

# WOMEN'S JOBS, MEN'S JOBS? JOB SEGREGATION, AND WHAT IT MEANS FOR THE GENDER PAY GAP

## Introduction

Men and women participate in the labour market in different ways.

- Men work many more hours than women, with women more likely to work part-time or flexibly.
- Women do the bulk of childcare, make up the majority of carers in employment, and those who provide care for more than 35 hours per week.
- Although girls perform better than boys at school, and are more than half of students at higher education institutions, 57 per cent of all women in employment are employed in medium-low or low skilled occupations, compared with only 37 per cent of men<sup>1</sup>.

Another important difference in the way men and women participate in the labour market is that they work in **different types of jobs and industries**. This is called **job segregation**, or occupational segregation. For example, women are more likely to be care workers, administrators and HR practitioners. Men are more likely to be plumbers, engineers and IT professionals. Women's employment is concentrated in what's known as the '5 Cs', cleaning, caring, clerical, cashiering (retail) and catering. The clustering of men and women into different jobs and sectors is called **horizontal job segregation**.

**Vertical job segregation** is more commonly known as the '**glass ceiling**', and describes the phenomenon by which women are found in more junior grades within companies and industries. Women are three times more likely to be administrators than managers, directors or senior officials. Men are half as likely to be administrators as managers.<sup>2</sup>

<sup>1</sup> Scottish Government (March 2015) *Maximising Economic Opportunities for Women in Scotland*

<sup>2</sup> Ibid.

The two kinds of **job segregation** overlap, in that female-dominated jobs such as administration are also less valued, in terms of salary and status within companies, than male-dominated occupations.

## What causes job segregation?

### Gender stereotyping

Attitudes and expectations based on gender stereotypes often determine the career choices made by men and women. The patterns of segregation that we see in the labour market are reflected at all levels of education, and in all types of programmes designed to develop people's skills. Evidence shows that gender stereotyping from a very early age has an impact on the decisions that girls and boys, and young women and men, make about subject choice. Fixed ideas about gender and work results in the concentration of girls in subjects such as biology, art and design, languages and home economics, while boys are more likely to study maths, computing and physics. These gendered patterns of education have not shifted substantially over recent decades.

### Inflexible working practices

Women are significantly more likely to have primary responsibility for childcare. They are also more likely to be a carer for sick people, disabled people and older people. After having children, many women require to reduce their hours, or work flexibly in another way, to enable them to balance work with childcare. A lack of flexible working in all sectors, and quality part-time work makes this difficult. Flexible working options further diminish for management and senior roles. As a result, many women end up working in the only part-time jobs that are available. Part-time jobs are concentrated in the junior grades of companies, and in a small number of low-paid female-dominated jobs and sectors including admin, retail, cleaning and caring. The lack of flexible working, particularly in senior grades is a key cause of the **glass ceiling**.

### The undervaluation of roles and occupations

The jobs and sectors in which women are clustered tend to be low-paid with lower status. This is because they are intrinsically undervalued, as it is mainly women that do these types of work. The undervaluation of female-dominated jobs such as caring, cleaning and catering is linked to gender stereotyping, and the expectations on women where historically they have carried out similar roles in the home. So-called 'women's work' has lower status and value because the skills required for these jobs are perceived to be inherent in women, and the work is therefore not fairly remunerated.

The potential for the undervaluation of women's work is formally recognised in the Equality Act 2010, which is reflected in the principle of **equal pay for work of equal value**. Equal value is measured in terms of the demands of the job. This means that an individual has the right not to be paid less than a comparator of the opposite sex where work is different but is of equal value in terms of the demands of the job. Although two jobs are different, they can be regarded as being of equal worth in terms of the nature of the work, skills or training required to do the job, the conditions of work, and the decision-making that is part of the role. It is common for very different jobs to be deemed to be of equal value when analysed in terms of the demands, such as effort, skills and decision making, made on the worker. Tribunals have found a range of jobs to be of equal value, for instance, a cook and a painter, a speech therapist and a pharmacist, and a sewing machinist and an upholster. The undervaluation of work done by women is a key strand linking together the causes of the gender pay gap, occupational segregation, women's unequal share in caring, and pay discrimination.

## **Workplace culture**

A contributing factor to the glass ceiling is assumptions about women's and men's capabilities and preferences. It is often incorrectly assumed that men are more naturally suited to management positions, and that women, particularly after having children, are not interested in progressing. However, research from Catalyst, a global non-profit organisation working to accelerate women through workplace inclusion, found that 55% of women aspired to be in a senior leadership position.

Untransparent and biased recruitment and development practices creates a further barrier to women's progression, particularly where these are based on informal networks, to which women are less likely to have access.

**Part-time work is most commonly found in lower grade jobs, and usually done by women. Quality part-time work, in more senior grades, is often difficult to find. The concentration of part-time work in lower paid jobs is a major cause of job segregation. As a result, many women are working below their skill level, which means that you may not be making the best use of your people. Thinking creatively about how jobs can be done on a part-time or flexible basis is key to harnessing women's skills and talents, and closing the gender pay gap.**

## How job segregation impacts employers and the economy

Job segregation restricts the choices of women and men around jobs, careers and training. But it also restricts the choices of employers looking for skilled people. The under-use of women's skills and talents has a direct effect on employers, which contributes to skills gaps.

Evidence shows that job segregation is a drag on growth because so many women are working below their skill level, contributing to economy-wide skills shortages. Many of the sectors with the greatest skills shortages, for example, energy and technology, are also those in which women are under-represented. 73% of women with science, technology, engineering and maths (STEM) qualifications do not work in STEM industries. Evidence produced by international economic institutions such as the IMF and World Economic Forum indicates that a better use of the skills and talents of the world's women would generate growth and productivity. Crucially, closing the gender gap in employment could add up to £17bn to Scotland's economy.<sup>3</sup>

## The business case for tackling job segregation and the pay gap

Benefits of breaking down gendered barriers in employment, training and skills acquisition would be wide-ranging:

- Companies having a greater pool of talent to choose from, because up to half the population is not constrained from choosing to work in a particular industry or sector;
- Increased employee retention, enabling you to retain the skills of key people, and enjoy reduced HR and training costs, as a result;
- Improved morale and loyalty, which in turn leads to higher productivity; and
- Reduction of artificial limits on productivity caused by the under-use of women's skills and talents.

## Designing better products and services

Research shows that diverse workforces are linked to company performance. Employee diversity enables companies to draw on a wider range of skills, experiences and perspectives in problem solving and decision making which, in turn, boosts profits.<sup>4</sup> Diverse workforces create diversity of thought in product and service design. Men and women bring different experiences and perspectives to the table, so by having a mix of men and women involved, your business will be more likely to design products and services that meet the needs of a wider client base.

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<sup>3</sup> Close the Gap (2017) *Gender Equality Pays: The economic case for addressing women's labour market inequality*

<sup>4</sup> Ibid.

## Gender balance on boards

Evidence from both academic communities, and large global business organisations such as McKinsey & Company and Goldman Sachs, have identified a clear link between increased gender equality, including gender diversity in the boardroom, and companies financial and corporate performance.<sup>5</sup> Global evidence on gender diversity on boards has found that:

- The companies with the most female board members had a 16% higher Return on Sales than those with the least, and 26% higher Return on Invested Capital<sup>6</sup>.
- Companies with "strong female leadership" (primarily measured by women on boards) were correlated with higher Return on Equity than companies without (10.1% compared with 7.4%).<sup>7</sup>
- Companies with fewer women on boards had more governance-related controversies than average.

## What you can do to tackle job segregation

- Think creatively about job design to identify where jobs can be done on a part-time or flexible basis.
- Gather data on the barriers to women's progression to senior roles in your company. Close the Gap can work with you to deliver this.
- Develop a mentoring programme for women who want to progress in the company.
- Support your female employees to join a women's professional network.
- Review your recruitment process to ensure it's transparent, and is free from gender bias.
- Develop a recruitment initiative which targets women for roles in which they're under-represented. This may include placing job adverts in places women are more likely to see them, or delivering pre-interview training to women to enable them to compete on a level playing field.
- Set SMART targets to drive your work on job segregation, and include these in your gender pay gap action plan.<sup>8</sup>

This briefing accompanies the **Close Your Pay Gap tool**, developed by Close the Gap, Scotland's expert on the gender pay gap. To use the tool, and find guidance on the causes of the pay gap, go to [www.closeyourpaygap.org.uk](http://www.closeyourpaygap.org.uk).

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<sup>5</sup> Ibid.

<sup>6</sup> Catalyst (2011) *The Bottom Line: Corporate performance and women's representation on boards* (2004-2008)

<sup>7</sup> Lee, Linda-Eling, Ric Marshall, Damion Rallis, and Matt Moscardi (2015) *Women on Boards: Global trends in gender diversity on corporate boards*, MSCI

<sup>8</sup> Ibid.