

EQUAL PAY 2010



EQUAL PAY: WHERE NEXT?

A report of the discussions and conclusions from the 2010 Equal Pay conference, marking the 40th anniversary of the Equal Pay Act

www.fawcettsociety.org.uk



Foreword

Even though legislation on implementing equal pay has been in place for 40 years, the gender pay gap in Britain remains among the highest in the European Union. We still have a shocking gender pay gap of 16.4% that hurts women, society and the economy. The gap between women and men for full-time work is equivalent to men being paid all year round, while women work for free after 2nd November.

Women in the United Kingdom still earn and own less than men. 64% of the lowest paid workers are women, contributing not only to women's poverty but to the poverty of their children¹.

There are many reasons for why the gender pay gap still exists. The reasons include discrimination against women in the workplace, women shouldering the burden of caring responsibilities, outdated stereotypes about women and men's worth at work, and more women in part-time and low paid jobs.

Unless we take strong action now, our daughters and granddaughters will inherit the ongoing struggle for equal pay. Ensuring equal pay for future generations of women requires action from a wide range of players,

including the Government, employers, trade unions, NGOs and the general public. For too long now, the debate on equal pay has been stuck, with each player seeing only one aspect of the multi-faceted approach needed to move forward the agenda on equal pay. Ultimately, while the debate on equal pay grinds on, women continue to be unlawfully paid less than men for work of equal value.

The Equal Pay conference held on 28 May 2010 sought to take stock of the recent debate on the subject of equal pay and brought together all the relevant players, including the Government, employers, trade unions and NGOs in an unprecedented effort to ask the all important question: **'Equal Pay: Where Next?'**

Prior to the Equal Pay conference, four think pieces relating to key aspects of the gender pay gap were produced. The pieces addressed making the business case for equal pay; how structures and organisation of workplaces play a part in the equal pay debate; the adequacy or inadequacy of the legislative framework underpinning equal pay; and prevailing attitudes and culture surrounding equal pay. This report includes the main arguments from the think pieces, conclusions from the conference



workshops and the dialogue from the final panel session. It provides a record of the Equal Pay conference to encourage action needed from all of the different players to move forward the agenda on equal pay. Only with commitment from across the board and by implementing a nuanced approach that considers employers, employees, and trade unions, flexible working practices, legislation and cultural change, can we work effectively together to make a difference for women, wider society and the economy.

We hope that in austere times, when women's economic equality is more important than ever, this report will stimulate renewed efforts for equal pay.

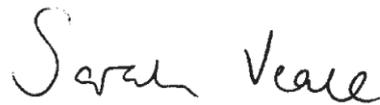
Ceri Goddard, CEO of the Fawcett Society



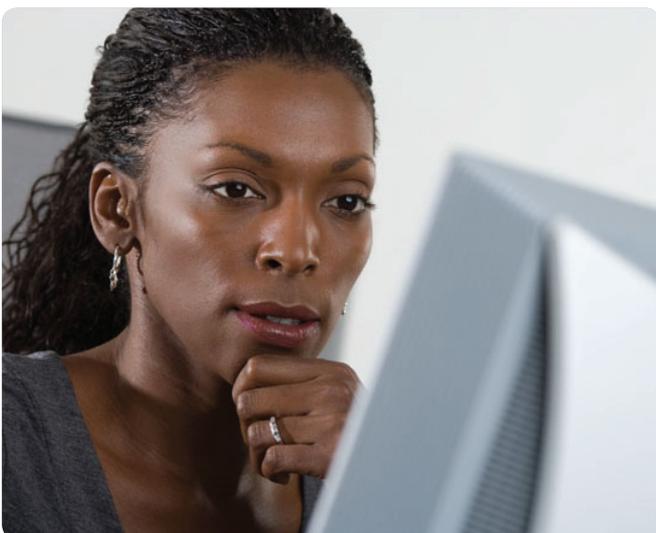
Dave Prentis, General Secretary of UNISON



Sarah Veale CBE, Head of Equality and Employment Rights at the TUC



Dr Jean Irvine OBE, Business Commissioner for the Equality and Human Rights Commission



Far left:
Ford sewing
machinists'
strike, 1984

Executive Summary

Forty years since the Equal Pay Act women are still, on average, paid a sixth less than men for full-time work².

This report contains the main discussions and recommendations of the **'Equal Pay: Where Next?'** conference held on 28th May 2010 to mark the 40th anniversary of the Equal Pay Act 1970. The conference brought together speakers and representatives from across government, business, unions, and the third sector to discuss the question: **'Equal Pay: Where Next?'**

The conference was hosted by the Fawcett Society, the TUC, the Equality & Human Rights Commission, and UNISON. The day explored four key aspects of addressing the gender pay gap: making the business case for equal pay; how structures and organisation of workplaces play a part in the equal pay debate; the adequacy or inadequacy of the legislative framework underpinning equal pay; and attitudes and culture surrounding equal pay.

Prior to the conference four think pieces relating to the aforementioned themes were produced to stimulate discussion and proposals for change. The think pieces were discussed in workshops by conference participants and speakers. Based on these workshop discussions, recommendations were formed.

The conference concluded with a final panel session where workshop recommendations were discussed and conference participants were able to question panellists on the subject of equal pay. The panellists were:

- Lynne Featherstone MP, Under-Secretary of State for Equalities
- Dr Jean Irvine OBE, Business Commissioner for the Equality and Human Rights Commission
- Ceri Goddard, Chief Executive of the Fawcett Society
- Dave Prentis, General Secretary of UNISON
- Sarah Veale CBE, Head of Equality and Employment Rights at the TUC
- Nora Senior, British Chambers of Commerce Board Member Chair, UK Regions

This report provides a summary of the **Equal Pay: Where Next?** conference, capturing the debate that took place during the discussion workshops and final panel session. This report makes robust recommendations for bringing business onside, addressing the design of the workplace, reforming legislation on equal pay and tackling attitudes and cultures that perpetuate the myth that women deserve to be paid less.

The structure of this report mirrors the main themes of the think pieces produced for the conference, presenting the key arguments from the four think pieces and highlighting workshop recommendations and debate from the final panel session on each theme. The report concludes with a section detailing the main recommendations for taking forward the agenda on equal pay.

TOP LINE RECOMMENDATIONS

This report makes some specific recommendations relating to the four areas explored at the **'Equal Pay: Where Next?'** conference.

Establishing an effective business case for uniformly implementing equal pay practices

WE RECOMMEND:

- Encouraging employers and trade unions who have implemented equal pay systems to publicise what they have done and how they have gained from it. Publishing examples of equal pay best practice in the private sector will debunk the myth that equal pay 'is bad for business'.
- Encouraging businesses to extend their budgetary perspective. A longer term view will be more likely to show not only a more accurate financial picture, but also the harder-to-evaluate qualitative gains.
- Connecting the positive effects for the whole economy to arguments for closing the gender pay gap. For example reducing the gender pay gap would increase UK productivity while reducing financial dependency on the state; these gains will benefit business and the economy.

Changing the way work is organised in order to reflect a changing workforce landscape and to support equal pay measures

WE RECOMMEND:

- Extending the right to request flexible working to all workers.
- Raising awareness amongst employers that a modern workplace should offer more than just flexible working. It should include innovative practice, such as, job-shares at senior levels and ensuring that training opportunities for women working part-time/flexibly are made available.
- Highlighting to employers that maintaining unsustainable work organisation structures that are increasingly out of kilter with the way people live today will cause tangible harm to the organisation in terms of lost productivity, lower morale, lower employee loyalty and higher employee turnover.
- Involving trade unions to negotiate and bargain for extending members' opportunities for well paid, high quality work and to tackle inequalities within workplaces.



Forty years since the Equal Pay Act women are still, on average, paid a sixth less than men for full-time work.



Equal Pay, why now?

The ***Equal Pay: Where Next?*** conference was unprecedented in bringing together speakers and representatives from across business, trade unions, government and the third sector. The conference marked the forty year anniversary of the enactment of the Equal Pay Act 1970 and provided a stock check of what progress has been made since, and identified ways for moving forward on the equal pay agenda.

The conference was held by the Fawcett Society, the TUC, the Equality & Human Rights Commission, and UNISON. The innovative conference design sought to promote collective analysis of the issues to achieve some consensus and new ideas for a way forward.

The conference brought together key stakeholders and developed new ideas on the next steps for businesses, trade unions, government and the third sector in ensuring equal pay for women.

This report is the end product of a process that identified ways of moving forward on equal pay for women. This process began before the conference, when four key areas were identified as central to the debate on equal pay.

The areas identified were:

- making the business case for equal pay.
- how structures and organisation of workplaces play a part in the equal pay debate.
- the adequacy or inadequacy of the legislative framework underpinning equal pay.
- attitudes and culture surrounding equal pay.

Accordingly, four think pieces were produced, each relating to one of the aforementioned themes. The think pieces were written by the Equality and Human Rights Commission (EHRC); the TUC, Karen Monaghan, QC of Matrix Chambers and the Fawcett Society.

The think pieces were discussed in four workshops by conference participants and speakers. Based on these discussions, recommendations were formed.

The recommendations from the workshops were then relayed to a panel at the final session of the conference. Panellists were given the opportunity to respond and highlight opportunities

Right:
Grunwick Dispute,
London, 1976



for working collaboratively when implementing recommendations. The panel was chaired by Samira Ahmed of Channel 4 News and comprised:

- Lynne Featherstone MP, Under-Secretary of State for Equalities
- Dr Jean Irvine OBE, Business Commissioner for the Equality and Human Rights Commission
- Ceri Goddard, Chief Executive of the Fawcett Society
- Dave Prentis, General Secretary of UNISON
- Sarah Veale CBE, Head of Equality and Employment Rights at the TUC
- Nora Senior, British Chambers of Commerce Board Member Chair, UK Regions

The aim of the panel session was to identify key recommendations from the morning workshops, as well as exploring different approaches to embedding gender equality and equal pay practices across business, the third sector, government and trade unions.

This report provides a record of the workshop recommendations and the discussion at the final panel session, and concludes by making robust recommendations for businesses, trade unions, the third sector and government to take forward to ensure that equal pay for women is achieved.

This report signals the beginning of a new process; one that requires commitment from across business, the third sector, government and trade unions to ensure that forty years after the Equal Pay Act, women are paid equally.

Published on Equal Pay Day 2010, armed with a new consensus on how to deliver equality for women in the workplace, this report signals the commitment across business, government, trade unions and the voluntary sector to champion the cause and end unequal pay.



a new consensus on how to deliver equality for women in the workplace



The Business Case

“Firms that take equality seriously and look at equal pay as a core ideal are those that are the more sustainable in the long-term”

**Dr. Jean Irvine OBE,
Equality and Human Rights Commission**

KEY ARGUMENTS FROM THINK PIECE

The think piece outlining the business case for equal pay was written by Sheila Wild from the Equality and Human Rights Commission (EHRC). It provides a synopsis of the benefits to business of implementing equal pay. The think piece argues that closing the gender pay gap is beneficial to the whole economy and to individual businesses.

The main arguments that the think piece highlights include:

There is ample evidence that gender pay gaps contribute to the UK's lower productivity. In 2006 the Women and Work Commission estimated that removing the barriers to women working in occupations traditionally done by men and increasing women's labour market participation, could be worth between £15 and £23 billion to the economy or 1.3 to 2 per cent of gross domestic product.

A levelling up of women's earnings has the potential to bring gains to the Exchequer not only in increased revenue from tax and national insurance, but also through a reduction in the payment of benefits and tax credits.

It is possible to infer from national statistics that an average woman working full-time until retirement age would lose £361,000 in gross earnings over the course of her working life. Closing the gender pay gap would improve the financial wellbeing not only of women but also of their partners and children, and would reduce the likelihood of women's poverty in retirement.

There is a need to change the culture around what is appropriate pay for men and women. In order to change culture, it is important to position the pursuit of equal pay above other political, economic or business objectives and identify equal pay as a core objective for business, as opposed to a mere add-on.

Business and trade union leaders should initiate the implementation of pay practices that treat men and women equally, but if this change is to be effective, those leaders need to ensure that their decisions influence the behaviours and decision-making of people lower down within the organisation.

The full think piece can be accessed at www.fawcettsociety.org.uk

Workshop conclusions

Rather than looking solely at the short-term costs of providing equal pay, business needs to be encouraged to consider a long-term view of the benefits.

Equal pay must be a core business objective above and distinct from other political and economic objectives and should be reported on in a transparent way. Managers and trade union representatives would require support to ensure they have the knowledge and skills to deliver on equal pay and disseminate good practice within their organisations.

It is important to apply the law consistently, target research to answer outstanding questions, and build better econometric models to make the economic case even more effectively.

However, all of these recommendations would require leadership from government, business, individual companies and across business sectors to give companies confidence to address these issues effectively.

Key points from the panel

Nora Senior, a board member of the British Chamber of Commerce (BCC) felt that current economic conditions may reduce the ability of many businesses to think “long-term”. Any recommendations on equal pay must consider the impact on small companies to ensure they do not prevent enterprises from getting off the ground or growing. Dr. Jean Irvine, Business Commissioner for the EHRC, emphasised that transparency is key. The EHRC has good evidence documenting that when companies progress in equal pay they see benefits such as greater motivation, staff loyalty and improved productivity.³

Ceri Goddard argued that unequal pay reflects a larger inequality that is systemic in our society. Another way to engage business in the equal pay agenda could be through framing it within the context of organisations’ Corporate Social Responsibility (CSR) policies. We must also change the dominant narrative that equal pay is “bad for business” so small businesses can see the benefits. It is not necessarily harder for small businesses to implement equal pay for their employees, but we may require more research into how to effectively lay out the business case.

Lynne Featherstone MP and Under-Secretary of State for Equalities stated that the equal pay agenda is crucial and emphasised the importance of making the case that equal pay is good for business to propagate best practice. Equal pay for women is not just a question of helping women; it’s about making workplaces happier and more equal. This goes beyond the singular issue of equal pay towards creating flexible working systems that give both men and women the opportunity of a good worklife balance.

What’s really stopping businesses?

Whilst there was consensus across the panel that business and industry will play an important role in ending the gender pay gap, there were differences in opinion about what level of responsibility business should have.

Some business representatives argue that greater regulation will increase the administrative burden on companies who are already struggling. They also suggested that such measures would be a punishment on businesses that may be progressing equal pay in other ways, through, for example, women’s mentoring schemes. Equal pay practitioners argue that what really underlies business concerns is the fear of legal action, should an audit reveal unjustifiable differences in pay. However, case studies have shown that audits often provoke greater trust and commitment by employees.

The need to overcome this difference of views is central to moving forward on achieving equal pay.



Far right:
Licia Ronzulli, MEP
at the European
Parliament

© Reuters / Vincent Kessler

³ Since the conference, the EHRC and the British Chambers of Commerce (BCC) have worked together on a joint venture to help small businesses deliver equal pay. We understand that small businesses have particular needs and concerns around delivering equal pay, so we designed a guide to help them. The aim is to make it easier for businesses to fulfil their legal obligations and understand the benefits of doing so. The guide can be found on the EHRC website. This is a good example of how organisations can come together to find solutions for businesses that are keen to deliver equal pay but are unsure how to do it.

How Work is Organised

“I think people assume flexible working only benefits women who are returning from pregnancy or who are parents. This is true and important, as currently women do the lion share of child care. But we need to make things change to reflect that more fathers want to take time to look after their children”

Sarah Veale CBE, TUC

KEY ARGUMENTS FROM THINK PIECE

The think piece regarding the way work is organised was written by Working Families. The core arguments are that the current way of organising work is detrimental to closing the pay gap. This is in many ways because the focus is on providing choices within the current systems, rather than changing the systems themselves.

The main arguments that the think piece highlights include:

Flexible working is now in the mainstream of employment practice but has flexible working changed how work is organised? In most organisations it has simply allowed some people to change the way they do their jobs. Fundamentally, flexible working remains an accommodation for workers to deviate from the ‘standard’ working pattern to suit their individual circumstances.

Although generous maternity incentives have increased the number of women returners, their performance on return to the workplace has not been maximised. What has evolved, however, is a workplace where less well paid, less well-trained part-time jobs is the lot of mothers; employers get a great deal out of employing thousands of part-time women who will trade better pay and career prospects for flexibility, even though they are often over-qualified for their attained position.

In many organisations, large scale work organisation for better worklife integration is not high on the agenda. This means that work organisation is often delegated to managers, who deal with individual requests for flexible working. The inherent weakness in this localised response is that it often depends on an individual manager’s attitude and beliefs. A higher-level approach is required which looks at areas of operation when considering work design.

Organisations should be thinking about sustainability and the potential impact of work intensification and long working hours on the long-term viability of an organisation. Long hours should not be the solution to badly designed working practices. Good work organisation is ensuring that people have manageable workloads.

Partnerships between trade unions and employers can work to increase the choices that workers have by encouraging a different approach to work.

Within set parameters, there must be an openness to review what work actually entails, and how it can best be done taking into account both the needs of business and employees. This goes beyond flexible working at the individual level; it is about organisational flexibility to enable better working.

The full think piece can be accessed at www.fawcettsociety.org.uk



Workshop conclusions

It is government's responsibility to support changing worklife organisation; this could include financial support for micro businesses, improved child care provision, better social security and tax credit systems and better incentives around work.

Employers also have a key role, for example by ensuring visibility of flexible working across organisations; by taking decisions on flexible working collectively amongst teams; by ensuring that job evaluations are done regularly with open dialogue about flexible working, including making information available to managers.

The pressures of managing work and family life, poor prospects of promotion and progression in part-time work, and the lack of flexibility in workplaces, are often factors that serve to widen the gender pay gap.

Key points from the panel

Dr. Jean Irvine, Business Commissioner for the EHRC, noted that, at the heart of the equal pay challenge is the fact that work is still organised in

the 'command and management control' model. We are prioritising how many hours people work at their desks, and how closely they work to their job description, rather than assessing what they deliver. There are now real opportunities for companies of all sizes to look at flexible working practices, including both working from home and remotely. In order for our public perceptions to change, best-practice examples need to be shared. Companies need support on how to put together a coherent strategy for defining work processes, performance and job evaluation and involving professional bodies, such as the Chartered Institute of Personnel and Development (CIPD).

Nora Senior, a board member of the British Chamber of Commerce (BCC), responded by highlighting that flexible working is something that most employers would support. However, it must be context-specific. It is easier in some environments than in others, but there are always solutions once you consider the role of employees within their industry and the constraints they are working within. Government support would be welcome within business, especially through investment in technologies to enable remote and flexible working. It is important to give credit to those businesses who are already working to support women into senior positions.



In order for our public perceptions to change, best-practice examples need to be shared.



Sarah Veale, Head of Equality and Employment Rights at the TUC, added to the discussion by stating that employers, business owners, and leaders in the public sector must acknowledge that they want flexibility and appreciate its benefits. Third party intervention is key, and some of the most inventive and successful flexible working systems are in unionised workplaces, both in the private and public sectors.

Sarah Veale argued that flexible working does not only benefit women. For example, more and more fathers acknowledge that sometimes it makes financial sense for women to go back to work. Some fathers are also more prepared to stay at home and be hands-on fathers. A cultural shift is needed for employers to challenge assumptions that men should be those at work and in the most senior positions. Sarah noted that government institutions such as the Equalities and Human Rights Commission and Advisory, Conciliation and Arbitration Service (ACAS) are already considering questions such as, “what is a job?” and “what is a job in your particular industry?”. It is critical that government makes more use of the resources it already has.

Dave Prentis, General Secretary of UNISON, furthered the discussion by stating that more consistency from management and greater commitment to supporting

individuals with their caring responsibilities is needed. For example, women working flexibly should not miss out on training that takes place on their days off and opportunities for career progression.

The Chair questioned whether there are costs related to implementing flexible working practices for business.

Ceri Goddard noted that while one size does not fit all, there are some principles that can always be applied in small or large companies. Despite women’s mass movement into the workforce over the last forty years, the workplace has not changed or caught up with the changes to people’s lives. The economic crisis and resulting reduction of jobs have provided an opportunity to question what we value and how we structure our work lives. Government support and leadership is key. Big shifts only occur when either government realises the world has changed and they need to keep up with that change or when government takes the lead to secure change.



Left:
Public sector pay
campaign, 1979

The Minister, Lynne Featherstone MP and Under-Secretary of State for Equalities, was asked whether there is an appetite within government to give more support for flexible working practices.

The Minister stated that the Coalition Government has already pledged in the Queen's Speech to extend the right to flexible working to all employees, subject to consultation with business and others. Flexible working must also make our working patterns more amenable for men. This will acknowledge that men's relationship with their children is important and that they too may have caring responsibilities. Government should be examining the role of job sharing, particularly across Whitehall, because government practices reflect men in higher paid positions and women in lower paid positions. The Minister maintained the view that we need to put forward an integrated approach to worklife balance policies and practice within organisations, in order to create whole organisational change.

How work is organised

The need for flexible working practices was an area of strong consensus across the panel. It was agreed that responsibility for increasing the opportunities for flexible working should be shared across employers, employees and government, and it was also noted that unions are able to play a key role in developing innovative practices.

Fundamentally, it was recognised that if flexible and part-time work are to be successful in reducing the gender pay gap, we must re-think how we understand what a 'job' is and what constitutes 'full-time work' as well as address the quality of part-time work available. As noted in the think piece, the increase in flexible working does not constitute a fundamental shift in working patterns, but an 'accommodation' by which workers may deviate from standard working patterns. Because of this, the worklife balance agenda is not integrated into standard working practices, leaving team managers in control of decision-making regarding flexible working practices. Good practice at this level may not impact on organisational culture if there is no leadership from above.

The panel agreed that flexible working had limitations in certain workplaces, but also that flexible working was only one answer to changing how work is organised. A holistic approach is needed in order to shift outdated notions of work.

The legislative framework for equal pay

“Women have a legal right to equal pay. We have had the act for 40 years and we always get arguments [saying] “it’s not the right time” but...when is the time right? When will this happen unless we grasp the nettle now?”

Dave Prentis, UNISON

KEY ARGUMENTS FROM THINK PIECE

The think piece regarding the legislative framework was written by Karon Monaghan, QC of Matrix Chambers, and provided a synopsis of past and present legislation on equal pay. The think piece situates the issue of equal pay in the wider context of human rights. The premise of this piece is that gender equality is universally recognized as one of the most important and fundamental human rights. Accordingly, women’s unequal pay should be considered within a broader context of inequality and as a breach of human rights.

The main arguments that the think piece highlights include:

The Equal Pay Act 1970 has not proved successful in achieving the aim of closing the gender pay gap. It adopted a remedial model which allows employers to backdate pay or contractual damages to women who successfully win a claim. However, it does not place punitive measures on employers failing to comply with the law and offers no compensation, beyond the pay adjustment, to women who have successfully won their claim.

The Equal Pay Act fails to address structural inequalities such as gender stereotyping in schools, occupational segregation, women’s disproportionate share of caring responsibilities and women’s patterns of work which are more likely to be interrupted by child care and other responsibilities and are more likely to be punctuated by part-time work.

The Equality Act 2010, the majority of which has recently been implemented, regrettably enforces measures addressing inequality in pay which are similar to those in the Equal Pay Act 1970. It puts the responsibility on the woman bringing forward a claim to undertake the role of investigator, legal champion and enforcer. The Equal Pay Act also requires a male comparator employed in the same employment against whose pay the women’s pay can be measured⁴.

The Equality Act does not enforce mandatory pay audits to ensure that employers are reporting on their gender pay gap and does not allow for representative action claims, which would allow individuals collectively affected by systematic pay discrimination to make a claim as a group.

Reforming equal pay law requires transparency, the introduction of hypothetical comparators to address job segregation and job stereotyping; the introduction of awards of compensation to women and the enforcement of punitive measures on employers failing to comply; and must include robust pay auditing obligations for employers.

The full think piece can be accessed at www.fawcettsociety.org.uk

⁴ There is some provision for using a hypothetical comparator but only with regard to claims on the grounds of direct discrimination.

Workshop conclusions

The workshop on the legislative framework highlights that the practice of unequal pay is an abuse of human rights and an affront on women's dignity. The current law around unequal pay does not recognise structural forces such as occupational segregation and gender stereotyping and the overwhelming caring responsibilities that women have in reiterating unequal pay practices.

Participants felt that the current legal framework is ineffective, does not deliver equal pay and is wasteful of both public and court resources. They concluded all political parties should commit to a root and branch review of equal pay law to ensure that it operates in the interests of women, of employers and the legal process.

It was also noted that there is a lack of knowledge about pay practices, particularly in the private sector which sustains unequal pay structures. Redressing this inequality requires action from the Coalition Government, including an indication of what it will do to implement the gender pay reporting requirement in the Equality Act 2010.

Key points from the panel

The Minister committed to pressing the case for equal pay, highlighting that transparency is integral to this process.

Dave Prentis, General Secretary at UNISON, stated that he felt that the Equality Act 2010 which came into force on October 1st does not go far enough in securing equal pay for women. UNISON supports the recommendation of gender pay reporting and will continue to press the Coalition Government on mandatory pay audits which are a key means by which we will achieve equal pay.

Sarah Veale, Head of Equality and Employment Rights at the TUC, highlighted how society can, and should be flexible and imaginative about processes for equal pay for different types of business. Women in small firms should not be considered as second class citizens in terms of employee rights. Not giving women in small businesses the same right to equal pay as those in big businesses would be inequitable, and in the long-term, detrimental to society and business itself.

From a business perspective, Nora Senior, a board member of the British Chamber of Commerce (BCC), argued that small businesses do not always have the administrative support to deal with extra reporting. Businesses do want to change and it's often the smallest businesses that are more likely to try and redress the balance. Nora emphasised the need for a simple template rolled out through organisations, like the British Chambers of Commerce, which would support small businesses in providing the information needed rather than castigating smaller businesses by overburdening them with legislation.

Dr. Jean Irvine, Business Commissioner for the EHRC, explained that after wide-ranging consultations with businesses, the CBI and TUC, the EHRC published voluntary gender pay reporting metrics on its website and is now drafting guidance. The EHRC would be keen to talk to business representatives about how to extend this work to smaller businesses. More transparent processes are needed to ensure organisations can compare themselves with their peers, particularly on a sectoral basis.

Sarah Veale, Head of Equality and Employment Rights at the TUC, emphasised that the Equality Act has not changed the contractual basis for equal pay law in the UK; sex discrimination and equal pay are treated differently in statute which makes it harder to use the law to address unequal pay. Until we address this division, it will be hard to close the gender pay gap. She also felt it is important to be honest about why employers shy away from mandatory auditing; specifically, if they

do uncover systemic unequal pay, then employers would be obliged to change this practice which could result in short-term costs for their business.

Both trade union representatives raised concerns about the lack of a representative action remedy, which allows individuals collectively affected by systematic pay discrimination to make a claim as a group. Sarah Veale argued that the reason representative action has become central is because without it, equal pay is individualised – attached to contracts and removed from individual rights within pay systems. As long as employment tribunals only deal individually with cases, it will be hard to get a systemic solution. The TUC would encourage the Coalition Government to allow representative action. Tribunals compensate people for breaches of law but they do not actually change workplace systems.

The Minister said that she had argued strongly for representative action in debates on the Equality Act and that government would continue to encourage voluntary pay disclosure and she was committed to greater transparency in pay.

Human Rights and Equal Pay – examining the bigger picture

The discussion on the legislative framework for equal pay explored a variety of topics. Given the current lack of progress on closing the gender pay gap, it is apparent that legislation alone is not working. The essence of this debate concerned the idea that the current legislative framework is not enough to end the gender pay gap, because the conceptualisation of equal pay in current legislation is inadequate. A holistic and human rights-based approach is needed to link gender discrimination with pay discrimination and to help set out the case to businesses.

On the other hand, there was some significant contention over whether gender pay audits should be made mandatory. Business representatives argued vigorously against the case for more legislation on equal pay, arguing that the tools were already there and just needed to be used properly. Others argued that without mandatory audits businesses would continue to shirk responsibility for equal pay.



Left:
International
Women's Year Rally,
London, 1975

Attitudes and Culture around Equal Pay

“Unequal pay in some ways is the product of wider cultural beliefs and the fact that we still value women less than men”

Ceri Goddard, Fawcett Society.

KEY ARGUMENTS FROM THINK PIECE

The think piece written on changing attitudes, beliefs and stereotypes that perpetuate the gender pay gap was written by the Fawcett Society. It examines the relationship between attitudes, beliefs and stereotypes around women’s worth in the workplace and the gender pay gap. This think piece identifies strategies for changing attitudes and challenging stereotypes around women and work.

The main arguments that the think piece highlights include:

There are converging causes of the gender pay gap all of which are affected in some way by attitudes and cultural beliefs about the respective roles and value of men and women. They include life time working patterns of women, such as time out for caring and the reality of more women being in part-time work; occupational segregation between women and men; unequal access to opportunities in education; and direct and indirect discrimination against women in the workplace.

Challenging negative attitudes and stereotypes that prevent women from achieving equal pay is perhaps more complex than legislative change but it is clear that without it, women will not achieve economic equality.

Employers have a role to shape workplace cultures and in-so-doing have a significant influence on progressing change action in both the wider public sphere and in workplaces.

Efforts to effect change should be focused around three key areas. They include addressing and preventing misconceptions and stereotypes formed in children and young people from an early age; raising public awareness of gender inequality and tackling stereotyping; and indirect interventions by employers to tackle negative attitudes and beliefs and support positive ones.

The full think piece can be accessed at www.fawcettsociety.org.uk

Workshop conclusions

The workshop focused on education as a key driver in addressing and preventing misconceptions and stereotypes formed in children and young people. Discussions emphasised the need to inform children from an early age of their rights through education, so that women’s rights and gender equality are embedded early.

Participants at the workshop discussed the importance of the case for equal pay to be raised through public awareness. Ideas included making equal pay part of popular culture by way of incorporating it into a storyline on Eastenders, for example. It was agreed that the issue of equal pay has to become a part of the public consciousness, which at the moment it is not.

We need more openness about the existence of pay discrimination in the workplace; equal pay audits could go some way to address this problem. Employers could contribute to awareness raising by demonstrating the positive effects of equal pay, i.e. that an employer will have productive, happier, more satisfied workers as a result of paying them equally.

Key points from the panel

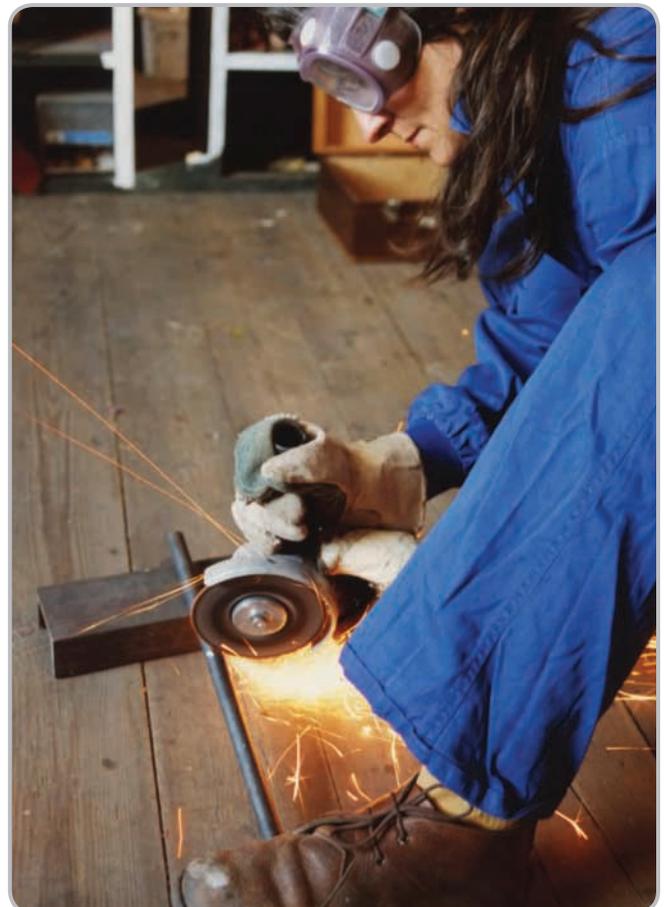
Ceri Goddard, Chief Executive of the Fawcett Society, began by arguing the need to step outside the usual, narrow conception of the equal pay debate in order to understand its wider cultural context and the way in which we value women and men in our society. There is a link between unequal pay and the wider social, structural and cultural inequality that exists between men and women. Education and schools are critical in teaching young boys and girls about gender equality and the gender pay gap. This type of public education – the type of shift in attitude that we need – would need to be led by government.

Nora Senior, of the British Chamber of Commerce (BCC), agreed that education and public awareness raising are an important part of addressing the subject of equal pay. Both large and small businesses must understand why there should be diversity in the workplace.

However, we should not penalise the whole business population for the sins of a few. Government is already introducing a number of payroll and legislative measures which are going to cost business over £25.5 billion pounds between 2010 and 2014. So, it is important that the equal pay agenda is moved forward at a rate that business can actually sustain and cope with.

The Minister was asked whether the absence of women in the General Election campaign and negotiations that followed, has marked a huge appetite for change in terms of redressing the women's inequalities in public life, including the unequal pay of women. The Minister suggested that the establishment of a parliamentary working group on women could be incredibly fruitful in changing attitudes around equal pay. Instigating cultural and behavioural change can be a difficult process which requires both legislation and greater public awareness.

Dr. Jean Irvine, Business Commissioner for the EHRC, presented the view that provisions in the Equality Act provide safeguards for individuals in businesses, whose contracts of employment include secrecy clauses around pay. The Act will render such clauses unenforceable, thereby encouraging greater openness and transparency. The EHRC are working with the Government Equalities Office on a national equality framework for business which will aim to raise standards of equality practice across British business. On top of this, the National Curriculum should inform young people about gender inequalities that perpetuate the practice of unequal pay.



Sarah Veale, Head of Equality and Employment Rights at the TUC, echoed the notion that education is key, but raised a concern that despite huge efforts through the National Curriculum and careers advice to persuade more girls to go into the higher paid jobs, it is difficult to overcome peer pressure. To shift perceptions, public awareness is important. Children, and particularly teenagers, are very influenced by popular culture – who people see on television, who girls see as role models, what they see a woman being able to do that they previously would never have expected a woman to do. Legislation is not just about forcing people to do things through the law, it has a reflexive effect: it gives an indication of a direction of travel that's acceptable and desirable.

Dave Prentis, from UNISON, noted that education should tackle inherent discrimination within our society. This includes ensuring that schools talk about dignity and respect and that diversity is accepted within the school environment, so that when children become adults and go to work and become part of our society, they can tackle the discrimination that currently exists. The gender pay gap is only one part of that discrimination that we have to tackle across our society.

How can we shift attitudes and change culture around equal pay?

There was consensus across the panel that culture is hugely important in the formation of public opinion around equal pay.

Education is key to ensuring that boys and girls learn about gender equality from an early age. This would help to prevent stereotypes about women and men's worth in the workplace forming at a later stage.

Other measures to change attitudes around equal pay include raising the profile of the issue in public consciousness. Although anti-discrimination legislation exists, this alone does not prevent the persistence of the gender pay gap. A targeted public awareness campaign, led by government, could raise the profile of the issue of equal pay and would go some way to changing culture and attitudes, whilst supporting existing legislation.

Conclusions and Recommendations

This report makes some specific recommendations relating to the four areas explored at the ‘Equal Pay: Where Next?’ conference.

Establishing an effective business case for uniformly implementing equal pay practices

WE RECOMMEND:

- Encouraging employers and trade unions who have implemented equal pay systems to publicise what they have done and how they have gained from it. Publishing examples of equal pay best practice in the private sector will debunk the myth that equal pay ‘is bad for business’.
- Encouraging businesses to extend their budgetary perspective. A longer term view will be more likely to show not only a more accurate financial picture, but also the harder-to-evaluate qualitative gains.
- Connecting the positive effects for the whole economy to arguments for closing the gender pay gap. For example reducing the gender pay gap would increase UK productivity while reducing financial dependency on the state; these gains will benefit business and the economy.

Changing the way work is organised in order to reflect a changing workforce landscape and to support equal pay measures

WE RECOMMEND:

- Extending the right to request flexible working to all workers.

- Raising awareness amongst employers that a modern workplace should offer more than just flexible working. It should include innovative practice, such as, job-shares at senior levels and ensuring that training opportunities for women working part-time/flexibly are made available.
- Highlighting to employers that maintaining unsustainable work organisation structures that are increasingly out of kilter with the way people live today will cause tangible harm to the organisation in terms of lost productivity, lower morale, lower employee loyalty and higher employee turnover.
- Involving trade unions to negotiate and bargain for extending members’ opportunities for well paid, high quality work and to tackle inequalities within workplaces.

Improving the law to implement a framework that makes unequal pay practices unlawful and holds organisations to account

WE RECOMMEND:

- A root and branch review of equal pay law to ensure that it operates in the interests of women and employers. The current legal framework is ineffective, does not deliver equal pay and is wasteful of public resources.
- A new equal pay framework that makes clear the obligations on public and private employers to tackle unequal pay; allows for women claiming equal pay cases to take representative action; includes robust equal pay auditing obligations and increase the powers and sanctions available to employment tribunals and regulatory bodies.

- Implementing, in full, existing legislation such as the Equality Act 2010 that encourages workplaces to undertake and publish gender pay audits, change attitudes, challenge stereotypes and cultures that sustain unequal pay practices. This would help dispel the myth that women deserve to be both paid less and valued less than men.

Changing attitudes, beliefs and stereotypes that perpetuate the gender pay gap

WE RECOMMEND:

- Working with schools to incorporate gender equality education in the relevant aspects of the National Curriculum, including explicit discussions about the gender pay gap and its causes.
- Undertaking more public education work in order to challenge stereotypical and limited ideas of women and men's respective roles and abilities.
- Raising young people's awareness of the gender pay gap and its consequences.

This joint initiative has succeeded in achieving a shared vision of the way forward on equal pay. A combination of legislative, policy and campaigning action needs to be enacted in order to end persistent pay inequalities. These contribute to women's poverty, an imbalance in employment opportunities, and women's disproportionate share of caring responsibilities, which often limits their choices and progression in the workplace.

On Equal Pay Day 2010, armed with a new consensus on how to deliver equality for women in the workplace, this report signals the commitment across business, trade unions, government and the voluntary sector to champion the cause and end unequal pay.

Action on all the above recommendations is needed as all play an integral part in tackling the gender pay gap. The causes of the pay gap are multiple, so a strategy is needed to address all the barriers that sustain unequal pay practices. For example, changing the law, challenging cultural norms or making the business case alone, will not give women the urgent change that is needed.

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Fawcett is the UK's leading campaign for equality between women and men. We trace our roots back to 1866, when Millicent Garrett Fawcett began her lifetime's work leading the peaceful campaign for women's votes.

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