Written evidence submitted by Emma Kinloch, Senior Events and Stakeholder Manager at Policy Network, to the Gender Pay Gap Inquiry

1) I am the Senior Events and Stakeholder Manager at the think-tank, Policy Network. I have been in this role for around three years and lead on our research work into women and their relationship with the post-crisis labour market. I was delighted to be invited to submit evidence for this inquiry by Sharmini Selvarajah, committee specialist of the Women and Equalities Committee.

2) Executive Summary

There are two key areas where work needs to be focused, immediate concerns and long term structural concerns. The Government’s current strategy focuses solely on the immediate picture. These measures are to be welcomed but as will be discussed they do not go far enough to provide a clear evidence base and secondly they do not question why women over 40 are subject to a particularly persistent pay gap.

3) Analysis of Current Government Proposals

- every company with more than 250 employees being required by law to publish the difference between the average pay of their male and female employees

This measure is to be welcomed as it will provide an evidence base for a national picture of pay differentials. However, there are ways to strengthen this particular proposal:

- Firstly, and perhaps most obviously, would be to require, by law, all companies (public, private and third sector) to publish this information regardless of their size. Without this bigger picture practices in SMEs will not be scrutinised. In 2014 SMEs (defined as an enterprise with fewer than 250 persons) accounted for 60 per cent of UK private sector employment. Without these figures taken into account the data will have limited use.
- Secondly, with or without extension to SMEs it is crucial to not only publish the pay difference between average pay of male and female employees, it must be broken down further to include the age, roles (eg. HR, finance etc), full-time, part-time and so on. This will give
room for analysis across these different areas by gender and could help to target where intervention is most needed.

- **new steps to compel larger employers to publish bonus information by gender**

  This measure is undoubtedly weaker as it does not compel publication by law. There are a several points to note in regards to this measure:

  - Due to it not being compulsory the data when collected will constitute a smaller sample than the data garnered from the first measure.
  - This measure will primarily only be applicable to higher paid and sector specific workers where bonuses are the norm. Again without being compelled by law this measure could be relatively unhelpful, companies with low differentials are clearly more likely to publish.

- **gender pay reporting rules being extended to include the public sector, as well as private and voluntary organisations**

  This is a particularly helpful measure with so many sectors of high female employment (health, education, care) being concentrated in the public sector. If the two measures above could be strengthened as suggested above this will be an excellent addition.

4) **Immediate Change**

- Aside from strengthening the Government’s current measures one practical step would be to encourage a real commitment in the public and private sector to offer jobs with inbuilt flexibility as the norm. Shifting the onus from the employee who currently only has the right to request to the employer. A scheme which demonstrates an employer’s commitment to flexible working, along similar lines to the Two Ticks Guaranteed Interview Scheme, Race Equality Charter, Stonewall Diversity Champion or the Anthea SWAN Charter could be useful as a best practice mark for employers. Compelling companies to think ‘flexible by default’ is the culture change needed to help women over 40 today.

- There is a real human capital argument to strengthen the rights employees have in regards to flexible working. Employers spend time and resources training employees to integrate into their organisation. If the employee’s work schedule no longer works for
them due to a lack of flexibility on the part of the employer it is conceivable they will seek employment elsewhere. If that employee departs from the organisation all the human capital they have accrued is lost to that employer. The employer will then need to spend the time and resources to again train a new employee into the role. A shift in legislation which puts the onus on the employer rather than the employee would inevitably strengthen female engagement with the labour market and allow employers to retain the human capital they have invested in.

- Quality part time work and the option of job share (when possible) is essential for women who have taken career breaks, often for caring responsibilities, are able to maintain their link with the labour market.

5) **Structural Change**

The Government measures need to stretch further than just targeting women who are already over 40. The persistence of this pay gap can be traced back to decisions and choices available to women earlier in their life.

- Frank careers education at school before subject selection which sets out the differences in sectors by pay and status. Gender segregation of the workforce is a key reason why the pay gap is so persistent.
- As I have [written](#) previously a change in balance for maternity and paternity leave is essential to combat the ‘motherhood pay penalty’. With the wildly divergent leave arrangements currently in place for parents post birth (up to one year for mothers and two weeks for fathers) it is unsurprising that women’s link with the labour market is weakened after lengthy career breaks. If maternity leave is reduced (in line with other arrangements throughout the EU) and paternity leave significantly lengthened then it will become standard practice for all new parents to take leave from work, thus eliminating the disproportionate negative affect on mothers.
- On a similar theme, the recent introduction of shared parental leave is to be welcomed however, without some of the leave being reserved as a ‘daddy quota’ as is the case in Norway with three-months leave is reserved for fathers - this measure could further underline the challenges facing mothers when returning to the workforce.