

The level paying field:

UK working women and pay rises



Introduction



Mark Bull
CEO of Randstad UK
and Middle East

"Employers are working hard to promote equal pay and encourage women across all industries but there is still work to be done.

"The pay gap may be the narrowest it has ever been but it still exists, and it seems women remain more reluctant than their male counterparts to ask for a raise.

"With Randstad recruiting across all industries, we are experienced in finding exceptional candidates for a wide range of different roles. Discriminating against people on grounds of gender is something we would never subscribe to, instead we ensure candidates are put forward for roles on ability, knowledge, skills and merit alone.

"That's not to say those kinds of prejudices don't still exist in different sectors as evidenced by this latest survey. If 72 per cent of women are afraid even to ask for a raise for fear of jeopardising their existing position, then clearly there is work still to be done.

"It makes sound business sense for companies to address the issues still facing women in the workplace, including closing the pay

gap, providing ongoing support for progression and rewards for achievements.

"Companies that do promote women and actively help them progress are giving themselves access to a greater pool of talent, making the most of their workforce, boosting growth and positively affecting their bottom line.

"UK economic growth is at its slowest since 2012 at 2.2 per cent for 2015 and George Osborne has warned of a "dangerous cocktail" of risks affecting the economy for 2016. China's economic slowdown is predicted to have a global economic effect and continued consumer spending is crucial to keep the country on track.¹

"Employers which don't embrace the benefits women bring are limiting their opportunities and more likely to feel these global economic effects than those who do. By making the most of their employees regardless of gender, working towards pay parity and encouraging women to work equally alongside men they will continue to enjoy growth in uncertain economic times.

"However, the focus shouldn't be just on employers making the most of opportunities brought by women in the workforce. Equally, women need to take more of a stand and have the confidence to ask for a pay rise or promotion.

"It's not always easy but they need to challenge any old-fashioned attitudes and to believe in their own self-worth. There are many highly-skilled and talented women out there who don't always appreciate their own abilities when they really should.

"Ultimately though, there has never been a better time for working women, whatever industry they're in. Working practices are evolving constantly and there will come a time when equal pay is a reality."

"They may be confronted with attitudes which have no place in modern business but by being confident and asking for a pay rise or fighting for the same promotion, development and opportunities as their male colleagues they can help those attitudes stay in the past where they belong."

¹ <http://www.bbc.co.uk/news/business-35657308>

The level playing field: UK working women and pay rises

We have come a long way in reducing the wage gap between the genders and although the divide has narrowed it does still exist. This can potentially be attributed to the hesitancy of women to ask for and pursue pay rises vs their male counterparts, according to new research.

A survey of 2000 UK workers has revealed that fewer women have asked for a pay rise than men over the past three years, and that they are far less likely to ask for a pay rise than their male counterparts.

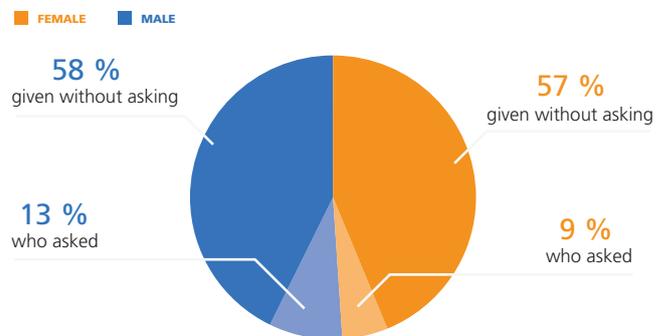
Of those surveyed, 28% say men get more respect than women when given a promotion and workers in certain industries believe men were paid more than women.

Despite this, 44% think there will come a time when men and women are paid equally.

Proposed legislation which supplements the Equality Act 2010 and will make gender pay gap reporting mandatory, should also help to redress the balance by enshrining further equal pay measures in law.

Companies with more than 250 employees will have to publish the amount awarded in bonuses to men and women, traditionally an area shrouded in secrecy and ripe for discrimination, as well as the difference between the average pay of their male and female employees.²

How pay rises were received



Legislation aside, the survey results have far-reaching implications for recruitment according to Mark Bull, CEO of Randstad UK and Middle East, who says the UK economy is dependent on harnessing the diverse skill-set women bring to the workplace and that companies who fail to promote equality do so at their own peril.

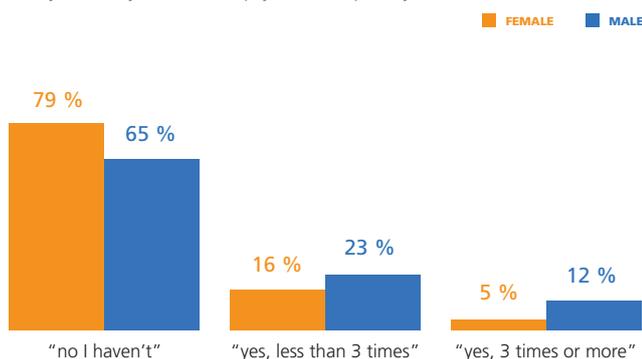
“Women are just as effective as men in business and can bring with them a wealth of knowledge, opinions and fresh ideas which can be of real benefit to business. Those who don’t take advantage of those attributes risk higher staff turnover, poorer growth and a smaller talent pool to pick employees from.”

Pay clearly matters to women as much as it does to men and

employers need to put measures in place before they even begin the recruitment process to show they are transparent and fair. Failure to do so could result in fewer candidates of a lower calibre being put forward for roles, as job seekers favour companies with clearer pay and promotion prospects.

Most workers still believe not enough is being done to reduce the pay gap or to encourage women either. Yet, results from the 2016 Randstad Award revealed 74% of employers are planning to enhance their candidate experience during the recruitment process, invariably tackling some of the perceptions in this latest survey.³

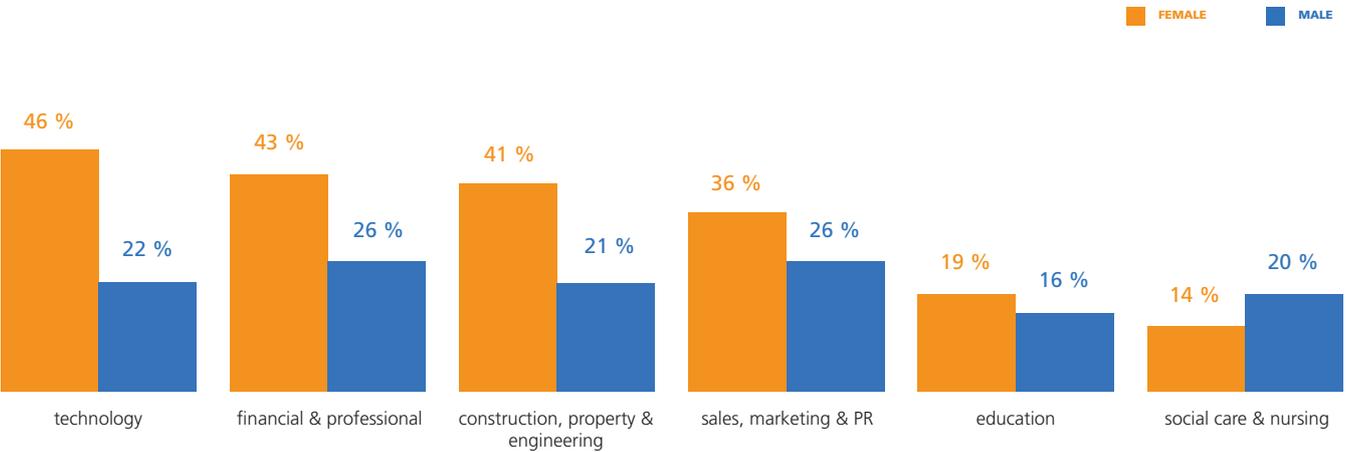
Have you asked your boss for a pay rise in the past 3 years?



² <http://www.bbc.co.uk/news/uk-34630029>

³ 2016 Randstad Award, p62. The top three areas for improvement were 1. Conducting training for hiring managers, 2. Improving internal and external communications and feedback mechanism and 3. Improving jobseeker experience on careers websites.

The percentage of people that believe or know women are earning less than men in their workplace



The survey results indicate this process is already happening, with 57% of those who had received a pay increase in the last three years saying they hadn't even asked for it. But given that 47% feel not enough is being done to encourage females into "top jobs", the process needs to be ongoing long after candidates have been successfully recruited.

Chris Park, founder of Talking Talent, a leading coaching consultancy, agrees improvements need to be made during and after the recruitment process to attract and retain the best staff, based on ability and skill not gender.

He says: "Managers must take a look at what they are paying different people and why, and have a process which means all pay reviews are assessed across the

business. Employers should train managers to manage this more effectively and ensure that women are confident to ask for pay rises as well as publish pay ranges at different job levels."

Just 3% of survey respondents said their pay had actually decreased and of those who had, a quarter of them revealed it was due to going part-time to spend more time with their family, changing career (23%) or taking a role with less responsibility (15%) rather than any kind of gender bias.

Mr Bull believes confidence and lack of self-belief is part of the problem facing women in the workplace but savvy employers will address this early on.

"Employers that give their female employees the same opportunities

as men, encourage their promotion through targets and rewards, build confidence in them and empower them will find their staff are more loyal, more productive and more likely to stay," he says.

The survey, based on responses from 2000 workers across a wide range of sectors, demonstrates widely varying perceptions of the pay gap in different industries. For example, in the finance and professional sector, 72% of men believe they are paid more than women whilst in property, construction and engineering, 79% of men were confident they were paid the same as women for the same role.

The signs are promising that eventually the gender pay gap will close and interestingly, men are more hopeful than women.

The reasons why women don't ask and what employers can do about it

The main reason women don't ask for a raise is fear of being turned down (26%). This is closely followed by 21% worrying about their boss' reaction and 19% having to justify themselves. A further 8% are concerned about longer hours and having to work harder whilst 9% are worried about other people's attitudes.

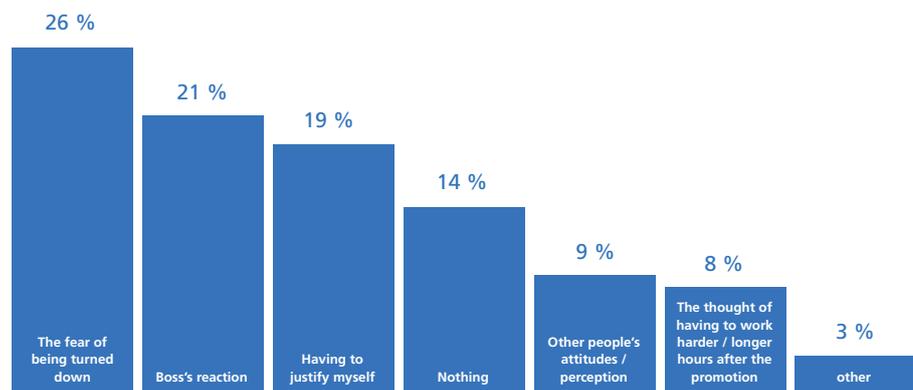
Corinne Mills, Managing Director of Personal Career Management, a business coaching and career development consultancy says: "Men will just go in and ask, be direct and really functional about it, whereas women will worry about how it will affect their working relationship, will they be seen as too pushy and so on. They over think it."

Some commentators believe women are just too nice to ask for a pay rise. Cherie Blair, barrister and wife of former Prime Minister Tony Blair, has said women's "social

conditioning" is responsible for the pay gap. She has argued women are socially conditioned to be nice which holds them back from asking for a salary increase.⁴

And British Vogue editor-in-chief, Alexandra Shulman, said in a BBC interview women were historically less good at confronting people over their pay.⁵

However, employee retention and turnover is a key, and costly, issue for most employers and by addressing these issues early on during the recruitment stage, employers will benefit from attracting higher quality candidates, greater staff retention and a more motivated workforce.



What deters women from asking for a pay rise or promotion?

⁴ <http://www.telegraph.co.uk/news/politics/9310813/Women-too-nice-to-ask-for-a-pay-rise-says-Cherie-Blair.html>

⁵ <http://www.bbc.co.uk/programmes/p02xsbvq>

Changing employer attitudes can close the gender pay gap

Despite the gender pay gap being the narrowest it has ever been, decreasing for full-time employees from 9.6% in 2015 to 9.4% in 2014 according to the Equal Pay Portal⁶, the report shows it still exists, or is perceived to exist among workers.

Of the women surveyed, 22% believe employers' attitudes are what stops them advancing,

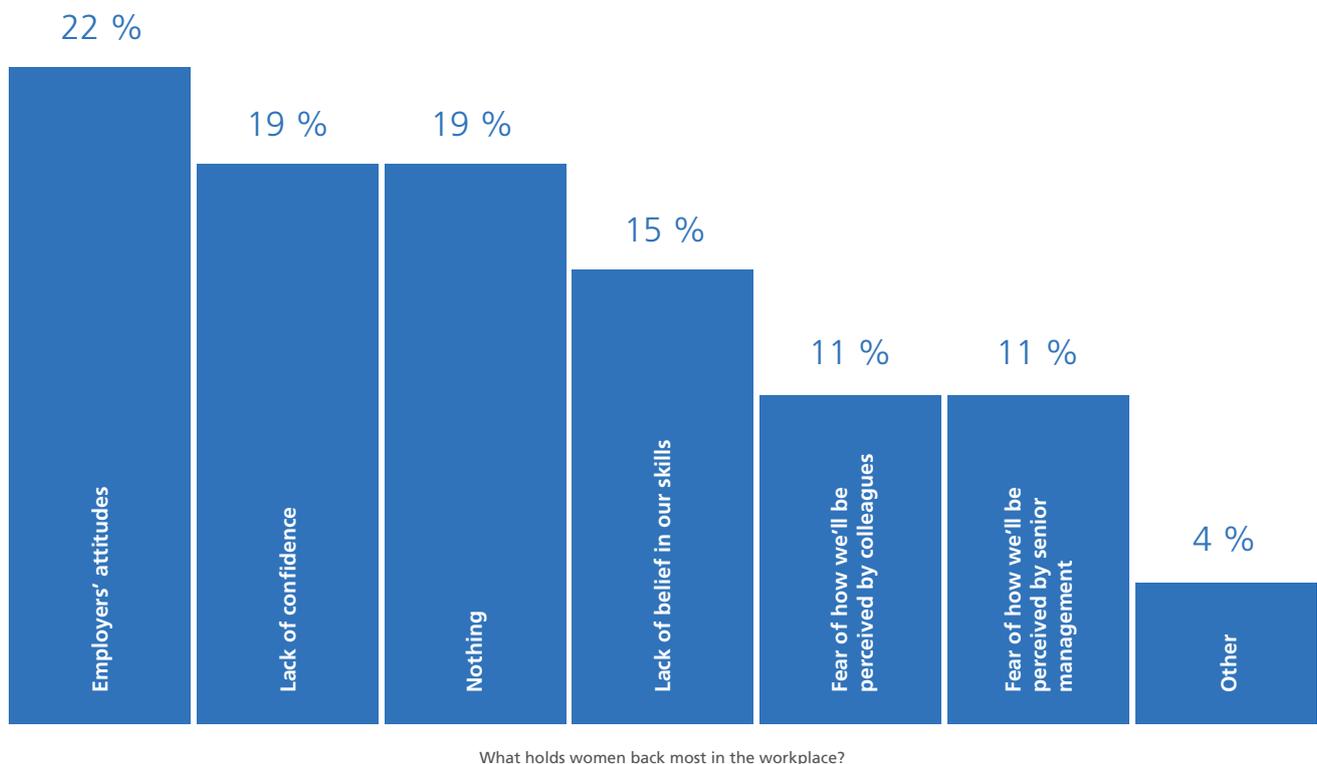
indicating that employers themselves need to be more transparent about pay and career progression.

According to the 2016 Randstad Awards research, male and female employees have different priorities when it comes to what they want: Women look primarily for balance, atmosphere and accessibility, men look more closely at financial and

career prospects⁷. However, 57% of all those asked considered salary and benefits as the most important factor, regardless of gender.

Of workers asked for the latest survey, 35% believe men have a greater chance of securing a pay rise than women, and 6% said they know women in their company are earning less than men doing the same roles. Another 18% suspect

this to be true. Many still believe the glass ceiling exists when trying to get ahead in their career with 36% of respondents saying women and minorities were particularly likely to suffer a lack of professional advancement as a result.



⁶ <http://www.equalpayportal.co.uk/statistics/> The gender pay gap for median earnings of full-time employees decreased to 9.4 per cent, from 9.6 per cent in 2014. This is the lowest since the survey began in 1997, although the gap has changed relatively little over the last 4 years. A similar trend is seen when full-time and part-time employees are combined, although the gap is unchanged from 2014, at 19.2 per cent

⁷ 2016 RA Awards, p12-13

Pay perceptions vary widely across different industries.

Of women working in care, 84 per cent had never asked for a pay rise, compared to 71 per cent of men. Most workers also believe the earnings are about the same,

which can perhaps be attributed to the fact many care or nursing roles are in the public sector and published pay scales are the norm. However, this is traditionally

a female-dominated sector with lower pay and a disproportionately high number of senior positions are still occupied by men.

Victoria Short
Managing Director,
Randstad Care

Social Care & Nursing

The good news is most people working in care believe they are earning about the same, making nursing and care more transparent than other industries, the bad news is the pay gap does still exist. There is less gender disparity in our survey than all other sectors with large numbers of both men and women not asking for a pay rise. More than half of all workers also report they have been given a pay rise without asking for one so things are moving in the right direction.

However, nursing is not a 'high pay' profession, the vast majority of nurses (89.6%) are female and a pay gap of around 14% still

exists. This of course can partly be explained by the "motherhood penalty" and women accessing career breaks and flexible working more than men which has an impact on their career progression.

The pay gap can also perhaps be attributed to the fact women across the board are more likely to work part-time to incorporate family commitments whilst men are more likely to work full-time.

However, what is worrying though is the lack of opportunity in social and healthcare at senior level for women. Fewer men in the profession should mean there are more roles for women at senior

levels but there is still a disproportionately high number of men occupying such positions.

The results of our survey are ultimately encouraging because they reveal care and nursing is generally fairly well balanced and both sexes feel like they are treated reasonably equally but the work to publish clear pay structures needs to be ongoing and organisations must be careful not to penalise women for taking career breaks to raise children or look after family. The NHS and private sector employers also need to look at ways to promote women into senior positions to redress the imbalance at the top of the profession.

In education, another female-dominated sector, almost half of men believe enough is being done to close the pay gap but less than a quarter of women agree. The

majority of men and women, 75% and 84% respectively, have also never asked for a pay rise, though more than half had received one in the past three years. With the pay

at many educational establishments being negotiated by unions, the structure is much clearer.

Jenny Rollinson
Managing Director,
Randstad Education

Education

Women account for four out of five school staff in the UK, with almost three out of four teachers being female. According to our latest survey results as many as 84% of this female¹ workforce would never ask for a pay rise. It is disappointing that, despite making up such a predominant part of the education workforce at all levels, women feel unable to approach this matter. Their pay still lags behind that of their male counterparts by as much as 15%, dependant on location and level.²

The difference in pay progression between genders can be attributed to a number of facts, including career gaps for maternity leave and teachers more likely to stay in a specific role and location for a longer time. Yet, according to our survey, a quarter of women

in education feel not enough is being done to improve their situation with regarding to pay and progression, unlike half the male teaching population who feel there is.

Educational establishments need to make their pay structures far more transparent - it will lead to female teachers being able to more confidently ask for a raise. Due to recent reforms regarding teachers' pay, there is more flexibility than ever around schools being able to attract and retain staff through more attractive salaries. So there is opportunity for women to take control of their careers and actively ask for pay reviews and seek leadership positions.

This is particularly important for those working in senior roles as the discrepancy between pay for

men and women is at its greatest in leadership positions, with the proportion of women dropping from 75% of the education workforce to only 66% of leadership positions. Women can also create their own opportunities to increase their pay by focusing on the subjects (like technology) which are in high demand and therefore command higher salaries.

Teacher recruitment and retention has its challenges, with a considerable number of new teachers quitting the industry, citing poor pay as one of the reasons. But the transparency of pay, and women looking for new opportunities within the education sector will help men and women to progress their careers at an equal pace.

Ros Toynbee, of the Career Coach, says: "The public sector has to be transparent. It's a lot easier to build up your baseline and see what people are paid but some industries in the private sector or traditionally male-dominated industries like finance and law, there is more secrecy."

In business support, 72 per cent of women hadn't asked for a raise, compared to 57 per cent of men, however, more than half of those asked had been given a pay rise anyway. Two thirds of the workforce in PR are women and in marketing, women are well represented in junior roles but

account for only 23% of marketing and sales directors. Some firms in this sector are now undertaking their own pay gap analysis to redress inequality but given that 46% in business or consultancy roles believe men get more respect than women when promoted, attitudes still need to change.

¹ <https://www.gov.uk/government/collections/statistics-school-workforce>

² School workforce census 2014

Tara Ricks

Managing Director,
Randstad Finance
& Professional

Financial & Professional

Finance, often viewed as a male-dominated industry, has traditionally been one of the worst sectors for promoting equal pay and unfortunately our latest survey shows this still to be the case.

Almost three quarters of men asked, believed they were paid more than women and 18% of workers believe equal pay will never be achieved. Asking for a pay rise also seems to be very much fraught with difficulty still, with bankers fearing their boss' reaction more than workers in any other sector.

With more and more women moving into this sector, it is no

longer the bastion of male dominance it once was. And women should be encouraged to join the sector, as they bring with them a wealth of experience and fresh ideas that can really enhance a business and create a more productive workforce.

However, to encourage talented women into the industry the pay gap perception needs to be transformed, particularly in relation to bonuses. This continuing perception impacts on a company's ability to hire talented professionals with many female employees admitting they are unlikely to apply to a company where they believe a gender pay gaps exists.

For financial and accountancy firms this could really affect the breadth of their workforce because it means they are automatically missing out on talented individuals because of the perception of the industry. By addressing the pay gap issue, their recruitment will improve and ultimately this will positively affect business performance.

New legislation requiring larger companies to publish staff bonuses should go some way to increasing transparency but until this sector starts to completely be open about what it pays, inequality will always exist.

Construction and engineering are traditionally seen as male arenas but women will make up 26% of the workforce by 2020. Almost three quarters hadn't asked for a raise but neither had 65% of men and surprisingly, 79% of men

thought women were paid equally and more women than men would consider asking for a raise.

The position is similar in technology, the only other sector where more women than men

would consider asking for a pay rise and women had a slightly higher average number of pay rises in the last five years.

Ruth Jacobs

Managing Director,
Randstad Technology

Technology

There is a notable pay and gender gap in the technology sector -industry data shows that women hold just 26 per cent of all tech jobs and the pay gap can be as high as 32% in some areas of the sector. Compounding this, our recent research shows that there is a general perception across both genders that women are earning less than men in this sector.

Given the technology industry is facing a critical skills gap, attracting more women to the sector with attractive conditions and opportunities could considerably alleviate this situation. However, this traditionally male-dominated industry needs to do much more to ensure these jobs are attractive to women through equal

pay opportunities, flexibility and career advancement. Outright discrimination may have virtually disappeared but women's career choices and employer strategy are still affected by motherhood and family, which in turn, affects pay.

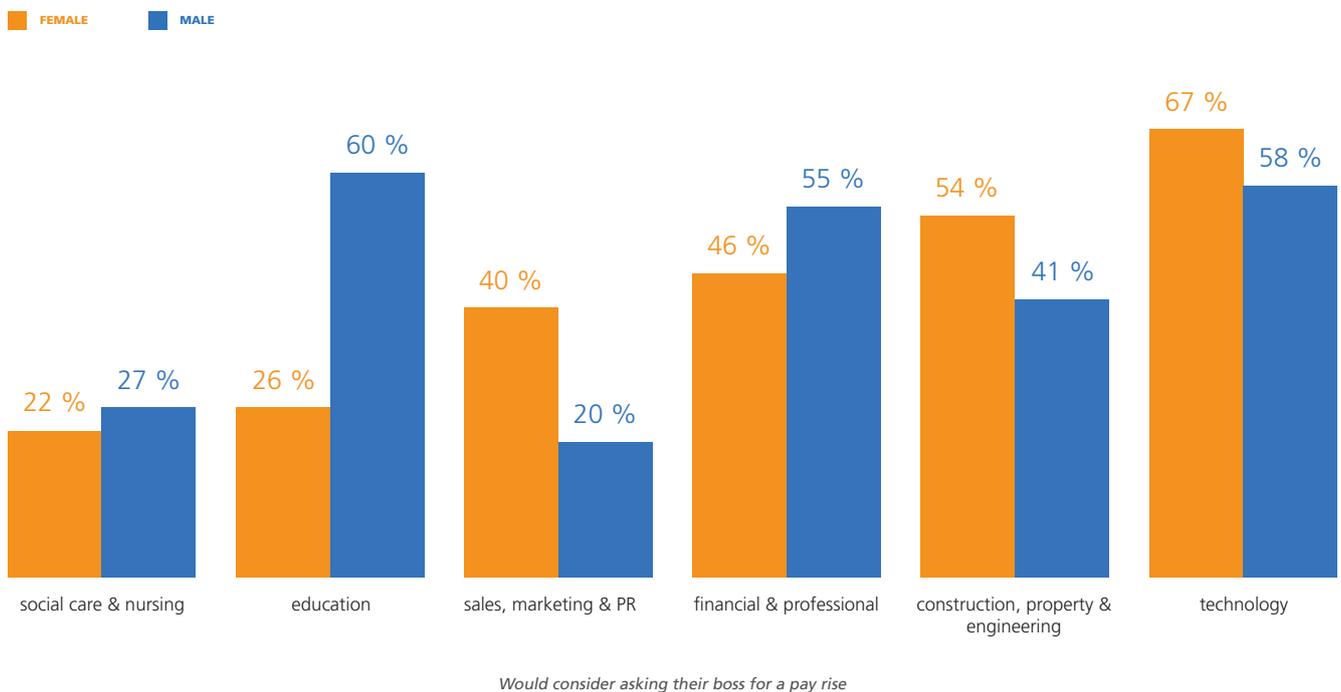
The latest equal pay legislation, which means larger technology companies will have to publish the difference in pay between their male and female employees, will go some way to redressing the balance. But with such a disparity in gender in the tech workforce, technology companies really need to look at multi-faceted ways of encouraging women into the industry, not just through better pay.

Those companies that do will reap the benefits. Closing the pay gap and encouraging women to go for promotions and rise to senior positions within technology will bring in more talent, increase the quality of management and boost productivity.

Technology is a fast-moving, dynamic industry to work in and employers need to make sure that not only are they keeping up with the latest tech developments but that they're doing everything they can to attract the best and brightest talent from the widest pool of candidates.

More than half of all finance professionals surveyed believe more could be done and until there is a

shift in attitude, high turnover and retention of talented female staff in this sector may prove difficult.



A high number of employees (84%), according to the 2016 Randstad Awards, said they would switch jobs for an employer with a better corporate reputation, the implication for companies being that better recruitment and retention will occur if they promote

equal opportunities and make it clear early on what staff can expect in terms of pay and career progression.⁸

This is particularly true of companies with low awareness and low attractiveness such as those

in business services, construction and engineering where pay may be equal but the wrong perception is conveyed to job seekers.⁹

⁸ 2016 RA Awards, p7 and p9 4 steps to get the most out of your employer brand.

⁹ 2016 RA Awards, p25 industries rated according to awareness and attractiveness

Owen Goodhead
Managing Director,
Randstad Construction,
Property & Engineering

Construction Property & Engineering

Never has there been a more exciting time in construction, property and engineering which is why the industry needs to keep moving forward and make the most of the opportunities women bring with them.

The chronic housing and skills shortage within the UK means the industry is ripe for expansion and women will no doubt play a significant part in resolving those issues.

With construction growing at twice the rate of the rest the UK economy, companies need to make the most of all the resources at their disposal and that includes

making sure highly-talented women are well-represented, promoted and rewarded for their abilities.

Many companies are already actively undertaking this process, closing the pay gap and providing opportunities for women to rise to the top in construction. Those companies that do will reap the benefits with a wider pool of talent to draw on and help grow their business further.

Those who don't, whether accidentally or deliberately, are missing out on a huge demographic which can bring many diverse skills and ideas to

construction. The impact of not stamping out any gender bias will be felt throughout every level of their business and could lead to reduced growth, or worse still, contraction.

It's disappointing that construction workers feel they cannot ask for a raise for fear of having to work longer hours. This shouldn't be the case and workers should rightly be able to ask, based on their abilities and merits alone. It is something else employers in construction will have to look at for both male and female workers to make sure they all feel confident they won't be penalised if they ask for a pay increase.

Across all industries there is a general consensus not enough is being done to encourage women or to close the pay gap but employers who pay fairly and manage diversity enjoy increased productivity, better staff morale

and lower staff turnover. They find it easier to recruit skilled staff and improve their corporate image.¹⁰

Jemma Olchawski, head of policy and insight at The Fawcett Society which has been campaigning

for equality for 150 years, says: "Finance has the largest gender pay gap of any British industry at 35%, but almost all sectors see pay gaps. These represent missed opportunities for the women in those organisations but also for

employers – if you don't properly pay, retain and promote the best people then you are missing out on the full potential of your workforce."

Ruth Jacobs
Managing Director,
Randstad Business Support

Sales, Marketing & PR

According to our recent survey results, more than half of sales and marketing staff don't ask for a pay rise for fear of being turned down yet almost half again in these sectors believe there will come a time when men and women are paid equally.

The implications of this for these business sectors are important because it reveals that whilst workers believe there is movement towards pay parity, there are still plenty of barriers stopping women from progressing.

Quality talent is in high demand. Indeed, it can take up to a month or more to recruit for new sales and marketing roles and so it pays

for employers to offer the best pay and conditions to attract that talent, regardless of gender.

If consulting, marketing and PR roles are seen as less attractive because of a perceived pay gap it will have a knock-on effect on their ability to hire the best people and ultimately on the financial effectiveness of their business.

There is also a continuing lack of women in senior positions such as board members on FTSE 100 companies so employers need to look at what measures they can take to enable women to take a career path towards these positions. Closing the pay gap is undoubtedly part of the package

they must provide but it is also about managing women's career advancements, their expectations and ensuring they have access to the same promotions and opportunities as their male counterparts.

Government legislation to make employers publish details of employees' salaries and bonuses will help to reduce this culture, but ultimately it is incumbent on the employers themselves to make substantive changes to their recruitment and employee benefits policies, ensuring men and women are treated equally, not just on pay, but on promotion, benefits and career prospects as well.

¹⁰ <http://www.closesthegap.org.uk/content/employers/>

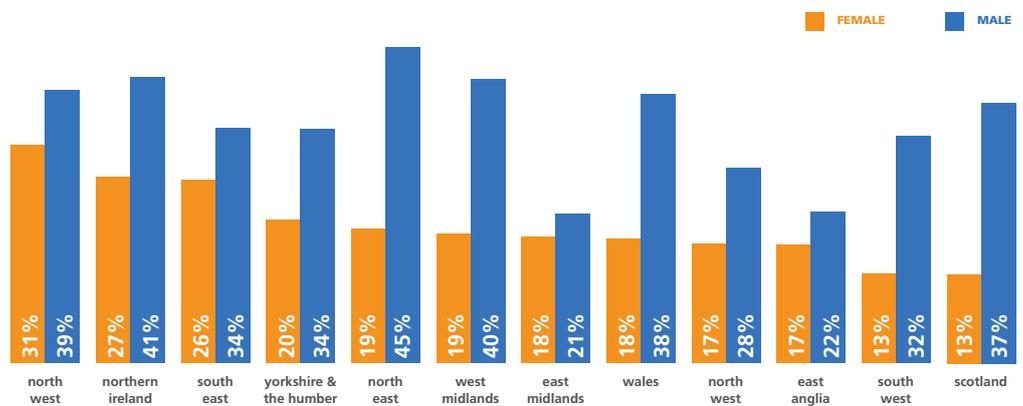
Workers in London are more likely to ask for a pay rise

Workers in London are most likely to ask for a pay rise with four in ten having done so in the last three years, compared to three in ten nationally and just two in ten in Anglia and the East Midlands.

London, along with the North East, was also one of the areas where workers were confident enough to ask for three or more pay rises in three years - 11% and 12% respectively, compared to 8% of respondents overall. At the other end of the scale, employees in Northern Ireland were the least likely to make such an approach with only 4% asking three or more times. The increased numbers asking for a raise in London could be attributed to the availability of work and the ease of finding a new job if things don't go according to plan. The perceived risk of asking for workers in more rural areas might be higher because finding a new job could be harder.¹¹

In Northern Ireland, women are much more likely to ask for a raise than men with 100% of those working in construction and property making such a request. Surprisingly, just 20% of men in the same industry had asked their boss for a raise, once more challenging the perception it is a man's industry. The opposite is true of women working in East Anglia or the South West with not a single respondent asking. Overall, Northern Ireland has the

Percentage of respondents that have asked their boss for a pay rise in the last 3 years by region



biggest gender disparity across all the sectors with almost half (46.2%) believing men are more respected in the workplace than women, a figure which is 12% higher than anywhere else.

The East Midlands had the highest number of workers who believe men and women are paid equally for the same job though 45% of respondents in London also agreed. In Wales, more than 10% of those asked "know" women have a lesser chance of being paid the same as men. On balance, though, females have the best chance of not being discriminated against if they are in Scotland or the North West. In terms of achieving equality, 18.4% of West Midlands respondents

don't believe there will ever be equality compared to just 8.8% of East Anglians.

Percentage of respondents that believe men have a better chance of a pay rise by region



¹¹ Corinne Mills, managing director of Personal Career Management, says: "If you ask for a pay rise and don't get it, how easy is it to find another job? If you're living in an area where there are lots of jobs you're probably more inclined to leave if you're dissatisfied. If you're in a small area with few jobs, the perceived risk of asking might be greater."

How women can get ahead

Employer attitude was the number one reason for not asking for a raise (35%) but that was closely followed by lack of confidence (30%), lack of belief in skills (23%) fear of perception by colleagues (17%) and fear of perception by senior management (17%), revealing it's not just employers that need to change. Women can also push for development and promotion as well as pay rises too by making simple changes to the way they act and the way they value themselves in the workplace.

Natalie Reynolds, founder of Advantage Spring and a leading negotiation expert who delivers keynote speeches to women

around the world, says women are just as capable in business but have to work harder to crush negative stereotypes.

"Your gender shouldn't matter but it's naïve to think it doesn't in these types of negotiations. There are stereotypes that women can't deal with the tough stuff and can't handle conflict. Women are less likely to accept an opportunity to negotiate than men. If we ask for a rise we are viewed as being less likeable, greedy and too aggressive.

"But there are things women can do. Your boss isn't a mind reader, you have got to ask. Imagine you're negotiating for someone

else - evidence shows women fight harder for people they care about. Do your research and establish your walk away point and be really clear about what you want. Have a target in mind – open ambitiously but creatively, give yourself some wiggle room. Try and make the first proposal, you're statistically more likely to get a result that goes in your favour. Finally, be flexible, plan where you go next and what you will concede on."

Equal pay and promotion makes good business sense

It's clear the pay gap still exists and can impact business success. In terms of recruitment, not promoting equal pay and promotion can be disastrous for employers who won't attract and retain the best staff.

Employers who don't build a compelling employer brand for both genders essentially will be

recruiting from a smaller talent pool, reducing their chances of finding the best candidate for the job. They may also struggle with staff retention and the impact of higher recruiting costs as workers move to employers who do offer more. Employers who do harness the power of the female workforce, paying and rewarding them properly, can

expect loyal employees, lower staff turnover, increased production and ultimately, a healthier bottom line.

Women too have their role to play in reducing the pay gap by pushing for promotion and summoning up the courage to ask for the pay rise they deserve.

Survey methodology:

2000 employed adults living and working in the UK were surveyed during February 2016 by OnePoll. Respondents identified as working in the following sectors: Accountancy, Banking & Finance, Business, Consulting & Management, Engineering & Manufacturing, Healthcare, Information Technology, Marketing, Advertising & PR, Property & Construction, Sales, Social Care, Teaching & Education.



#womeninwork

March 2016