

The WAVE Employer Case Studies: From Evidence to Action on Gender Pay Gaps

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This report summarises Cardiff University's activities. In particular, it reflects upon the findings from our workforce and pay analysis research with collaborating employers, and the subsequent change management support, which assisted them to take action on gender employment and pay disparities.

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Introduction

The aim of the WAVE programme was to understand and ‘interrupt’ the ways in which gender pay inequalities are consistently reproduced through occupational segregation in employment and self employment, through the ways in which ‘women’s work’ is contracted and under valued, and through the operation of pay systems.

This summary report describes the work of the Cardiff University WAVE research team, providing an overview of findings from collaborative employer case studies, and the actions these employers are undertaking to tackle gender pay gaps.

Subsequent academic papers will provide an in-depth review of the causes of gender pay disparities, the methodological approach, data and analysis from the case studies, and policy implications.

Policy Background

Gender pay inequalities arise from complex causes but occupational segregation is a significant contributor (Parken, Rees and Baumgardt, 2009)¹. The uneven distribution of men and women between sectors, occupations, grades, contract types (permanent/temporary, fixed term/casual), and by full or part time working patterns, combines to create gender pay disparities.

Anti-discrimination policies, gender pay audits and job evaluation systems are the bedrock of good equal pay practice. However, this approach relies on comparing men and women in the same jobs and grades, but research shows that the demarcation between the jobs that men and women do is such, that they are rarely comparable.

Three quarters of workers in Wales are employed in gender-segregated work, making direct comparison or equal value assessments unlikely in practice (Parken, Pocher and Davies, 2014)². It is acknowledged that

¹ Parken, A., Rees, T., and Baumgardt, A, (2009) *Options for an Equal Pay Duty in Wales, Research Report for the Welsh Assembly Government*, Cardiff: Welsh Assembly Government

² Parken, A., Pocher, E., and Davies, R. (2014) *Working Patterns in Wales: Gender, Occupations and Pay*, Cardiff: WAVE (ESF).

Wales has a more prevalent and persistent problem with occupational segregation than other parts of the UK (Felstead *et.al.* 2013)³.

Across the occupational mix, men hold almost two thirds of all the available full time work in Wales while women hold four fifths of all part time work (Parken *et.al.* 2014). Forty three per cent of women work on a part-time basis, a proportion little changed since the 1970s (Manning 2010, Parken, 2016, forthcoming)⁴. Three quarters of all part time work is in low, and low-middle skilled jobs such as sales, administration, personal services and elementary jobs (Parken *et.al.* 2014).

UK data shows that 46 per cent of women are employed in low and low-middle skilled jobs compared to 24 per cent of men (ONS 2013, p. 10)⁵. Men are more likely to be employed in middle-high skilled jobs, such as associate professional and technical and skilled trades, which are associated with higher pay (ONS 2013, p. 10). Because part time work is concentrated in low graded and low paid jobs, it can be a struggle to 'make work pay'. At the other end of the labour market, women graduates are more likely than men graduates to work in jobs below their qualifications level (ONS 2013a, p.24)⁶.

These are some of the reasons that gender pay gaps persist and why the Welsh Government decided to introduce a specific equality duty, within the scope of the *Equality Act* 2010, to address gender pay disparities⁷. Known as the 'equal pay duty', its purpose is to go beyond gender pay audit approaches in order to tackle systemic inequalities, such as occupational segregation (Parken, Rees and Baumgardt, 2009)⁸.

³ Felstead, A., Davies, R., and Jones, S. (2013) *Skills and the quality of work in Wales 2006-2012, Main Report, report for the UK Employment and Skills Council*, Cardiff: WISERD

⁴ Manning, A. (2010) 'Forty Years After the Equal Pay Act, What Prospects for Gender Equality?' Presentation to conference, Royal Statistical Society, London, 16th November 2010, Parken, A. (forthcoming, 2016) 'Changes and Continuities: Women in paid work in Wales 1994-2014', in Mannay.D. (ed) *Our Changing Land*, Cardiff: University of Wales Press

⁵ Office for National Statistics (2013) *Full Report - Women in the Labour Market*, Newport: Office for National Statistics

⁶ Office for National Statistics (2013a) *Full Report – Graduates in the UK Labour Market*, Newport: Office for National Statistics

⁷ Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

⁸ Parken, A., Rees, T., and Baumgardt, A, (2009) *Options for an Equal Pay Duty in Wales, Research Report for the Welsh Assembly Government*, Cardiff: Welsh Assembly Government

The Welsh Specific 'equal pay duty' calls upon public sector organisations in Wales with over 150 employees, to use the levers for change at their disposal, to attempt to 'disrupt' the reproduction of gender pay gaps in successive generations.

The duty requires them to report gender employment patterns and pay annually, by considering the intersection of jobs, grades, contract types and working patterns, and to take action to address gender pay gaps.

Such data analysis can be complex, and knowledge about how gender influences the organisation of employment is needed to interpret, and act on the findings.

The CU WAVE team, set out to assist employers with this analysis, and in so doing, bring the 'equal pay duty' to life, so that the spirit of the duty would be translated into action, for the benefit of women in paid work in Wales.

CU WAVE Research and Action Plan

Firstly, we 'mapped' occupational segregation in Wales through a detailed analysis of Annual Population Survey data. Our findings are available in the *Working Patterns in Wales: Gender, Occupations and Pay* report (Parken *et.al.* 2014). This research report set the context and baseline research for activities across the WAVE partnership in employment (CU), self-employment (USW) and training (TWW).

We used this data as the basis for our innovative Equal Pay Barometer. This online searchable tool shows average pay for a range of occupations in Wales, how many men and women work in each occupation, their working pattern (full or part time hours) and any gender pay gaps. The Equal Pay Barometer can be found at: <http://www.wavewales.co.uk/equal-pay-barometer/>

We then undertook workforce and pay analysis with collaborating case study employers, in order to understand how the uneven distribution of men and women in employment between jobs, grades, and working patterns, creates and sustains gender pay gaps.

We shared findings from these case studies with policy makers, the media and with our Gender Employment and Pay Network (GEPN).

GEPN consists of HR, equality and workforce planning professionals from over 20 public sector organisations.

On the basis of our learning from the case studies, we created a method to be used by employers to replicate our workforce and pay analysis for their own organisations. The *Gender Employment and Pay Analysis Method* (GEPA) template and guidance documents will assist employers to report against the 'equal pay duty', and to act to 'disrupt' gendered patterns of employment from reproducing gender pay gaps.

GEPN members will test and adapt GEPA to their own organisational contexts, helping us to improve the method for the next stage of WAVE at Cardiff University. We intend to bid for further ESF funds, to support more employers to use GEPA to carry out their workforce and pay analysis, and to act on the evidence provided.

The following research review describes the main findings from the employment and pay research with the first three case studies. It also describes the significant change management actions that these employers have begun to embed in workforce planning and development.

Further detail on the actions can be found in separate reports for each case study on the CU WAVE website:

<http://www.cardiff.ac.uk/research/explore/research-units/women-adding-value-to-the-economy-wave>

The case study research with collaborating employers has demonstrated that employers should not fear having a better understanding of the gendered patterns of employment and pay in their organisations. Rather, this valuable information can underpin action on gender employment and pay disparities through workforce planning and development.

Employment and Pay Disparities: Evidence and Action.

Setting up the studies

Our collaborating employers volunteered or were recruited to help us undertake workforce and pay analysis. They entered into collaboration agreements with us, undertaking to provide workforce and pay data, commit to senior management and trades unions engaging with our findings, and if appropriate, be supported by WAVE to enter a change management phase, based on the research evidence provided. We undertook to keep their identities anonymous, unless or until they wished to be known, and to keep their workforce and pay data secure and confidential.

The three case studies reported in this summary are in the local government, health, and higher education parts of the public sector. Between them, they have 24,000 employees, the majority of whom are women. This demonstrates the potential scale of improvements that could be made to the Welsh economy under the 'equal pay duty', if all public sector employers were to act on workforce and pay inequalities.

Each employer organised their workforce, and therefore their workforce and pay information, differently. This complicates attempts to collate results across all three case studies. In addition, workforce information and pay datasets may not be routinely combined. Indeed, often they can be held in separate departments of the organisation. Therefore some cleaning and collation of the data was needed. For example, in organisations with over 1000 job titles, job-families were created.

Each employer received a comprehensive results and analysis research report with recommendations⁹. We provided the employers with presentations of their data and engaged in detailed discussions with them to interpret the findings. Their contextual knowledge of the

⁹ Parken, A., and Pocher, E., Sloan, L. (2013) *Employer Case Studies, Case Study A: Phase 1 Results*, Research Report for the Women Adding Value to the Economy (WAVE) programme, ESF funded through the Welsh Government, Cardiff: Cardiff University

Parken, A., and Sloan, L. (2014) *Employer Case Studies, Case Study B: Phase 1 Results*, Research Report for the Women Adding Value to the Economy (WAVE) programme, ESF funded through the Welsh Government, Cardiff: Cardiff University

Parken, A., and Davies, R. (2014) *Employer Case Studies, Case Study C: Phase 1 Results*, Research Report for the Women Adding Value to the Economy (WAVE) programme, ESF funded through the Welsh Government, Cardiff: Cardiff University

organisation was invaluable in understanding the results, and thinking about how ways and patterns of working that had grown up over time, may no longer be suitable for either employers, or employees.

Key Research Findings

More women are employed in total in the private sector than in the public sector, but women account for almost two thirds of all workers *within* the public sector in Wales (Annual Population Survey (APS), 2014)¹⁰. Work in the public services accounts for 39% of all women's employment and 19% of men's. Men are 60% of all private sector workers, and this accounts for 81% of men's employment type (APS, 2014).

This gendered pattern of employment was reflected in the case studies. Women were three quarters and four fifths of the local government and health workforces respectively, whereas there was gender balance in the higher education workforce (the convention for gender balance is a 60/40 ratio of either gender).

The three employers had all completed gender pay audits prior to working with us and had good on-going job evaluation schemes. As a result, there were no, or low pay gaps between employees in the same jobs and grade/scale.

However, all three organisations had gender pay gaps overall, reflecting the pattern in the labour market as a whole. Pay gaps existed because men and women tended to work in different jobs associated with different grades, contract types and working patterns, and men dominated the most senior positions in all the organisations.

This finding is significant. Even where employers have best practice in relation to pay systems and job evaluation, gender segregation in society and the economy can be pulled into, and reproduced within, employment structures within organisations.

A second key finding was the deleterious impact on women's pay of working in part time jobs at the bottom end of employment structures.

¹⁰ *Employment in the public and private sectors by Welsh local authority and status, for the year ending December 2014*. Source: Annual Population Survey, ONS, downloaded 30th May 2014, from the Statistics Wales website

Thirdly, although the effect of working on a part time basis differs between women, it is similar in one important respect: its association with lack of progression for women in the lower, middle and higher sections of employment structures.

Contract types and working hours: low grade jobs

It was evident that women's overall numerical dominance of the workforces was as a result of their disproportionate presence in part time jobs at the lower end of the employment structure. The majority of jobs in the bottom three grades were offered on a part time basis. Women were also much more likely than men to be in insecure contract types (temporary, fixed term, casual).

The jobs that women did in the lowest three grades - cleaning, catering, clerical, customer service and caring, were rarely available on a full time basis.

This raises questions of choice. Do women who actively choose to work on a part time basis, choose *these* jobs because they are available on a part time basis? Would they choose different or higher graded jobs if they were more often available on a part time basis?

For women who do not wish to work part time, is their choice to work more hours constrained because these jobs are generally only available on a part time basis? This would seem to be the case for those women who had 2 or more part time, or part time and casual jobs, with the same employer. The case study employers are now actively asking these questions of women working in low-grade part time jobs in their organisations.

What we do know is that part time work is over associated with low pay in low skilled work, that once women enter these jobs there is little training or opportunity to progress, and that Wales has a disproportionately high number of such jobs which has a negative impact on the Welsh economy (Felstead *et.al.* 2013). The skill content of part time jobs can be undervalued precisely because these jobs are rarely offered on a full time basis (Beechey and Perkins 1987)¹¹.

¹¹ Beechey, V. and Perkins, T (1997) *A matter of hours, Part-time work and the Labour Market*, Cambridge: Polity Press

It has been said that working in the public sector has a 'protective effect' for women, as they are less likely to be in direct competition for jobs with men than they are in the private sector (Jarman *et.al.* 2012)¹². However, men are not competing with women for part time jobs in the public sector but are succeeding in the competition for full time work.

Part time work for men was less than 10% of their working pattern in two of the case studies, and less than 20% in the third. Men were most likely to work on a full time basis throughout the grading structures, and were more likely to work on a casual basis than part time.

Men working in low graded jobs were undertaking maintenance, landscaping, portering, security, caretaking and waste disposal type roles, and were overwhelmingly contracted to do so on a full time basis. An association between the gender of the traditional job incumbent, and the organisation of working hours, is clear.

This raises a question about how the gender stereotyping of jobs can inform the working pattern of low graded work. Is the 'breadwinner ideal' still in play when working hours are decided?

As a result of the findings of this research, the question of how the association between gender and jobs can unconsciously influence the perceived value of skills and the prescribed working hours, is now being considered through the NHS Wales job evaluation scheme, Agenda for Change.

High graded part time work

A full time working pattern with a permanent contract, was the norm for higher graded positions in all the case study organisations, as it is across the labour market. However, it was positive to see that some high graded part time work was available in professional roles in health, social care, environmental protection, research and lecturing. It was mainly women working in this pattern, but there were also some senior men in management and the professions, working on a part time basis, usually towards the end of their careers. Here, the employers are using part time hours to demonstrate their commitment to retaining the

¹² Jarman, J., Blackburn, R.M., Racko, G. (2012) 'The dimensions of occupational segregation in industrial countries', *Sociology*, Vol. 46, No.6, pp.1003-1019

knowledge and skills of well-qualified women and men in the organisation.

However, grade gaps were clear between men and women in the higher echelons of each organisation. Each employer is now considering their longitudinal employment data to assess whether women returning from maternity leave and/or providing childcare or eldercare, and who wish to work on a part time basis, can subsequently progress in their careers.

Additionally, they will assess whether women in middle-higher grade work who deviate from a full time continuous working pattern, experience career impacts from which they cannot recover, and so cannot reach the highest graded posts. Employers are mindful of the loss of valuable skills and knowledge to the organisation.

Vertical Segregation

The stock of jobs offered on a full time basis varied considerably between employers. In the local government case study just a quarter of all jobs were offered on a full time basis. In health, 60%, and in higher education 70%, of all jobs were offered on a full time basis.

In each case study organisation, men, who were the minority of employees, held a disproportionately high share of all the available full time work. In two of the three organisations, men held more of the available full time posts permanent posts than women.

Full time work was clearly associated with higher grades and career progression. In all cases, men were over-represented in middle-higher grades, and dominated absolutely the most senior positions within the professional elites and management groups.

Gender Pay Gaps

As discussed, because these employers undertook in-grade gender pay audits and had job evaluation systems in place, there were no, or low, hourly pay gaps between men and women in the same jobs and grades.

In two instances, when only full time median hourly earnings were compared, women earned more than men. This is mainly because women were concentrated in the middle of the health, social care and

education occupational structures. This is premium work for well-qualified women in Wales: fully three quarters of all women's employment in the professions in Wales is in health and education (Parken *et.al.* 2014). However, there were some mean full time hourly pay gaps due mainly to vertical segregation, as discussed above.

Overall organisational gender pay gaps (covering all employees in all jobs, contract types, working patterns and grades), existed mainly because of the combined effect of women holding the majority of low graded posts, overwhelmingly on a part time basis, and men holding the majority of full time permanent posts, and being over-represented in the most senior jobs and grades.

In summary, the findings show that the gendering of occupations and employment structures contributes to creating and sustaining gender pay gaps. This will continue until there is better valuing of so called 'women's work', and better opportunities to gain skills, training and transit out of part time jobs and hours over the working life time. Career ladders must find ways of recognizing and rewarding excellent performance, knowledge and skills in patterns other than full time continuous working.

From Evidence to Action: Making Change

Each of the case study employers demonstrated their willingness to tackle gender pay gaps by creating WAVE management groups, with action-owners from across the organisation. They were supported by WAVE's gender pay analyst and change management consultant to consultant with staff where this was indicated by the research findings, and to create, and embed policy and practice changes.

The following overview summarises actions that the employers have already begun to embed in their equality and workforce development plans.

Detailed reports by sector are available on the CU WAVE website: <http://www.cardiff.ac.uk/research/explore/research-units/women-adding-value-to-the-economy-wave>

Vertical Segregation

- Creating an internal careers advisory service.
- Creating clear career pathways so that there is transparency about what each employee needs to do to be eligible for promotion.
- Individual Line Managers (LMs) can often have a crucial role in promotions. Survey work is underway to discover how important the endorsement of LMs is in promotion decisions. Since men dominated the leadership positions in all the case studies, research is underway to assess whether such endorsement happens more organically between them and may be less accessible for women in the lower levels of management or professional career ladders.
- Creating Leadership Model training for LMs, to build recognition of their valuable role in encouraging career progression. This recognition will be incorporated within appraisals for LMs, to benefit their own development and progression.
- Creating 'ready for promotion' schemes, so that employees and LMs recognise when promotion criteria have been met. This should trigger a Promotions Board with access to coaching and mentoring.
- Undertaking internal consultations to better understand the role that formal and informal networking can have on progression.
- Increasing the awareness amongst all employees of staff that work flexibly in high graded roles, to help normalise this working pattern and disassociate it from lack of progression.
- Introducing Returner Schemes – so that returners from career breaks or maternity leave do actually return, are retained, and do not experience deleterious effects throughout the rest of their careers. Introducing skills and knowledge updating, or a period of study leave or Continuous Professional Development (CPD), for returners.
- Creating job-shadowing schemes throughout the organisation and throughout tenure, not just at entry points.
- Recognising that working part time is not necessarily flexible working (it can mean rigid working hours), alongside a review of flexible working policies and how effective they are throughout the organisation.
- Creating 'agile' working patterns, which can include remote working, and provide more autonomy throughout grade scales.

Working patterns and contract segregation

- Removing the full time/part time labels from contract descriptions, so that over time, the demeaning label 'part timer' might lose its currency. Contracts will list job title and working hours, employees will be known for what they do, not their working pattern.
- Cascading Unconscious Bias training throughout the organisation so that LMs, recruiters and job evaluation panels increase their awareness of gender stereotyping in the writing of jobs descriptions, staff recruitment and promotion. By doing so they may question the association of jobs, grade and working hours with the 'usual' job incumbents.
- Low earning work can be viewed as 'women's work' and offered on a part time basis by default. To address this employers are undertaking staff surveys to understand where an active choice to work part time is present, and where having only part time work on offer constrains choice.
- Holding individual conversations with casual, bank and agency staff, who may also have multiple jobs, regarding their desire for more permanent work.
- Training for LMs to enable them to discuss any anxieties that their low paid staff may have that working some additional hours or gaining a promotion, may not compensate for any associated loss of household welfare transfers through Working Tax Credits or Universal Credit.
- Providing early notice to temporary, fixed term and casual staff of permanent vacancies that will arise in the near future.

Horizontal and job segregation.

- Job swapping – consider skills and competencies in closely associated jobs that are currently gender segregated – what additional training may enable a move to jobs otherwise dominated by one gender?
- Training for line managers to consult with low-banded staff regarding their aspirations for more hours and/or training for job-swapping. The training will include developing LMs understanding of job tracks, career pathways, transferable skills and competencies.
- Creating more generic jobs roles, encompassing many of the skills and competencies that men and women currently demonstrate in otherwise gender stereotyped jobs. Changing job titles accordingly.
- Reviewing job descriptions for strongly gender segregated Science, Technical, Engineering, Mathematics and Medicine (STEMM) careers,

and skilled technical roles. Adding gender atypical images and wording in advertisements to change the 'look and feel' of these internal and external communications.

Conclusion

The WAVE programme of activities at Cardiff University set out to work with employers to make the best use of the Welsh Government's statutory 'equal pay duty' to tackle systemic gender employment and pay disparities, and to share our learning widely.

The Welsh Government Ministers Report on Equality (p42/43, 2014) supports the use of our resulting *Gender Employment and Pay Analysis (GEPA)* Method for reporting against the 'equal pay duty'.

The case study employers have responded to the research findings not only because they are committed to addressing inequalities, but because the analysis has given them a greater understanding of how the gendering of jobs, working patterns, contract types, and progression routes, influences staffing in their organisations.

They know that 'disrupting' gender inequalities, which are drawn into and can be unconsciously replicated within employments in each successive generation, is not just right and fair, but sensible organisational planning and practice.

We will take this learning into the next phase of WAVE at Cardiff University, in which we intend to assess the impact of the change management underway in the existing case study organisations.

We also intend to work with more employers, in all sectors, assisting them to undertake their workforce and pay analysis using the approach we have developed, and the GEPA tools, and to support them to act on evidence to tackle gender employment and pay disparities.

This would have the potential to make a significant impact on gender pay gaps in the Welsh economy.