

NDS Athena Swan Charter

People don't choose to be paid less: the pay gap

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Introduction

The pay gap is a topic that has become increasingly examined in recent years. Yet there are still misconceptions surrounding what it is, what causes it and how it can be remedied. When these misconceptions are corrected, it often leads to claims that the pay gap is meaningless¹ or that it isn't a problem in the first place, so it doesn't need to be fixed². These analyses of the pay gap tend to be reductive and lack nuance and understanding of the wider societal context of discrimination. Through looking at the data and the research within societal and cultural contexts, we can see that the pay gap is a complex problem with many contributing factors and, as a result, it requires intervention at governmental, cultural and individual levels.

What is the pay gap?

The first issue to tackle with regards to the pay gap is its conflation with the gender pay gap. If you google the phrase, "pay gap," you'll likely find that most results refer to the gender pay gap, i.e. the difference in median or average (depending on the site) pay between men and women. However, the pay gap encompasses a much larger income inequality related to workers' race, gender, disability status, etc. When properly analysed, it offers an important insight into the ways in which discrimination is structurally embedded into our culture.

The first misconception surrounding the gender pay gap arises from the statistic that women earn 78 cents for every dollar earned by their male counterparts³. It's a US statistic that received much attention during Hillary Clinton's 2016 campaign trail. However, it implies that a female worker earns less money than a male worker with the same experience and job role. This would be a misrepresentation of the data. To measure the gender pay gap in Britain, the ONS ranked the earnings of full-time employees, broke them down into an hourly wage, and compared the earnings of the middle-ranking female worker with the middle-ranking male worker (note, some sources calculate the gender pay gap by using the mean, but the gender pay gap exists in both cases). This gives a gender pay gap of 8.9%⁴, meaning that across all industries, most women in full-time employment earn less than men in full-time employment. What this does not prove is that identical employees who differ only in terms of their gender will be paid differently for doing the same work, because it includes employees with different educational backgrounds and varying levels of experience. That's not to say that this type of discrimination doesn't occur, only that the data used to measure the gender pay gap can't be used as proof of its prevalence.

Another issue with discourse surrounding the pay gap is the way in which we shine a spotlight on

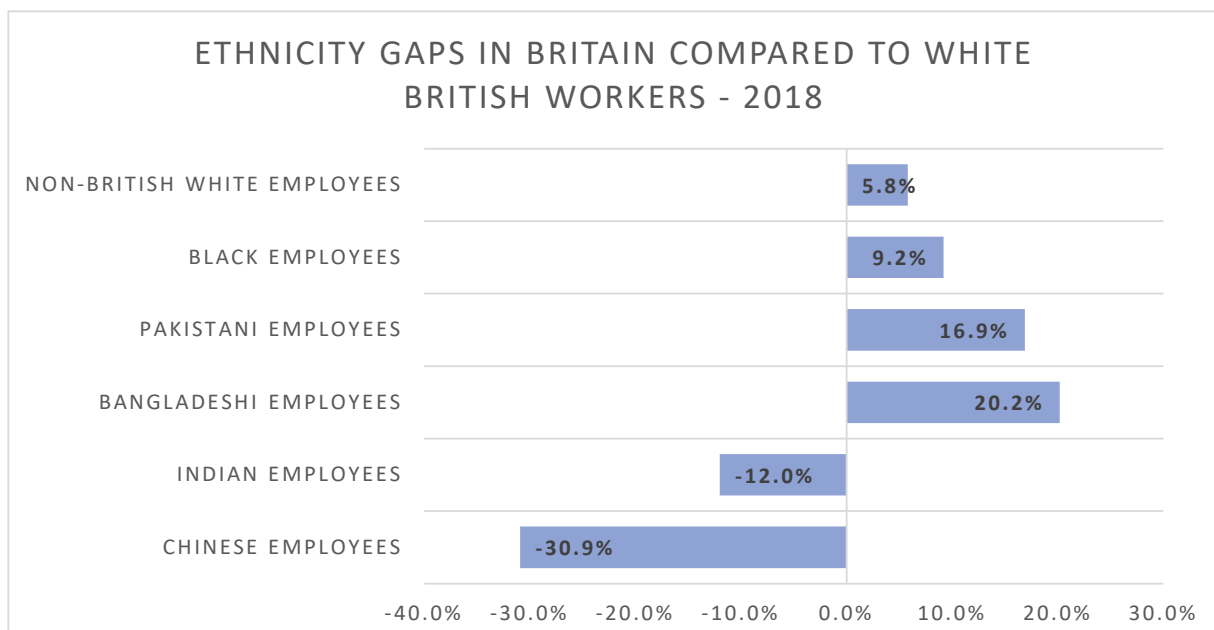


Figure 1: Chart demonstrating the pay gap for various ethnicities in Britain. Source: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2018>.

Percentage difference in mean gross hourly pay when controlling for other factors by ethnic group and country of birth, Great Britain, 2018

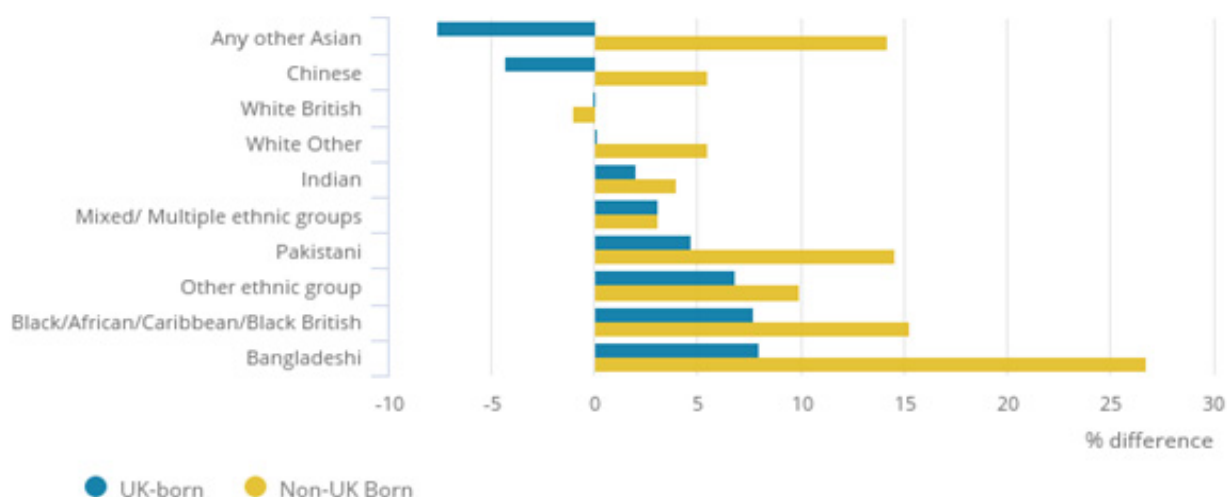


Figure 2: Pay gaps between ethnic groups after controlling for education and occupation. Source: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/ethnicitypaygapsingreatbritain/2018>.

gender-driven discrimination while often ignoring other characteristics that give rise to the gap. The ethnicity pay gap is a considerable issue for the UK workforce, with the Office for National Statistics citing pay gaps of 9.2%, 16.9% and 20.2% for black, Pakistani and Bangladeshi employees (compared to White British employees) respectively⁵ (see Figure 1). This ethnicity pay gap is also reducing at a slower rate than the gender pay gap⁶. There's also the class pay gap, where working class employees entering elite occupations earn on average 16% less than employees whose parents worked in "middle-class" professional and managerial roles⁷. Then there's the disability pay gap, which in the UK sits at 12.2%, only a quarter of which can be accounted for by factors such as occupation and qualification⁸.

Why is the pay gap significant?

There are a few key misconceptions about the pay gap that have often been used to dismiss or minimize its effects. The foremost of these is that the data used to determine the pay gap doesn't account for differences in experience and qualifications, and that once you adjust for these factors the pay gap disappears. This is incorrect.

There is plenty of evidence that demonstrates that accounting for factors that affect pay (such as education, experience, marital status and parenthood) narrows the pay gap, but does not eradicate it completely. For disabled workers, there remains an adjusted pay gap of approximately 5%⁸. The ethnicity pay gap also narrows when controlling for these factors; however, pay penalties still remain, particularly for those born outside of the UK (see Figure 2)⁸. Amongst graduates, black female workers face a pay gap of 9%, while male Pakistani and Bangladeshi workers experience a pay gap of 12%⁹. Furthermore, certain factors affect women more than men; for example, children pose a greater pay disadvantage for female workers than male workers¹⁰. There are even instances where adjusting the pay gap reveals even greater inequalities, as many ethnic minorities born in the UK have higher than average levels of qualifications yet are disproportionately found in lower-paid occupations¹¹. The pay gap is a complex topic with many contributing factors. Adjusted pay gaps don't guarantee that there is discrimination occurring in the

workplace. However, there is a clear issue of certain groups consistently earning less than others. Those who would deny that the pay gap is a serious issue may argue that this is a matter of choice², when it is in fact an intersection of various cultural and societal expectations, pressures and traditions.

What causes the pay gap?

There are many factors that contribute to the pay gap. I intend to focus on two major ones, the first being occupational segregation. Women are more likely to work in lower-paid professions than men¹², with 26% of women earning less than a living wage (accounting for 62% of the total number of people earning less than a living wage)¹³. On the other end of the spectrum, women only held 28% of board seats and 8% of CEO positions in 2018¹⁴. In a similar vein, in 2016 only 8% of director positions were held by people of colour, compared to 14% of the total UK population being from a non-white ethnic group¹⁵. Ethnic minorities are overrepresented in low-paid occupations and sectors, such as distribution, hotels and restaurants¹⁶. Conversely, traditional professions such as law, medicine, journalism and academia are dominated by workers from privileged backgrounds, with 73% of doctors coming from professional and managerial backgrounds and only 6% from working class backgrounds¹⁷.

Any argument that occupational segregation occurs because of a lack of qualifications is proven untrue in many cases. Women consistently make up a majority of undergraduates in the UK and female graduates still experience a pay gap of 8% one year after graduating¹⁸. Most ethnic minorities have higher qualifications on average than White British people (amongst women, no ethnic minorities have lower qualifications than White British employees), yet higher proportions of ethnic minority workers are found in low-paid occupations and almost all groups are over-represented in the lowest-paid elementary occupations¹¹. This suggests that people from ethnic minorities are facing difficulties accessing higher-paid occupations¹¹.

Even within an industry, for example medicine, a form of occupational segregation still occurs. Female

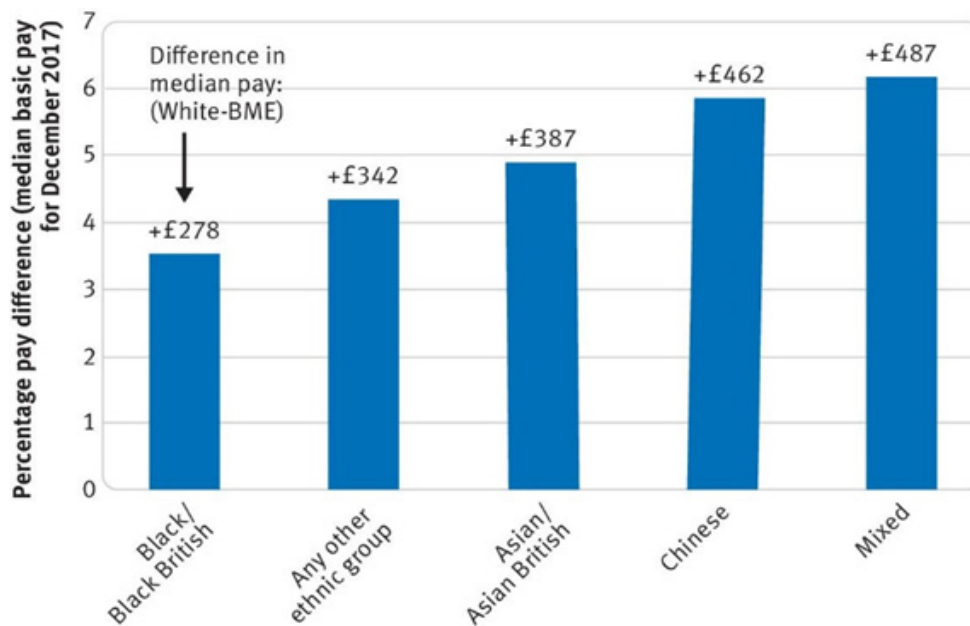


Figure 3: Bar chart demonstrating distribution of ethnicity pay gaps for NHS doctors.

doctors earn less than men, partly because they are more likely to work in lower-paid specialties and because they are less likely to reach more senior consultant roles (only 36% of consultants are female)¹⁹. Likewise, the proportion of White British workers in the NHS increases in more senior roles while the proportion of BAME staff falls (from 19.8% to 7%)²⁰. The estimated gender pay gap in surgery is 20%, largely due to the high proportion of women in lower paid specialties²¹. However, even within consultant grades, there remains a gender pay gap of 13% for consultants and 8% for trainees, with an ethnicity pay gap ranging from 3.5% to over 6% for consultants²².

There is also the question of why women and ethnic minority workers tend to occupy lower-paid positions than their white male counterparts. Not having English as a first language and possessing qualifications that are unfamiliar to UK employers often causes non-UK born ethnic minority workers to be employed in roles for which they are overqualified, leading to a greater pay gap than for UK-born ethnic minority workers^{5, 11}. For women, parenthood is a significant factor, as having children represents a pay disadvantage which decreases as pay increases¹⁰. The amount of unpaid work undertaken by women impacts their ability to work more demanding and less flexible hours. 40% of women in employment work part-time compared to 13% of men²⁵, driven largely by the disproportionate amount of unpaid care work undertaken by women. Women in the UK take on 65% of childcare responsibilities (and that doesn't account for other unpaid care work)²⁴, spending 10 hours a week extra on unpaid work compared to men²⁵. As a result, women are more likely to prioritise a role that offers flexibility and/or part-time hours, and part-time work comes with a pay penalty²⁶. This can exclude them from more senior roles with greater responsibility and pay, and can make entire industries seem inaccessible, such as that of surgery. This is compounded by the career stagnation caused by maternity leave and the common changes in working patterns (and occasional outright discrimination) that women experience following maternity leave¹².

What can be done about the pay gap?

Education is a significant levelling factor. Controlling for other characteristics, the gender pay penalty

of women with higher qualifications compared to men with higher qualifications is substantially smaller than the pay penalty among those with lower qualifications¹⁰. Further, the pay disadvantage that occurs after having children decreases as pay increases, so delaying having children until a woman is more advanced in her career will have an effect on the pay gap¹⁰, and greater education is linked to women deciding to have children later²⁷. Furthermore, there must be steps taken to make higher education more accessible to those from working class backgrounds. These steps would also help to narrow the class gap⁷ and the ethnicity gap⁵.

Evidence shows that children experience social conditioning and begin to conform to gender norms from a young age, so their exposure to ideas of “women’s work” and “men’s work” sets in early²⁸. It is therefore important that children are educated in career choices from a young age so that they are not pursuing careers based on inherited cultural biases and ideologies.

To address the inequality in the societal expectations of women versus men in regards to childcare, there must be greater balance in unpaid care work between the two. To support this, paternity pay packages should be enhanced to encourage more men to take paternity leave²⁹. Flexible working should be offered as standard in any role where it can be accommodated, and affordable childcare is essential in preventing pay penalties for working mothers.

Recruitment, performance, evaluation, and promotion practices need to be clear, transparent and fair to remove the risk of favouritism impacting career prospects. The current lack of diversity in senior roles can result in unconscious bias and discrimination in these processes. Training, education, and greater diversity on recruitment panels will help to mitigate this. Further, job posts should be screened for gendered language, and name-blind recruitment processes and competency tests can minimise the opportunity for discrimination to occur³⁰.

It is important for people to be aware of the ways that bias and discrimination can occur so subtly that we are often unaware of them. Bias can only be remedied when it is exposed, so it is important for organisations and individuals to listen to the experiences of disadvantaged groups, to create a working culture that is flexible and accommodating to its workers, and to correct imbalances when they arise.

Conclusions

To look at the pay gap as an issue of equal pay for equal work is outdated and simplistic, lacking the nuance of social and cultural context. Instead, the pay gap reveals far more about ingrained traditions and views surrounding women's roles in society as caretakers first and labourers second. Because most women work part-time in their lifetime, many pursue careers that offer flexibility, which comes at a cost to their long-term financial prospects. The pay gap reveals the cultural bias against the "Other" through the disproportionately high number of ethnic minority workers in roles for which they are overqualified, and the seeming inaccessibility of traditional roles to workers from working class backgrounds. The pay gap reveals the power of familiarity: the tendency for individuals to connect with people who are like them over anyone who is "Other". When power is predominantly held by a certain group or type of person, the cycle is perpetuated and it is harder for anyone else to reach the top. There is a great deal of data pertaining to the gender pay gap, but data relating to class, disability and ethnicity pay gaps is lacking. Even accounting for occupation, education and other pay-affecting factors, unexplained pay gaps still exist. The question remains: why? There is far more analysis and research needed to understand whether there's something else happening to create these unexplained pay gaps, or whether it's simply discrimination. An intersectional approach is needed to understand the ways in which multiple penalties interact with one another (for example, among those in full-time employment, disabled men can expect to be paid better not only than disabled women but also than non-disabled women¹⁰). While there are steps that can be taken now to address these imbalances, they pay gap can only be thoroughly eradicated once it is completely understood.

Conflicts of interest

None.

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