Written evidence submitted by Catalyst to the Gender pay Gap Inquiry

Catalyst appreciates the opportunity to submit written evidence to the UK’s House of Commons Women and Equalities Committee regarding its inquiry to inform government strategy on reducing the gender pay gap for women over 40. Founded in 1962, Catalyst is the leading nonprofit organisation expanding opportunities for women and business. With operations in the United States, Canada, Europe, India, Australia, and Japan, and more than 800 member organisations, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honours exemplary organisational initiatives that promote women's advancement with the Catalyst Award.

Given Catalyst’s extensive background and work on closing the worldwide gender gap in leadership, wages, and opportunity, we have provided comments in response to the following questions:

- What actions would be most effective in improving recruitment, retention, and re-training for women aged over 40?
- Is there any evidence that women over age 40 face particular barriers to promotion? If so, what could be done to address this problem?
- Which mechanisms would most effectively ensure that policies designed to narrow the gender pay gap are fully complied with? Is there evidence from other countries or policy areas of what might work best?

Catalyst is pleased the UK government recognises that action needs to be taken to guarantee a fundamental right to half the world’s population: equal pay for equal work. Our research, along with that of many others, shows that wage inequality starts early in most women’s careers and worsens over time. The gender pay gap is all too real, and, unless we act now, it’s not going anywhere.
Wage and other gender gaps exist due to systemic barriers and unconscious biases. The majority of talent recruitment, development, and management systems aren’t designed to correct early inequities, nor will 'giving it time' even the playing field for women and men. Only intentional actions, like the proposed legislation around wage transparency, will help close these gaps. Pay transparency can narrow the wage gap because it provides women with the information they need to better negotiate for fair and equal pay.

Yet pay transparency alone won’t close all of the gaps or break down every barrier to workplace equality. Numerous studies show that women are significantly less likely to negotiate for higher salaries than men—and when they do, people react more negatively than they would to a man asking for more money. 'No negotiation' policies and a focus on paying for the work and not the potential can help combat these and other biases. Policies like these benefit employers by providing companies with the tools and knowledge needed to set salary rates appropriately. They also aid job seekers in determining whether they want to work for a particular organisation.

While these policies are ones that organisations can and should enact and the government should encourage, it’s also critical to gender equality to monitor and track progress toward goals and embed checks and balances within recruitment, retention, and advancement policies. Countries with a more holistic approach toward gender equality, including guaranteed non-gendered parental leave and access to affordable childcare, can be more successful in building inclusive workplaces that benefit women, men, and society.

We thank you for the opportunity to provide input on this important topic. Catalyst is available to help should you require further information.