

The gender pay gaps



The U. K gender pay gap is nowadays one of the highest of Europe. Men earn 21, 1% more than woman, based on the average difference between gross hourly earnings (figure 1, statistics. gov. uk, 2009). Even if the pay gap between men and women has fallen quite dramatically over the past 30 years, the headline masks some less positive developments in recent years. UK is used to each generation of women making progress relative to the one before. But this process has slowed with the current generation doing only slightly better than the previous one. After several researches, the complexity of the topic arises; many factors and proofs demonstrate this inequality, thus leading to a high diversity of opinions.

This gap varies according to the kind of work; in April 2009 hourly rates for men were £12. 97 for full-timers, £7. 71 for part-timers. For women, hourly rates were £11. 39 for full-timers, £7. 86 for part-timers (R. Barnett, Sky News, 2010).

Between the private sector and the public sector, the gap is considerably changing. In 2008, in the private sector the pay gap was 21. 7 % while in the public sector it was 13. 8 % (The Times, 2008). Paradoxically, as point the Office of National Statistics in 2009, full-times 16-17 years-old females earned 12. 6% more than males, on the other hand, part-times females earned 1. 3% less than males.

Thus, surveys underline real contradictions existing in the English system of payment. The goal of this essay is first to review the possible causes and origins of this inequality by analysing the political and socio-cultural values

of United Kingdom relating the pay gap, and secondly show the measures that should and could be taken to fight it.

The first part treats of the major discrimination facing females, the stereotyping of women's careers, perception of women's work, and how social roots act on today's women life. In the second part we talk first about the precedent government actions, then the actual actions and state of mind of UK, and the European precautions to fight the pay gap.

1- The reasons of this pay gap.

Many causes can explain the pay gap existing in United Kingdom; recent researchers have pursued a number of hypotheses, sometimes exploiting unique features of specific data sets, in attempts to answer this question.

The trade Union Congress (TUC) in its report of 2008 explained the UK actual pay gap in terms of 4 explanations. 36% of the pay gap could be explained by differences in lifetimes working patterns, 18 % is caused by labour market rigidities, 38% is caused by direct discrimination and individuals careers preferences, and 8% is caused by the fact that older women had power educational attainment.

Discrimination is the most current argument used to explain the gender pay gap. Evidences from a range of sources indicate that recruitment and selection processes, and a substantial degree of job stereotyping, perpetuate an industry profile in which the men dominate the high-earning jobs and women the low-earning jobs.

As point the Telegraph magazine the 5 September 2007, the Chartered Management Institute (CMI) published a survey founding that mal managers

<https://assignbuster.com/the-gender-pay-gaps/>

were paid 12.2% more than females in 2007. It shows that with the same job, females are still pay much less than males. Another study published by the UK government called National Equality Panel, states that Women under the age of 44 are better qualified than their male counterparts but receive 21% lower wages.

Another idea largely sustained by the professor J. Shackleton of the University of East London. He argue that the differences came down to individual lifestyle preferences (dailymail. co. uk, 2008) « female graduates tend to choose subjects such as psychology or education, which lead to lower-earning careers, while few opt for maths or engineering, which are more likely to result in lucrative jobs ...» . This idea is supported by a survey of 2007 stating the women's top ten occupations (Table 1)

Table 1:

Women's top ten occupations, second quarter 2007⁴¹

Standard Occupational Classification Total in employment (000s)

- 1 Sales Assistants and Retail Cashiers 1, 094
- 2 Teaching Professionals 873
- 3 Healthcare & Related Personal Services 801
- 4 Secretarial and Related Occupations 793
- 5 Childcare & Related Personal Services 721
- 6 Administrative Occupations: Finance 600

7 Health Associate Professionals 586

8 Elementary Personal Service Occupations 567

9 Administrative Occupations: General 556

10 Elementary Cleaning Occupations 483

Total of these 10 occupations 7, 074

Total women in employment 13, 196

Source: TUC report 2008

The report points the fact that females are more likely to work in service occupations and males to management and skilled trades.

Moreover this job segregation is accentuated by the fact that girls are steel stereotyped into careers they should pursue. The neoclassic way of thinking of the 1960s says that there are women's jobs and man's jobs and promotes the disproportionate success of patriarchy and male dominance. Women are only 22% of computing students and 15% of engineering students, and when it comes to the first employment therefore the choice is different, on the women's top 25 preferring graduate jobs, 12 are in the public and voluntary sectors, and in this case high pay is unusual. Moreover, women look for lower first salary than men expect, less likely to attempt to negotiate over pay, less likely to seek promotion and do not look for other jobs in pursuit of higher pay (The Sunday times, 2008).

In an international comparison this high UK pay gap exists because a lot of women work. For example, Italy has a gender pay gap half the UK's one, but it's overtaxed and overregulated create few opportunities for women to work.

But it's tending to change, as point C. Hakim in her book Work-lifestyle choices in the 21st century: preference theory (2000) " The equal opportunities revolution means that the full range of occupations and activities become accessible to all women ..."

For several reasons, the women's work is under-valued. This undervaluation have two facets: females tend to be paid less than males for the same work, and the jobs that they do tend to attract lower wages then men's jobs. D. Grimshaw and J. Rubery of the Machester Business School have identified " fives Vs" involving to create lower pay.

The “ Visibility”, Large and undifferentiated pay and grading bands do not recognise women’s skills that conceal different skills and experiences.

The “ Valuation”, it means that there is a tradition in the British culture for not giving a high value to women’s skills.

The “ Vocation”, it determines that the skills of women are natural, which accentuate there low valuation.

The “ Value added”, tends to say that jobs of men are more likely to imply a higher value to a process.

The “ Variance”, for both employers and women themselves, part times work is often seen as synonymous with unskilled work

Another cause of this gender pay gap is that it has been seen that women are more likely to work in part-time jobs. This is quite a big problem for women’s pay, as point a survey done by the ONS in 2009, the average hourly wage for a full-time job was £11. 39 and £7. 86 for part-timers.

In addition to a lower wage for the part-timers, women have more interruptions to their careers. A research for the Equalities Review found that three kinds of people have disadvantages in getting jobs, the disable people, Pakistani and Bangladeshi women and mothers (R. Berthoud, M. Blekesaune, 2007). A study of 2007 of seven industrial countries found that there were considerable negative effects on mother’s wages. United Kingdom had the highest penalty, 8% for one child, 24% for two children and 31% for three children.

As point previously, 53. 6% of women worked in the top ten occupations in 2007, moreover the influences of gender-stereotyped early environment limited choices for girls at school.

What's more whatever industry or occupations women work for; men were earning more than women with graduations in the same subject.

Some studies justify this pay gap because of the better productivity of men over women. First women would be more concern with childbearing, second there is the argument that women are less competitive and more-risk averse than men. As a result they select lower-paid occupations. (fazeer. wordpress. com, 2009)

Politically talking, David Laws the Liberal Democrat's families spokesman, said that the TUC reports proved " the damage done by the Britain's society in the 1980s by the Conservative Government"

Finally, gender pay gap is caused by many little factors contributing on their way to this inequality.

While good progress had been made in several areas like childcare and the right to request flexible working, the women and work commission remained " disappointed" in the deficiency of progress. Mentalities are changing but the persistence of a significant gender pay gap (21. 1%) in UK state not only impacts on women's life but also women's continuing experience of discrimination.

To fight this phenomenon, national as international organizations such as the European commission or the Government Equality Office of England, plan to use a series of measures aiming to reduce significantly the pay gap.

2- How to fight the gender pay gap?

Since the equal pay act of 1970 which aim to prohibit in terms of pay and conditions of employment, any less favorable treatment between men and women, criticized as it fails to address the gap between ethnic minorities, a lot of things have changed.

In 1997, the “ Single Status” was intended in order to establish whether jobs were of equal value, and to delete the need for equal pay claims bring in a pay model. Another regulation was bringing to the equal pay amendment in 2003. Nowadays several actions are implemented at the national level as European to deliver real results.

The making up 40 years later is not positive; it lacks a requirement for transparent reporting. Several institutions start making pressure on the English government. The Women and Work Commission accuses the government for not having encouraged girls to choose non-traditional jobs and look for the promotion of qualifies flexible and part-time work. (Dailymail reporter, 2009).

Several progresses have been done on the public sector, in 2007, in the form of the public sector duties, England welcomed a new generation of equality legislation. “ The duty tiled the way for greater transparency across the sector, and moved the onus onto public sector employers to address and identify pay inequalities within its workforce.” (R. Lewis, S. Smee, 2009). In

2008, the public sector had a pay gap of 13.8 %, the private sector 21.7 % (The Times, 2008).

The Equal Opportunities Commission has developed a five step model to be used by company to avoid inequalities. A full pay audits provide a measurement of pay but also they ensure that employer takes action to remove any injustice.

The first step decides the scope of equal pay review and identify data required, the second step identify where males and females do the equal work. The step three to identify any pay gaps consists in collecting pay data. In case of gap found the step four establish the causes of pay gaps. The step five consists in developing an equal action plan, reviews and monitors. Today this action plan is already performed by several employers. (R. | Lewis 2009). The government now have to work with the private sector in particular to develop guidance for managers on how to use flexible working in order to bring benefit to their business and employees.

The UK government now knows the imperative for raised transparency around pay system, the GEO (Government Equalities Office) in its business plan 2009/10 outlines several reforms and objectives promoting transparency and equality. Among those, develop the cooperation with organisms such as the EHRC (European Human Right Commission) and the TUC (Trades Union Congress) is a priority to better palliate to the pay gap problem. Introduce a new power in the Equality bill to request large private sector employers to report on their gender pay gap if there is no progress made on voluntary reporting by 2013.

However, overture within the bill contain a power to require private sector employers with at least 250 employees to report the gender pay gap. That is to say that over 4, 7 millions businesses in UK, approximately 6, 000 organisations have over 250 employees, which is quite unlikely to have a significant impact.

Looking abroad, France and Sweden inspire good pay equity framework. They have adopted in 2001 compulsory pay legislation. Organisations with 50 or more employees are required to negotiate agreement son equality at work and submit an annual report including information on pay range, number of women in highest paid position, and average monthly pay (R. Lewis, S. Smee, 2009).

In order to force European governments to tackle the gender pay gap, the European parliament takes resolutions. In its report of the 10 February 2010, by managing the government's initiative, the social partner initiatives and good practices initiatives, the gender pay gap would progressively disappear.

Thus the European commission will put forward a new EU strategy for gender equality for 2010-2015, augmenting sanctions, furnish pay transparency and regular reporting on the pay gap. The commission will also elevate the awareness among employee and employers, encourage the equality at the workplace with equality label awards and charters. In France, in 2004 the label " égalité professionnel" has been created, thus companies can obtain it if they follow a special procedure. What's more the commission assists the development of tools to help employers understand gender pay gap within

their organisation. Germany developed software calculating the wage gap helping employers become aware of the situation.

The last objective is to improve the supply and quality of the statistics on the pay gap (europa. eu, 2010)

Finally, solutions are multiples to tackle the UK pay gap, organisations and administrations just have to apply the actual and future reforms, the European commission is conducting a study on initiatives, the result will be presented on 5 may 2010.

Conclusion

This pay gap raises the debate above the nature versus nurture. That is to say, should the UK society take of the individual's innate qualities to fix a wage? The answer is probably much more complex than the previous essay.

As seen previously, the causes are multiple and controversy, as old is the debate, mentalities first have to change to completely remove this inequality. As point the surveys and studies of the TUC organisation and the WWC, this discrimination is far to be over. Local and international organizations are mobilizing to close it.

United Kingdom will have to take example of others countries experience for remove the pay gap.

Finally, only a few initiatives have been done to target female choice of profession, career ad sector. Raising awareness and promoting sectors and professions could help to undertake the root of this problem; UK does not need to reside in a vicious circle.