Working Families response to Women and Equalities Committee: Inquiry into the gender pay gap

1. Introduction

1.1 Working Families is the UK’s leading work life balance charity. We run a free legal helpline for parents and carers needing advice about employment rights. We support a network of 2,000 parents of disabled children who work or want to work. We also work with employers to benchmark best practice and to help create family friendly workplaces.

1.2 We welcome the opportunity to submit evidence to the Committee’s inquiry into the gender pay gap. Our evidence focuses on the research we have conducted around how women with caring responsibilities navigate the workplace, and the impact that this has on their promotion, recruitment, retention and training. Our research is conducted with women across different age groups. While the committee’s focus is specifically on women aged over 40, the wider trends affecting women in working families are pertinent to the committee’s questions. Over half of all children born in England and Wales in 2013 were born to women aged over 30.

2. Barriers to recruitment, retention and promotion

2.1 Research carried out by Working Families signals that parents are willing to forgo opportunities for promotion because of the impact on childcare arrangements. This is a bigger issue for mothers than fathers: with 67 per cent of women saying childcare arrangements would be a factor in deciding whether to apply for a promotion or a new job, compared to 51 per cent of men. There is also evidence that women are prepared to downgrade their careers in exchange for flexibility. Such decisions could have a knock-on impact on the roles that women take up and, consequently, the gender pay gap.

2.2 There has been a marked increase in the cost of childcare in recent years, with parents in the UK spending a far greater proportion of their wages on childcare costs than parents in other OECD countries. These high costs can be a barrier to women entering the labour market, or can prohibitively push parents out of employment to care for their own children. We regularly receive callers to our helpline worried about

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2 Working Families (2015) *The Modern Families Index 2015*. This is a survey of over 1000 working families across the UK, a third of respondents were aged 36-45.
3 Timewise Foundation (2013) *Jobs not careers: summary findings of a 3 year longitudinal study of 80 mothers in London who have been searching for work*
4 Equality and Human Right Commission (2013) *Women, Men and Part-time Work*
childcare costs and in many cases families will offset the cost of childcare against the mother’s wages, rather than viewing this as a family expense, meaning many women feel unable to afford to return to work. One in five parents would like to use more childcare but cannot due to the cost and a similar proportion cannot use more childcare because they cannot find provision for the hours that they need. The commitments that the government has made to increase the availability and affordability of childcare for working parents are welcome but these need to recognise the flexible and varying needs of families.

2.3 This ‘childcare crunch’ is experienced even more acutely by women who have caring responsibilities for disabled children. Specialist childcare to meet the sometimes complex needs of disabled children is in short supply and is considerably more expensive than care for children who are not disabled. Our evidence suggests that one in three in-work parents of disabled children are paying more than £10 per hour for childcare, more than twice the national average cost per hour. While this is an issue that affects both men and women who are parents, a number of the mothers that we spoke to for our research told us about having to give up well-paid jobs due to the lack of suitable childcare, or because they were unable to maintain the flexibility needed to attend medical and other appointments for their children. Two-thirds of parents in work who took part in our research have avoided promotion, declined promotion or accepted a demotion in order to balance work and caring responsibilities.

2.4 In order to help tackle this issue, Working Families has worked with employer representatives to develop the ‘happy to talk flexible working’ strapline for employers to use when they advertise vacancies to signal that they are open to applicants working flexibly. Women leave the labour market in order to care for children of pre-school age, in order to care for disabled children with additional needs, or in order to care for a sick parent, spouse or relative. They may leave for a short spell or for a number of years. A ‘flexible by default’ approach to recruitment would help women in any of these situations to re-enter the labour market. Given the age profile of women with caring responsibilities, a visible commitment to flexibility in the recruitment process may help to attract women aged over 40 to more senior or better paid roles.

3. Culture change

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6 Working Families (2015) Off balance: parents of disabled children and paid work. This is a survey of 900 parents of disabled children, respondents are both men and women.
7 There is more information about the strapline available on our website at http://www.workingfamilies.org.uk/campaigns/happy-to-talk-flexible-working/
3.1 The committee has raised questions about the measures that should accompany gender pay gap reporting to create change within organisations. Our research shows that family-friendly working practices remain heavily gendered, with women more likely to work part-time, to work flexibly, and to be seen as the default parent when childcare arrangements break down.

3.2 Working Families benchmark (2010-2015) of employer practice has found that HR managers’ report that employees who work flexible or part-time hours are viewed as favourably as their full time colleagues within their organisations. They are not seen as less productive, effective or committed. However, benchmark data on performance appraisals indicates that there remains, even in these good practice organisations, a flexible or part-time penalty, with those working on a traditional pattern more likely to achieve the top performance rating. This continues to bear out research carried out by the Institute for Employment Studies in 2001 which showed flexible workers tend to get lower outcomes during a formal performance ratings process. To counter this, organisations should introduce training for line managers in objective setting and job design, in managing flexible workers, and in unconscious bias.

3.3 There have been huge strides towards family-friendly workplaces, most recently through the advent of shared parental leave. But these changes will not lead to change in and of themselves – as long as it remains more culturally expected that women rather than men will work flexibly and take time off for caring responsibilities. Gender pay gap reporting should be accompanied by reporting on the steps that employers have taken to embed gender-neutral flexible working in their organisations, including a ‘flexible by default’ approach to recruitment, and providing sufficient pay and time off for paternity and parental leave to be an attractive option for new fathers.

4 December 2015

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9 There is more information about Working Families benchmarks of employer practice available on our website at http://www.workingfamilies.org.uk/employers/the-top-employers-for-working-families-benchmark/
10 Equality in Performance Review. Capita and IES June 2001 (produced for the Cabinet Office)