The current situation of gender equality in the United Kingdom – Country Profile

2013

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Foreword

Dear Reader,

We are happy that we have raised your interest in the EU-Initiative "EQUALITY PAYS OFF". The initiative supports large companies in successfully adapting to upcoming labour market challenges: Due to demographic change as well as a stronger focus on service and knowledge intensive industries, Europe will face a significant shortage of (qualified) skills in the next decades.

To secure qualified labour, it will be of vital importance for large companies to diversify the pool of (potential) employees by gaining better access to the female labour force. The initiative supports companies in Europe to increase female participation, to support employees that involuntarily work part-time due to family obligations, to motivate students to enter atypical fields of education and to reduce horizontal\(^1\) as well as vertical segregation\(^2\). Consequently, the initiative contributes to a reduction of the gender pay gap in Europe.

The initiative covers all EU-27 countries plus Croatia, Turkey, Former Yugoslav Republic of Macedonia (FYROM), Serbia, Norway, Iceland and Liechtenstein – in total 34 countries. This country report serves as background material for workshops taking place in each country in the context of "EQUALITY PAYS OFF".\(^3\) These workshops shall enhance knowledge exchange between business leaders and key decision-makers of participating companies. The quick and country-specific overview of the status quo will serve as a basis to explore starting points for each company to tap the female talent pool in a better way.

The country report is structured into four parts: After the management summary, Part 1 describes the status quo of gender equality in the British labour market. Part 2 describes our recommended strategic approach to gain better access to female talent in the labour market and within a company. Part 3 lists initiatives of the public and private sector in the UK that support companies in their ambition to enhance gender equality.

Further information on the EU-Initiative and its respective activities as well as on involved stakeholders can be found at http://ec.europa.eu/justice/equality-pays-off.

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\(^1\) Horizontal segregation refers to the under-/overrepresentation of women and men in occupations or sectors
\(^2\) Vertical segregation refers to the under-/overrepresentation of women and men in hierarchical levels
\(^3\) The information on the website has been summarised in this country report. Detailed information can be found on the website: http://ec.europa.eu/justice/equality-pays-off
Management Summary

Demographic change as well as a stronger focus on service and knowledge intensive industries will lead to a significant shortage of (qualified) skills in Europe. While trying to fill the upcoming gap between labour demand and labour supply, companies can benefit from improving their access to the full talent pool by ensuring equality.

Currently, British companies do not make full use of the existing female labour force potential. Five groups of indicators show the status quo in 2011:

- The **employment rate** of women in the British labour market equals 65% and thus is above the EU-27 average (58.6%), but it is still more than 10 percentage points (pp) below the male employment rate (75.2%).

- The rate of British women **working part-time** (42.3%) is above EU-27 average (32.1%) – However, the female average part-time weekly working hours in the United Kingdom (18.8 hours) are below EU-27 average (19.9 hours).

- **Secondary education** is more available for British women (76.9%) than on EU-27 average (70.9%), but still below the rate of British men (78.7%). However college/university (tertiary education) attainment of British women equals 35.6% and thereby lies clearly above EU-27 average (25.8%) as well as the male attainment rate (33.8%).

- The under-/overrepresentation of women and men (**horizontal segregation**) is more pronounced regarding sectors as well as occupations in the United Kingdom than in the EU-27 – it is necessary to motivate graduates to also consider gender atypical sectors and occupations.

- The under-/overrepresentation of women and men on hierarchical levels (**vertical segregation**) is ambivalent – the proportion of women on supervisory boards (16.0%) is higher than EU-27 average (14.0%) and also women in management positions are represented in a higher share (34.0%) compared to the EU-average (33.0%). However, over the last years only minor improvements were achieved. Women’s representation in decision-making positions remained relatively constant.

**The gender pay gap** – the overall difference in income between women and men lies at 20.1% in the United Kingdom in 2011 and is thereby above the EU-27 average (16.2%).

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5 Eurostat Labour Force Survey (LFS) (2013)  
6 Eurostat Education and Training (2013)  
7 Eurostat Labour Force Survey (LFS) (2013)  
1. How British companies access the talent pool

In the following, we give a brief overview of the current situation of employment of women and men in the United Kingdom in comparison to the overall EU-27 average.

1.1 General participation of women in the labour market

The employment rate of women (65.0%) in the United Kingdom was higher than the EU-27 average of 58.6% in 2011. However, women still do not participate in the labour market to the same degree as men (75.2%). The difference between the male and female employment rate was about 10 pp, and has been relatively stable since 2002. Still, the employment rate gap between women and men increases by age group. It is highest in the age group of the 55 to 64 years old (15 pp in 2011).

Contrary to the EU-27 average, women in the United Kingdom have been less affected by unemployment than men since 2002. Whereas 8.5% of men were unemployed in 2012, only 7.5% of women were out of work. However, the unemployment rate has increased since 2002 similarly for men and women.

The general participation rate of women in the British labour market was about 72.5% in 2012. It increased by 2.9 pp between 2002 and 2012. However, it is still 11.2 pp below the men’s participation rate (83.7%).

![Figure 1: Labour market participation of women and men in United Kingdom in comparison to the EU-27](source)

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11 Employment + Unemployment rate = Participation rate
Part-time segregation

Part-time rates in the United Kingdom are constantly higher than the EU-27 average for both men and women. 42.3% of British women make use of flexible work arrangements as opposed to 32.1% of women in the EU-27. Whereas the female part-time rate in the UK remained relatively constant over the last 10 years, its male counter-part increased by 3.1 pp. In the same period, the EU-27 average saw an augmentation of 3.9 pp for women and 2.5 pp for men.

In contrast to those far-above average part-time rates in the UK stands the amount of hours worked per part-time worker compared to their full-time colleagues: Both women and men in the UK are working fewer hours than the EU-27 mean. This gap between British women in part-time and the female EU-27 average remained almost the same between 2002 and 2011 (3.8 and 3.2 pp). However, there was a significant narrowing of the gap between the UK and the EU-27 male part-time working hours as share of full-time working hours over the same period from 8.4 to 3.6 pp.

The reduced part-time working hours in the UK (for women and men) can at least partly be explained by a closer look at the use of childcare services: British children spend far less time in day-care facilities than the average EU-27 child, which could lead to lower part-time working hours.

At a first glance, the UK's childcare performance is far above most other European countries as 35.0% of children under three and 93% of children between three and school age were enrolled in formal childcare, compared to 30.0% and 84.0% in the EU-27. However, those high numbers for the UK are mainly due to the large share of children who spend less than 30 hours per week in day-care. In terms of children who are more than 30 hours per week in childcare facilities, the UK lies far behind many other European countries. Only 5% of 0-3 years old and 27% of children between 3 years and school age are in childcare, compared to 15.0% respectively 47.0% in the EU-27.

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1.3 Qualification level and choice of education

Over the last 10 years, the share of the working population who attended secondary education increased significantly in both the UK and in the EU-27. This augmentation was especially remarkable for women, where the UK saw an increase of 14.9 pp and the EU-27 of 9.7 pp. This led to a closing of the gender gap in secondary education where the difference between the male and the female rate is now under 2 pp for the UK and almost zero for the EU-27 average.

In tertiary education similar effects can be observed. Both the UK and the EU-27 saw a significant increase in the share of their working-age population that attended tertiary education. However the British rates for both men and women remained far above the EU-27 average. Most important in terms of gender equality is the fact that today more women than men attend tertiary education both in the UK and the EU-27 due to a stronger increase of the female rate than the male one. The female rate overtook the male one in the UK by 1.8 pp and in the EU-27 by 2.7 pp.

\[\text{Secondary Education [\%]}\]

\[\text{Tertiary Education [\%]}\]
However, there are also typical features of segregation relating to the choice of education. Particularly, the existence of "typical" female fields of study as well as "typical" male fields of study is predominant in the United Kingdom, showing the usual EU-27 pattern of distribution. "Health and Welfare", "Teaching, Training and education science" as well as the "Humanities and arts" remain popular fields of study for women, with a country specific female interest in "Agriculture and veterinary" and a comparably large underrepresentation of women in "Engineering, manufacturing and construction".

1.4 Under-/overrepresentation of women and men in occupations or sectors – "Horizontal segregation"\

The extent of horizontal segregation is more pronounced in the UK than in the EU-27, which is one of the consequences of the educational segregation in terms of preferred fields of study observed in the chapter before. In order to compare systematically the extent of horizontal segregation in the UK with the overall EU-27 average, two horizontal segregation indicators are calculated: (1) Sectoral Gender Segregation Indicator (SGS) and (2) Occupational Gender Segregation Indicator (OGS):

- The extent of sectoral gender segregation (SGS) in the United Kingdom (5.9 pp) is slightly above the EU-27 level (5.4 pp). Consequently, the United Kingdom should engage in motivating women to also consider "typically male" economic sectors and men to also consider "typically female" economic sectors.
- The extent of occupational gender segregation (OGS) in United Kingdom (5.5 pp) is also higher than the overall OGS of the EU-27 (4.6 pp).

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15 Comparing the share of female employees that work in one economic sector to the share of male employees that work in the respective economic sector shows the extent of gender segregation in that specific economic sector. The Sectorial Gender Segregation Indicator (SGS) reflects the weighted average difference in absolute percentage points (share of all male employees in an economic sector [%] minus share of all female employees in resp. economic sector [%]) across all economic sectors.
Figure 8: Horizontal Gender Segregation Indicators

The distribution of women and men across the sectors of the British economy shows a gender bias. Among the Top 5 preferred sectors of work for women and men, there are only two common sectors ("Wholesale & Retail", "Professional, scientific and technical activities"), accounting for 19.8% of the female and 20.4% of the male workforce. The main sector of employment for both in the UK and the EU-27 however is in the field of Health and Social Work, whereas men in both groups prefer Manufacturing. The fact that the two most important sectors for female employment – that make up almost 40% of women’s jobs – are both chosen by less than 7% of British men shows the strong gender bias in terms of sector choice in the UK.

<table>
<thead>
<tr>
<th>% of women employed in</th>
<th>United Kingdom</th>
<th>EU-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Social Work</td>
<td>22.2</td>
<td>17.8</td>
</tr>
<tr>
<td>Education</td>
<td>16.6</td>
<td>11.7</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>14.1</td>
<td>15.3</td>
</tr>
<tr>
<td>Public administration</td>
<td>6.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>5.7</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Accumulated concentration: 65.5% in the United Kingdom, 57.1% in the EU-27

<table>
<thead>
<tr>
<th>% of men employed in</th>
<th>United Kingdom</th>
<th>EU-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>14.2</td>
<td>20.5</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>13.6</td>
<td>13.1</td>
</tr>
<tr>
<td>Construction</td>
<td>12.9</td>
<td>12.9</td>
</tr>
<tr>
<td>Transportation &amp; storage</td>
<td>7.4</td>
<td>7.3</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>6.8</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Accumulated concentration: 55.0% in the United Kingdom, 58.5% in the EU-27

The differences are even more obvious when looking at the top 5 occupations of the British workforce. Only the position of "Administrative and commercial manager" appeals to women (9.1%) as well as men (14.3%). Women rather choose occupations with a strong service and education focus (e.g. personal service workers 19.1%). Men on the other hand focus more on technical and engineering occupations (e.g. Building and related trades workers).
1.5 Under-/overrepresentation of women and men in hierarchical levels – "Vertical segregation" 16

Women are underrepresented in economic decision-making positions in the EU-27 and in the United Kingdom. The vertical segregation is not more distinct than in the rest of the EU. However, the development of women in economic decision-making positions between 2003 and 2010 could not keep up with the general European developments, considering the promising initial position of 15.0% female board members and 35% female managers in the UK in 2003.

In 2012, 16% of British corporate board members were female compared to 14% in the EU-27. The EU-average increased by 6 pp between 2003 and 2012, whereas in Britain the development was slower in the same period (+ 1 pp).

Similar developments can be observed until 2010 in management positions, which were occupied by women to 34% in the UK and to 33% in the EU-27. Here again, changes in the UK remained behind European developments. Over 7 years, the female share of managers increased in the EU-27 by 2 pp. Contrarily, the female rate even decreased by 1 pp in the UK.

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1.6 Gender pay gap

In the United Kingdom, the average female employee earns 20.1% less than the average male employee. In comparison, the gap for the overall EU-27 lies on average at 16.2%. However, there is a positive trend to observe for the time between 2006 and 2011. Reducing the pay gap by 4.2 pp outperforms the EU-27 developments (1.5 pp).

Figure 9: Women in economic decision-making positions

Figure 10: Unadjusted gender pay gap

2. How to gain better access to the talent pool?

More gender equality within the business sector and a reduction of the gender pay gap can only be sustainably realised if companies follow a comprehensive approach including corporate strategy, management, operational implementation by business units and HR work organisation and monitoring (“strategic pillars”):

- **Corporate Strategy – Establish gender equality as part of the company’s DNA**
  
The corporate strategy sets the framework for doing business and determines the internal work culture. Experience shows that gender equality – in order to be sustainably established – has to be(come) a company rationale: The concept of gender equality has to be an integral part of the overall corporate strategy. This is the foundation for successfully addressing the gender pay gap within a company.

- **Management – Understand and position management as driver and role model**
  
  A management which is convinced of and fully endorses the company's strategy towards gender equality is vital to sustainably establish and live the principles of equality between women and men throughout the company and contribute to a sustainable reduction of the gender pay gap. The management is responsible for the implementation of the corporate strategy. Also, managers act as role models and multipliers within and outside the company.

- **Operational Implementation – Business units and HR striving for more gender equality in daily work**
  
  Fields of action
  
  1. Raise awareness among high school graduates regarding the full spectrum of fields of education
  2. Attract top talent irrespective of gender
  3. Strengthen the work-life balance
  4. Promote career advancement
  5. Evaluate the remuneration system
  6. Communicate company's activities to tap the talent pool in a better way

- **Monitor – monitor and follow up target achievement**

  Focusing on one pillar will lead to partial improvements only.

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  Business units are responsible for operationalising strategic targets regarding gender equality by actually implementing measures which have been agreed upon in their daily work, e.g. by offering internships. They contribute to a sustainable attraction, retention and development of employees.
• HR – as central point of contact for human resource issues of business units – offers strategic advice on how to address gender equality sustainably and provides instruments and processes to attract, retain and develop top talent, e.g. by designing regular evaluation processes.

There are six main fields of action for operational implementation:

• Raise awareness among high school graduates regarding the full spectrum of fields of education - To enlarge the potential talent pool, companies need to sensitise high school graduates regarding the full spectrum of fields of education and hereby motivate them to also consider gender "atypical" fields of specialisation.

• Attract top talent irrespective of gender – To attract top talent, companies need to build up a relationship with talented graduate students early on and show them how it is to work in their company. Additionally, they need to tap the dormant work force by mobilising women to start working.

• Strengthen the work-life balance – To retain the talent pool, companies need to motivate talents to continue working, to return early from leave and to facilitate the career advancement of employees with family care obligations.

• Promote career advancement of women - To promote the most qualified female employees, companies need to establish a culture and promotion process that equally honours male and female talent and institutionalise a systematic succession planning.

• Evaluate the remuneration system from a gender perspective - To attract and retain female employees, companies need to evaluate and – if necessary – adapt their remuneration system to eliminate discriminatory practices.

• Communicate internally and externally company activities aimed at tapping the talent pool in a better way - To maximise the positive impact of their efforts to champion gender equality, companies need to communicate their actions enhancing corporate gender equality internally and externally.

Work Organisation – Create the framework to enable necessary changes

Often, workflows within the company are organised in a way which does not easily allow for necessary changes towards more gender equality. This especially refers to the flexibility of the working environment. In the context of this project, flexibility comprises working hours, workplace options and work arrangements. It is therefore vital to evaluate the organisation of current business activities and requirements systematically and identify room for change in favour of employees but beneficial for both parties (employers and employees).

Monitoring – Monitor and follow-up target achievements

To ensure that gender equality is taken seriously, companies need to monitor gender equality targets in the same way as financial targets. Monitoring should include indicators that measure company-wide progress regarding corporate efforts to enhance gender equality as well as the success of individual managers in promoting gender equality in their departments/teams. Additionally, it should be part of regular feedback talks with the top management.
3. Where companies find support to gain better access to the talent pool - Examples

In order to foster a sustainable change towards accessing the labour force potential of women in a better way, a series of public and private initiatives – with legislative and non-legislative focus - have been implemented in United Kingdom. In the following we give an overview over sample initiatives:

3.1 Legislative initiatives (examples)

<table>
<thead>
<tr>
<th>Year</th>
<th>Legislation</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>(amended 2008)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(amended 2003)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 3.2 Public non-legislative initiatives (examples)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sponsor</th>
<th>Target Group</th>
<th>Target</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women on Boards (WOB)</td>
<td>Department for Business Innovations &amp; Skills</td>
<td>Business stakeholders</td>
<td>Make companies more accountable to shareholders and the public</td>
<td><a href="http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf">http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf</a></td>
</tr>
</tbody>
</table>
### 3.3 Private initiatives (examples)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sponsor</th>
<th>Target Group</th>
<th>Target</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mums in Science</td>
<td>Euroscicon Group</td>
<td>Female academics with children</td>
<td>Support mothers who work in a science related job</td>
<td><a href="http://mumsinscience.net/NEW/">http://mumsinscience.net/NEW/</a></td>
</tr>
<tr>
<td>The FTSE female index</td>
<td>Cranfield International Centre for Women Leaders</td>
<td>Business women Business community</td>
<td>Remove obstacles to develop Women's careers on a leadership level</td>
<td><a href="http://www.som.cranfield.ac.uk/som/ftse">http://www.som.cranfield.ac.uk/som/ftse</a></td>
</tr>
<tr>
<td>The Times Top 50 Employers for Women</td>
<td>Opportunity now RFO race for opportunity</td>
<td>Business community Employers</td>
<td>Promote and reward good practice examples</td>
<td><a href="http://www.bitcdiversity.org.uk/awards/on_awards_2012/the_times_top_50.html">http://www.bitcdiversity.org.uk/awards/on_awards_2012/the_times_top_50.html</a></td>
</tr>
</tbody>
</table>
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