there are many important questions requiring further exploration, which can form the basis for a multi-method research agenda that systematically evaluates the active representation of women’s interests by female leaders of public service organisations.

First, we need to know more about the specific actions and language that women leaders employ to address the gender pay gap within the organisations that they lead. Does their leadership inspire other women seek promotions, pay rises and improved working conditions? Are women leaders mentoring other women within the organisation in ways that are conducive to better career outcomes? Do they feel compelled to actively intervene in pay settlement and appointments processes to advance women’s interests? Does their presence have a positive impact on the reputation of the organisation, enabling it to attract better qualified and
more talented female employees? (Kurtulus and Tomaskovic-Devey, 2012). Quantitative and qualitative studies investigating the human resource practices of female leaders within nonprofit public service organisations would cast much needed light on all of these key issues. In particular, given the increasing quantification of much pay bargaining (Pochic and Chappe, 2019), research exploring the discursive practices women leaders use when seeking to achieve gender equality goals, including the PSED, would be especially illuminating (Ciccia and Lombardo, 2019; Krizsan and Lombardo, 2013).

Second, to what extent are the findings from a single type of nonprofit public service organisation, Welsh housing associations, likely to be generalisable to nonprofit service providers in different settings in the UK and elsewhere? Comparative analysis of the female leader-gender pay gap relationship in social housing providers across several countries with varying gender equality policies would provide further valuable knowledge about gender equality within the management of social services. Likewise, it would be useful to examine the relationship across the different types of nonprofit and private providers of public services that now populate the public management landscape in many countries. Better understanding of the organisational influences on the gender pay gap across different types of service, different organisational forms and ownership structures could help policy-makers to tailor their gender equality support and regulations more effectively. For example, in the European Union, there is on-going debate about the need to stipulate gender representation expectations for the boards of arms-length organisations providing local public services (Papenfuß et al, 2018).

Third, while the average pay of female CEOs of Welsh housing associations during the period studied was slightly higher than that of male CEOs, due to the
focus on a single set of organisations it was not possible to model the determinants of that pay gap on this occasion. There is a small, but growing literature dealing with this issue in the US, which suggests that organisational factors play a part in determining gender pay inequality among nonprofit executives (e.g. Finley, Hall and Marino, 2022; Lee, 2019; Lee and Lee, 2021). However, almost no consideration has been given to the gender pay gap in the upper echelons of nonprofit organisations in any other country. Given that there are now several years of gender pay reporting data publicly available in the UK, systematic analysis of the gender pay gap amongst CEOs in large nonprofit organisations within the country could reveal how generalisable findings from the US might be to other contexts in which the nonprofit sector plays an important role in providing public services.

Finally, any further research agenda focused on the implementation of gender pay equality measures will need to consider issues of intersectionality and compound discrimination. In particular, white, middle-class women can sometimes be regarded as the ‘policy owners’ of gender equality, and thereby ‘accumulate advantages over less-established groups advocating, for example, for women migrants or women from minority groups’ (Engeli and Mazur, 2018: 118). Given the challenges inherent in capturing the sheer diversity of identities and preferences among feminist, intersectional and LGBTQ+ groups using administrative data (Meier, 2019), mixed methods studies are needed to understand the varieties of pay gaps within organisations and the ways in which these are impacted by women leaders. Research addressing all of these issues in the context of renewed public sector austerity (Briskin, 2014; Durbin, Page and Walby, 2017; Rubery, 2015) could reveal more about the ways in which women leaders ‘work the spaces of power’ (Newman, 2012) to contribute to the goal of gender transformation.
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Table 1  Descriptive statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
<th>St. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean pay gap</td>
<td>7.73</td>
<td>-10.97</td>
<td>30.40</td>
<td>10.07</td>
</tr>
<tr>
<td>Median pay gap</td>
<td>6.97</td>
<td>-16.44</td>
<td>39.26</td>
<td>9.84</td>
</tr>
<tr>
<td>Female CEO</td>
<td>.58</td>
<td>0</td>
<td>1</td>
<td>.50</td>
</tr>
<tr>
<td>Female Chairperson</td>
<td>.28</td>
<td>0</td>
<td>1</td>
<td>.45</td>
</tr>
<tr>
<td>% Women in upper salary quartile</td>
<td>50.15</td>
<td>1.00</td>
<td>91.10</td>
<td>15.74</td>
</tr>
<tr>
<td>Employees</td>
<td>365.43</td>
<td>37</td>
<td>1992</td>
<td>385.68</td>
</tr>
<tr>
<td>Organisation age</td>
<td>28.47</td>
<td>8</td>
<td>53</td>
<td>15.94</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>1.35</td>
<td>0</td>
<td>12</td>
<td>2.22</td>
</tr>
<tr>
<td>Registered care provider</td>
<td>.24</td>
<td>0</td>
<td>1</td>
<td>.43</td>
</tr>
<tr>
<td>Median pay</td>
<td>25077.77</td>
<td>12696</td>
<td>31841</td>
<td>4115.33</td>
</tr>
<tr>
<td>Profitability</td>
<td>.49</td>
<td>-10.81</td>
<td>6.80</td>
<td>2.90</td>
</tr>
</tbody>
</table>

Notes: number of observations: 95. Sources: Community Housing Cymru Pay Transparency Reports (2018; 2019; 2020; 2021); Housing Association Annual Reports, Mutuals Public Register; Care Inspectorate Wales – Register of Service Providers.
Table 2  Women leaders and the gender pay gap

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean pay gap</th>
<th>Median pay gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female CEO</td>
<td>-7.29**</td>
<td>-5.66**</td>
</tr>
<tr>
<td></td>
<td>(1.66)</td>
<td>(1.69)</td>
</tr>
<tr>
<td>Female Chairperson</td>
<td>-4.21*</td>
<td>-2.37</td>
</tr>
<tr>
<td></td>
<td>(1.86)</td>
<td>(1.95)</td>
</tr>
<tr>
<td>% Women in upper salary quartile</td>
<td>.10</td>
<td>.11</td>
</tr>
<tr>
<td></td>
<td>(.07)</td>
<td>(.08)</td>
</tr>
<tr>
<td>Organisation size (log)</td>
<td>2.76+</td>
<td>1.92</td>
</tr>
<tr>
<td></td>
<td>(1.47)</td>
<td>(1.74)</td>
</tr>
<tr>
<td>Organisation age</td>
<td>.21**</td>
<td>.007</td>
</tr>
<tr>
<td></td>
<td>(.06)</td>
<td>(.08)</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>.40</td>
<td>.46</td>
</tr>
<tr>
<td></td>
<td>(.36)</td>
<td>(.31)</td>
</tr>
<tr>
<td>Registered care provider</td>
<td>6.82+</td>
<td>1.75</td>
</tr>
<tr>
<td></td>
<td>(3.77)</td>
<td>(4.42)</td>
</tr>
<tr>
<td>Median pay</td>
<td>.0001</td>
<td>-.001+</td>
</tr>
<tr>
<td></td>
<td>(.0003)</td>
<td>(.0003)</td>
</tr>
<tr>
<td>Profitability</td>
<td>-.22</td>
<td>-.62*</td>
</tr>
<tr>
<td></td>
<td>(.23)</td>
<td>(.27)</td>
</tr>
<tr>
<td>R-squared</td>
<td>.54</td>
<td>.41</td>
</tr>
</tbody>
</table>

Notes: number of observations = 95. + p ≤ 0.10; * p ≤ 0.05; ** p ≤ 0.01. Robust standard errors in parentheses Year effects not reported.
Figure 1  Mean and median gender pay gap in Welsh housing associations (2017-20)