Is there a Gender Pay Gap in Jersey?

Gender Pay Gap Scrutiny Review Panel

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1. Chairwoman's Foreword

I first became aware of the issue of women being paid less than men when I was in my early 20s. As friends left school and university and entered the workforce, stories began to filter through. The woman who was on track for a promotion but when she became pregnant, the opportunity was offered to a male colleague. Men who had a gift for securing pay rises while their female colleagues didn't know how to ask. The woman who discovered that a male colleague with the same job title, who she had trained up, was earning more than her. Women being unable to penetrate the 'boys network' where men tapped each other on the shoulder to pass on lucrative opportunities.

I was a States of Jersey Primary School teacher in my 20s and felt assured that in this profession we had equal pay as all teachers were paid according to the same pay scale regardless of gender. However – equal pay for equal work is a concept that only touches the surface of pay inequality. Taking the example of the teaching profession, why was it that so many of the senior leaders in the schools I worked in were male when the vast majority of teachers at entry level were female? It is clear from the available data that women are just as capable as men, with girls frequently outperforming boys in education including at degree level. So why were women not reaching the upper levels of the teaching profession in proportionate numbers?

This is where the gender pay gap comes in. By looking at the **average amount paid to all women**, **vs the average amount paid to all men** in any given workplace or profession (or across the whole population) we can see the bigger picture that goes beyond the simple concept of equal pay for the same job role. Something is happening to prevent women from reaching the higher levels of many professions, and thus they are being paid less overall than men.

Moving forward to 2016 and I became aware of this issue being tackled in the UK via the then proposed Gender Pay Gap reporting legislation. Initial estimates from the ONS put the UK gender pay gap at around 19%. If this figure was mapped to a calendar year, this in effect meant that the average **woman worked for free** from around the 10th November.

I started to wonder whether Jersey had a gender pay gap, and if so what factors could be contributing to it. This report has asked these questions. From the evidence provided by various stakeholders and the independent focus groups we commissioned, it is clear that **there is a gender pay gap in Jersey.** The following main themes were identified as contributing factors:

- Gender stereotypes from school age
- Occupational segregation stemming from subject choice at school
- Unconscious bias in the workplace
- The "glass ceiling" which stops women reaching upper levels in the workplace
- More women taking on domestic commitments
- More women taking on caring responsibilities

Although the Panel has not recommended that pay gap reporting be introduced at this time, we are calling on our **Government to take immediate action to close the Gender Pay Gap**. We will follow up on the review once the recommendations, if accepted, have had time to bed in and take effect. If the Panel sees that the Government is not taking the necessary steps to close the gender pay gap, we will explore the possibility of introducing statutory measures to initiate the change required.

If you have preconceived ideas about the gender pay gap or if you are perhaps a little sceptical about the associated issues, then I urge you to read the report in its entirety. After an extensive and in-depth, yearlong review, the Panel have evolved significantly in terms of our understanding of this topic and how important it is for Jersey. We would very much like to pass this understanding on. An abridged digital copy of the report is also available on the Scrutiny website for those with less time.



I would like to offer my thanks to the Review Panel and to our officer who has guided us so competently through these complex issues. I am grateful also to the Ministers who came in to talk to us and to the members of the public and organisations who contributed to our review. Without them, this review would not have been possible and we would not have been able to highlight this very important topical issue or the factors that surround it.

Deputy Louise Doublet Chairwoman, Gender Pay Gap Review Panel

2. Executive Summary

The Chairmen's Committee established a Review Panel in 2018 to examine whether there is a gender pay gap in Jersey. The gender pay gap is a measure of the difference between men's and women's average (mean and median) earnings across an organisation or the labour market. A gender pay gap is sometimes mistaken for equal pay, but this is a more specific legal concept that deals with the pay differences between male and female employees carrying out comparable jobs.

The Panel used a number of methods in order to collect, largely qualitative, data on this topic and received wide-ranging views and opinions from a variety of stakeholders. Therefore this report has focussed mainly on the difficult to measure components that can underpin a gender pay gap such as social norms, biases and gender differences and stereotypes.

In the UK, employers are required under law to report on their gender pay gap, but there is no such requirement in Jersey. From analysing the limited statistics that are available, the Panel's overarching finding is that there are differences in the average earnings between men and women in Jersey. Taking the public sector as an example, where statistics were made available, men earn 13.6% more than women.

The Panel wrote and spoke to a number of stakeholders and asked whether they thought there was a gender pay gap in Jersey and, if so, what factors contributed to it. Most stakeholders, including the Chief Minister, acknowledged that Jersey does have a gender pay gap and the following common themes were identified as contributing factors:

- Gender stereotypes from school age
- Occupational segregation stemming from subject choice at school
- Unconscious bias in the workplace
- The "glass ceiling" which stops women reaching upper levels in the workplace
- More women taking on domestic commitments
- More women taking on caring responsibilities

Gender stereotypes: Gender stereotyping can be defined as how males and females are expected to act, speak, dress and conduct themselves based on their sex. The Panel found that gender stereotyping limits children by presenting them with a specific set of acceptable behaviours which leads to occupational and subject segregation. The perception of school subjects as masculine or feminine can influence subject choice, which is particularly problematic for girls because "feminised jobs" are often lower paid.

Occupational segregation: Occupational segregation is where some jobs are more typically done by men or women. The Panel found that certain occupations in Jersey are dominated by particular genders. More males than females are in skilled trades and managerial roles and more females than males are in the caring and administrative roles. These roles tend to be the lower paid occupation groups.

The Panel also found that, despite girls outperforming boys at secondary school, when they start work, young people in Jersey still tend to opt for traditional occupations. Figures obtained from Highlands College showed that significantly more females than males opted for courses in health

and childcare, and more males than females chose computing courses. This supports the view that opting for traditionally perceived masculine and feminine subjects in education perpetuates occupational segregation in the future.

Unconscious bias: Unconscious bias is automatic associations based on gender, which often stem from gender stereotypes, traditions and norms. An example of unconscious bias is that it is often assumed that a woman in her 20s will, when she is in her 30s, have a child. The Panel has found that unconscious bias is one of the main causes of a gender pay gap and better training is required to ensure that organisations do not draw on gendered language or value a particular personality or leadership trait over others.

Organisations can implement a number of practices to make recruitment practices more gender neutral. The Panel understands that the Government of Jersey is planning to change its recruitment practices and has suggested that names, age, gender and place of education are removed from CVs to ensure candidates most skilled for the role are recruited.

Glass ceiling: The glass ceiling is an invisible but real barrier within a hierarchy that prevents women (or minorities) from reaching upper level positions. The Panel received evidence that women are unable to advance past a certain point in their professions, regardless of their qualifications. In the public sector for example, there is a higher proportion of women working in jobs that pay less than £80,000 and a greater proportion of men on salaries higher than £80,000. Despite the fact that there are more females (65%) than males (35%) in the public sector.

The Panel found that there is a glass ceiling in education. Figures obtained from the Department show that there are over twice as many female teachers than male teachers, but when it comes to the most senior role of head teacher, there are more male heads than female heads. With more women than men working in our schools, the Panel would have expected to see a greater proportion becoming head teachers.

Domestic commitments: A higher proportion of females than males take on domestic commitments, thereby impacting on the availability of females in the workforce. Figures provided by Statistics Jersey show that, between the ages of 30 - 44, a higher proportion of women are looking after the home. The Panel found that the influx at ages 30 - 44 could correlate with the average age women are having children in Jersey, which is 32 years.

This led the Panel to question what impact unpaid domestic work has on the economy. As currently measured, Gross Domestic Product does not take this work into account, and so the Panel has recommended that the Government of Jersey should collect data on the economic value of domestic work including childcare, cooking, shopping, housework, odd jobs and gardening.

Caring responsibilities: A higher proportion of women either choose or need to leave and re-enter the workforce in order to meet family responsibilities which may result in a loss of seniority or progression opportunities. The Panel found that employment legislation in Jersey could have contributed to women having to take on more childcare duties as, under current law, mothers are provided with a longer period of parental leave than fathers. Proposals due to be lodged by the Social Security Minister, however, aim to address this issue by putting men and women on a more equal footing in terms of parental leave.

It is clear that the issues mentioned above are complex and difficult to tease apart as they all somehow interrelate with one another. The Panel has found that there are many factors that prevent women's progression in the workplace and these can be separated into two main areas - structural and cultural. The structural issues, such as policies and working practices, create barriers for women; and the cultural issues, such as stereotypical views and values, create biases about women's capabilities in the workplace and men's capabilities in caring roles.

The Government of Jersey should lead the way in publishing comprehensive data on the public sector gender pay gap and implementing appropriate initiatives and strategies to address it. This should encourage businesses in the private sector to follow suit. There are a number of approaches which can be taken but, alongside these, high quality data is imperative in order to fully understand the causes of the gender pay gap in Jersey.

The Panel's overarching finding and recommendation is that there is a gender pay gap in Jersey and the Government of Jersey should take immediate action to close it.

3. Key Findings

OVERARCHING KEY FINDING: There is a gender pay gap in Jersey. Without wide-ranging statistical evidence, however, it has been difficult to assess the extent of it in the Jersey economy.

OVERARCHING KEY FINDING: Although there can be many factors which contribute to a gender pay gap, the most common themes that emerged are: gender stereotypes, occupational segregation, unconscious bias, glass ceiling, domestic commitments and caring responsibilities.

- 1. The gender pay gap is the difference between men's and women's average earnings across an organisation or the labour market, which can be measured by using either mean or median averages. In the UK, employers are required to publish their gender pay gap under law, but there is currently no requirement for employers to do so in Jersey.
- 2. The rate of women in employment in Jersey has increased over a period of 50 years. This could be due to more women achieving educational qualifications, families having children later in life and more mothers participating in the labour market due to the increasing cost of living.
- 3. In the public sector, there is a significantly greater proportion of women working in jobs that pay less than £80,000 and a greater proportion of men on salaries higher than £80,000.
- 4. The most senior posts in the public sector are dominated by men. In relation to the seven Director General posts, only one female was recruited. Residential and employment statuses for those who applied outside the island and current tax practices for married couples prevented more women from applying for the roles, or resulted in them pulling out of the process altogether.
- 5. There is a glass ceiling in education. There are over twice as many female teachers than male teachers but when it comes to the most senior role of head teacher there are more male heads than female heads. With more women than men working in our schools, the Panel would have expected to see a greater proportion becoming head teachers.
- 6. Figures taken from 20 schools show that 18 formal requests for reduced hours following maternity leave were made, of which, 11 were granted. However, the Panel received evidence that teachers are being actively discouraged from making formal requests for parttime work.
- 7. Women are underrepresented in the boardrooms of all of the states-owned and majority owned entities.
- 8. The Government of Jersey has committed to publishing a gender pay gap report relating to public sector employees that follows the criteria required for public bodies in the UK. This is encouraging, particularly as the Panel received evidence that a female employee received inconsistent advice relating to her starting salary compared to her male colleague.
- 9. The statistics for both the private and public sectors in Jersey show that women encounter occupational segregation (where some jobs are more typically done by men or women) in mostly low paying jobs such as childcare and administrative work.

- 10. The Panel received evidence that some women found that options were limited in terms of succeeding in their career whilst having to juggle childcare responsibilities with work. The Panel also found that men were reluctant to request flexible working for themselves because of how this may be perceived by their firm and the potential negative implications for their own careers.
- 11. Diversity is important in all aspects of life, and is particularly important in the workplace. A host of researchers have shown that diversity at all levels can make organisations more effective, successful and profitable. Achieving a diverse workforce also widens the talent pool and has reputational benefits for an organisation.
- 12. Nurturing a diverse and inclusive society has not been prioritised by the Government of Jersey which has led some to question how much importance is being put on achieving a diverse workforce.
- **13.** There is a gender pay gap in the public sector. As a mean average, men earn 11.3% more than women. As a median average, men earn 13.6% more than women.
- 14. In Jersey there is no equal pay legislation and therefore no requirement for employers to publish information on their gender pay gap. Without statutory reporting lines, it has not been possible to gather sufficient statistics about the private sector gender pay gap.
- **15.** Despite the lack of statutory obligations in Jersey, it is encouraging that some companies in Jersey do publish gender pay and diversity information voluntarily.
- 16. There is currently no requirement for employers in Jersey to report on their gender pay gap. The Panel's qualitative research suggests that there is a perception that a gender pay gap does exist in Jersey. There is currently a lack of comprehensive statistical data to support this perception, but, from analysing the statistics that are available, the Panel has found that there are differences in the average earnings between men and women in Jersey.
- 17. In the UK, organisations with 250+ employees have had to report their gender pay gap annually since 2017. The Panel has found that introducing statutory measures in Jersey would need to go hand in hand with a change in societal attitudes and culture.
- 18. There are wide-ranging views and opinions as to what might cause a gender pay gap. Some academics believe that gender pay gaps are due to higher numbers of women in lower paid professions, the undervaluing of women's work, the over-valuing of work carried out predominantly by men and unconscious bias in the workplace.
- 19. Gender roles in society have meant that girls and women are generally expected to dress in typically feminine ways and be polite, accommodating, and nurturing. Boys and men are generally expected to be strong, aggressive, and bold. Exposing girls and boys to gender stereotypes at a young age, contributes towards occupational segregation and a gender pay gap.
- 20. Certain occupations in Jersey are dominated by particular genders. More males than females are in skilled trades and managerial roles and more females than males are in the caring and administrative roles. These latter roles tend to be the lower paid occupation groups.

- 21. A greater proportion of girls outperform boys at secondary school level in Jersey. Despite the higher grades achieved in their education, women are much less likely to access senior roles later in their careers.
- 22. Stereotypes towards men and women in wider society encourage young people to opt for subjects of study that in turn perpetuates occupational segregation (where some jobs are more typically done by men or women) in the future.
- 23. Technology has been identified as a specific skill needed in an evolving economy. A significant proportion of males than females chose computing courses at Highlands College in 2018. If more males than females are in technology focussed roles, this could have a greater impact on the gender pay gap in Jersey.
- 24. If the number of males working in technology continues to be significantly higher than the number of females, it is likely that software and systems developed, in artificial intelligence in particular, may be inherently gender-biased.
- 25. Although certain schools in Jersey do have initiatives to try and expose girls to subjects which may previously have been perceived as male subjects, such as technology, improvements in this area urgently need to be made to the education system.
- 26. The initiatives to encourage gender diversity are focused on girls being exposed to subjects which may traditionally be perceived as male orientated. There are few initiatives that expose boys to subjects which are traditionally seen as female orientated.
- 27. Automatic associations based on gender (unconscious bias), such as assuming a woman will have a child in her 30s, has been identified as a factor which contributes to a gender pay gap. Organisations can implement a number of initiatives to make recruitment practices more gender neutral, thereby ensuring the focus is on those who are most skilled for the role.
- 28. A number of submissions to the Panel commented on the glass ceiling (the inability of women to advance past a certain point in their professions) and/or certain barriers which may affect a woman's progression in the workplace. A common barrier identified was that women were less likely than men to put themselves forward for jobs if they did not meet all of the requirements.
- 29. In 2011, a higher proportion of "economically inactive" women (44%) of working age were looking after the home compared with men (3%). Further analysis shows that between the ages of 30 44 more women are looking after the home which could correlate with the average age women are having children in Jersey which is 32 years.
- 30. Many of the submissions received during the review identified that caring responsibilities contributed to a gender pay gap as it is more often women who take time out of the workplace to care for children (or elderly relations).
- **31.** The cost of childcare has been identified as a factor which prevents parents, mostly women, from returning to work. This impacts on women's careers the most as it is generally the mother who takes on primary caring responsibilities, despite the fact that 92% of fathers would have wanted to take longer leave. This could be due to the fact that employment

legislation has provided mothers with a longer period of parental leave than fathers. Some researchers have found that having children has a life-long effect on women's employment rates, career opportunities and income.

- 32. There are many factors that prevent women's progression in the workplace. The Panel has found that these can be separated into two main areas structural and cultural. The structural issues, such as policies and working practices, create barriers for women and the cultural issues, such as stereotypical views and values, create biases about women's capabilities in the workplace and men's capabilities in caring roles.
- 33. The importance of flexibility in the workplace for parents was a common theme throughout the review. Flexibility for both parents is particularly important to women as it enables them to not have to make a choice between a career and starting a family. The Social Security Minister is due to re-lodge proposals to extend family friendly employment rights to all parents which aims to encourage gender balance in childcare roles.
- 34. There were mixed views on whether statutory measures should be introduced in relation to gender pay gap reporting but some believed that it could be an effective lever for change. If the States is going to make a decision on whether to introduce legislation, it should also be asking how, as a society, we can encourage that cultural shift alongside any legislative changes.
- **35.** There is a perception that there is very little pay transparency in Jersey, other than in the public sector. The general view of stakeholders was that employers should be transparent with their rates of pay but this should not necessarily be included as a statutory measure within employment legislation.
- **36.** Some countries have introduced statutory measures, such as gender quota laws, in order to bring about change to increase the proportion of women in leadership positions. Although statutory measures are not being proposed in Jersey, there are other voluntary measures which could be introduced to encourage an equal proportion of men and women on boards.

4. Recommendations

Please note: Each recommendation is accompanied by a reference to that part of the report where further explanation and justification may be found.

OVERARCHING RECOMMENDATION: The Government of Jersey should take immediate action to close the gender pay gap.

- 1. The Government of Jersey should lead the way in collating, analysing and publishing data and evidence in relation to the public sector gender pay gap and related issues [chapter 7].
- 2. A public sector gender pay gap report should be published on an annual basis and at the same time every year, starting with a report by the end of 2020 [chapter 7].
- 3. Action should be taken to reduce the gender pay gap and address any issues identified in the Government's report chapter 7].
- **4.** Publication of the public sector gender pay gap should be accompanied by a government publicity campaign. This would raise awareness and understanding of the gender pay gap [chapter 7].
- 5. The Minister for Education should undertake an audit of registered childcare providers, preschools and primary schools to ensure gender neutral practices within the curriculum and the general culture and ethos. This is to challenge and work against the idea that "boys will be boys" and "girls will be girls". The audit should be undertaken by the end of 2020 [chapter 8].
- 6. The Minister for Education should undertake an audit of curriculum choices made by secondary schools and further education providers across the different subjects. The Minister should evaluate the ethos and culture in each school or college and the part the student voice plays in establishing that culture. The audit should be undertaken by the end of 2020 [chapter 8].
- 7. The Minister for Education should instruct the curriculum council to introduce measurers to reduce gender segregation in subject choices [chapter 8].
- 8. As part of the planned changes to recruitment practices within the public sector, name, age, gender and place of education should be removed from applicants' CVs to ensure that candidates most skilled for the role are recruited. These changes should be introduced by the States Employment Board by Q2 2020 [chapter 8].
- 9. The Government of Jersey, with the support of Statistics Jersey, should collect data on the economic value of work done in the home including childcare, cooking, shopping, housework, odd jobs and gardening. This should be undertaken when measuring Gross Domestic Product and by calculating what it would cost to pay a domestic worker to do the work. Consideration should also be given to changing the term "economically inactive" in official reports when describing the above roles [chapter 8].

- 10. A Head of Diversity should be appointed to monitor diversity, equality and inclusion within the public sector. The Head would be responsible for implementing relevant strategies and policies, suggesting new initiatives and employment practices to ensure a gender neutral and gender sensitive public sector. The role should be created within the existing workforce by the end of Q2 2020 [chapter 9].
- **11.** The Government of Jersey should deliver unconscious bias training and monitoring to all public sector employees. This should be delivered by end of 2020 [chapter 9].
- 12. All Departments within the Government of Jersey should receive diversity training to raise awareness of diversity in the workplace. This should be delivered by end of 2020 [chapter 9].
- **13.** The Government of Jersey should explore voluntary measures, such as the 30% Club, which aims for greater gender balance in business. This work should be undertaken before the end of 2019 [chapter 9].

5. Introduction

The Review

The Chairmen's Committee established a Review Panel in 2018 to examine whether there is a gender pay gap in Jersey. The Panel has undertaken extensive research on this topic and has received wide-ranging views and opinions from a variety of stakeholders.

Methodology

Unlike the UK, there is currently no requirement for employers in Jersey to report on their gender pay gap. A limited number of employers in Jersey do publish statistics on their gender pay gap. With the general absence of statistical data, the Panel has largely collected qualitative research during its review. Qualitative research is primarily exploratory research used to gain an understanding of underlying reasons, opinions, and motivations behind a particular topic. These have been the difficult to measure components such as social norms, biases and gender differences that can underpin a gender pay gap.

As part of its qualitative research, the Panel commissioned 4insight (research agency) to undertake a number of focus groups with islanders to explore in-depth views and perceptions on whether there is a gender pay gap in Jersey. Five focus groups were conducted at the end of 2018 which included participants from both the private and public sector. In order to ensure a balanced and representative

range of participants were included, 4insight used a

screening process to ensure:

all were Jersey residents

- there was a mix of social demographics
- there was a mix of public and private sector
- there was a mix of Jersey born vs non Jersey born

Other methods for collecting qualitative data during the review included inviting members of the public, organisations and academics to make written submissions. The Panel also set up a stall in King Street over three days to speak to passers-by about the wider issues associated with a gender pay gap.



In 2019, the Panel held a number of meetings and public hearings with Ministers and organisations, including Mr Jon Terry (Partner of PwC UK) who specialises in people and diversity issues.

In this report, we first set out the necessary context of establishing what a gender pay gap is and how it can be measured, largely using information from the UK.

The Panel then examines the specific nature of this issue in Jersey, providing an overview of the publicly available gender pay gap information within the public and private sectors in Jersey, judging the extent to which it exists and the underlying reasons. This includes an exploration of the key issues associated with the gender pay gap, which form a particular focus of the Panel's work. These include:

- Gender stereotypes
- Occupational segregation
- Unconscious bias
- Glass ceiling
- Domestic commitments
- Caring responsibilities

In its concluding chapter, the Panel offers some suggestions as to how the gender pay gap may be narrowed.

6. What is a gender pay gap?

A gender pay gap is a measure of the difference between men's and women's average (mean and median) earnings across an organisation or the labour market. A gender pay gap is not the same

as equal pay, which is a more specific legal concept that deals with the pay differences between male and female employees carrying out comparable iobs¹.

Employers in the UK are mandated to publish their gender pay gap under law but there is currently no requirement for employers to do so in Jersey. The following sections explain the gender pay gap in the UK and the UK's experience of pay gap reporting.



KEY FINDING 1: The gender pay gap is the difference between men's and women's average earnings across an organisation or the labour market, which can be measured by using either mean or median averages. In the UK, employers are required to publish their gender pay gap under law. but there is currently no requirement for employers to do so in Jersey.

Measuring a gender pay gap

A gender pay gap can be measured by using mean or median averages:

- Mean is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees.
- **Median** is the middle hourly pay rate, when arranging pay rates in order from lowest to highest.



The gender pay gap in the UK

In the UK, the gender pay gap is calculated by the Office for National Statistics (ONS) as the difference between average hourly earnings of men and women as a proportion of average hourly earnings (excluding overtime) of men's earnings. The ONS uses median hourly earnings to measure the gender pay gap because

the results of a mean (simple) average can be affected by the presence of a small number of people on very high levels of pay2. For example, if a company had a disproportionate number of men in higher paying leadership positions, women may seem to be earning a lower average salary, not

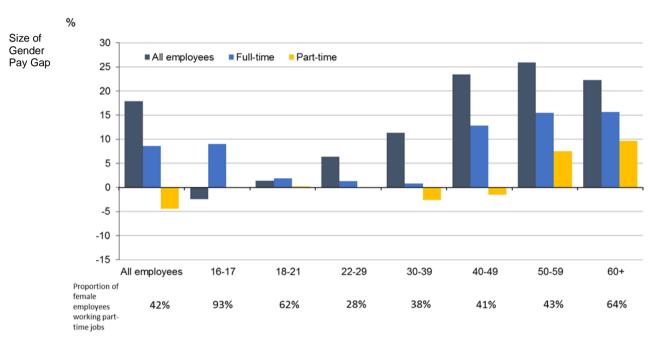
House of Commons Briefing Paper "The Gender Pay Gap"
 House of Commons Briefing Paper "The Gender Pay Gap"

necessarily because each woman is being offered a lower salary, but because of a less measurable leadership gap showing that she is not moving up to the higher paying roles in the company³.

The ONS reported that the gender pay gap fell to 8.6% among full-time employees in 2018⁴. The 2019 figures have not yet been analysed by the ONS.

An analysis from the ONS shows that, in 2018, the gender pay gap for full-time employees was close to zero between the ages of 18 and 39 years. From the age of 40 years, it widens. For all employees, the gender pay gap widens after the age of 30 years and this coincides with an increase in working part-time from this age. A negative gender pay gap among part-time employees emerges in the age group 30 to 39 years before reversing by the age of 50 years⁵:

Gender pay gap for median gross hourly earnings (excluding overtime) by age group, UK, April 2018⁶



In relation to the gender pay gap by occupation (full-time employees), it favours men for all the main occupation groups, ranging from 4.8% for sales and customer service occupations to 23.9% for skilled trades occupations in April 2018⁷.

³ "Eliminating the Pay Gap: An Exploration of Gender Equality, Equal Pay, and A Company that Is Leading the Way", January 2017, Haas School of Business

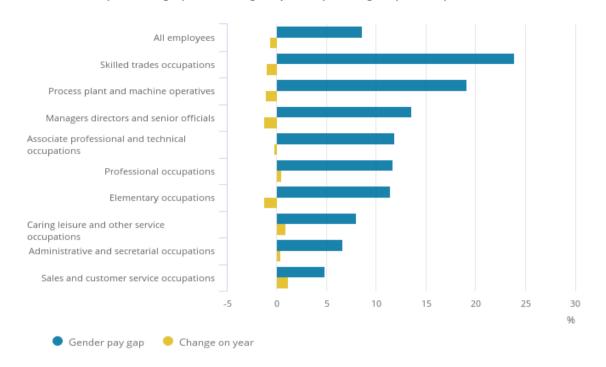
⁴ Gender Pay Gap in the UK: 2018

⁵ Gender Pay Gap in the UK: 2018

⁶ Office for National Statistics: Gender Pay Gap in the UK, 2018

⁷ Office for National Statistics: Gender Pay Gap in the UK, 2018

Gender Pay Gap for median full-time hourly earnings (excluding overtime) and the year on year percentage point change, by occupation group UK. April 2018⁸



As shown in the graphs above, there is little difference in median hourly pay for men and women in full-time employment aged in their 20s and 30s. The gap emerges most prominently among full-time employees aged 40 and over. According to a House of Commons briefing paper, the reason for this might be that factors affecting women's employment and earnings opportunities only become more evident among women aged in their 30s and 40s. For example, if a woman spent time out of the workplace to care for children or elderly relatives this could affect her future earnings when she returns to work⁹.

The UK experience of gender pay gap reporting

Organisations must publish their gender pay gap reports on their own website and on a government site by 30th March each year (4th April for private or voluntary sector organisations). Private and voluntary sector organisations have the option of including a narrative statement alongside their gender pay gap figures, outlining the reasons behind them and the actions they are taking to close it¹⁰.

Gender pay gap reporting is intended to encourage employer behaviour in several ways:

- Heightening reputation risk for organisations with higher gender pay gaps;
- Prompt debate and discussion within organisations about the reasons why gender pay gaps may exist and what can be done to reduce them;
- To promote competition between organisations to reduce gender differences in pay¹¹.

⁸ Office for National Statistics: Gender Pay Gap in the UK, 2018

⁹ House of Commons Briefing Paper: The Gender Pay Gap, 2018

¹⁰ CIPD: Gender Pay Gap Reporting: an introduction

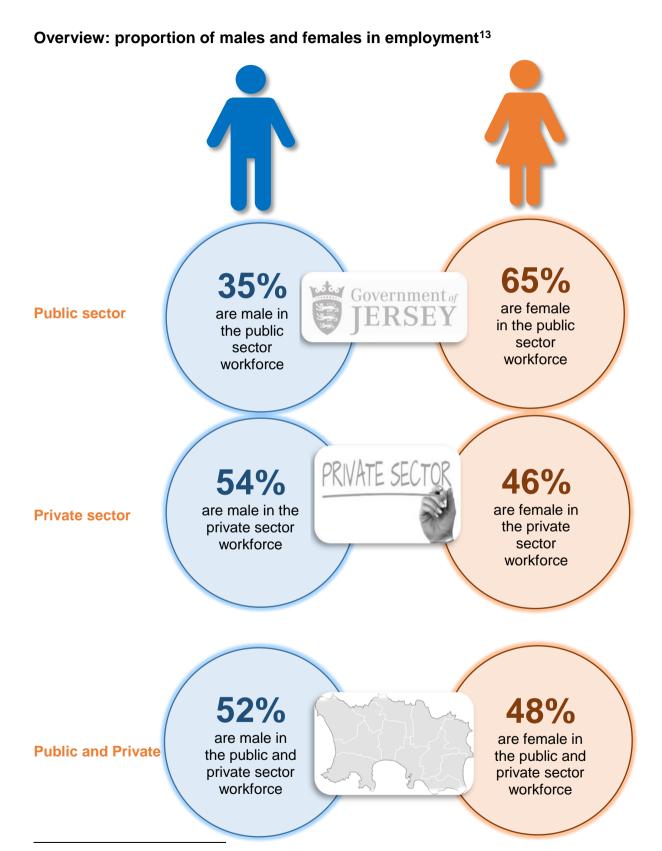
¹¹ CIPD: Gender Pay Gap Reporting: an introduction

An analysis¹² undertaken by the Chartered Institute of Personnel and Development found that the first year of reporting had uncovered some difficulties as follows:

- Confusing the gender pay gap with equal pay: a lack of awareness about what a gender pay gap is has caused the data to be interpreted as evidence of different levels of pay for the same work.
- Increased burden on organisations to report and justify their position: some have highlighted that the requirement to report is more red tape to tackle an issue which is not necessarily a problem of business. For example, the view that the gender pay gap exists beyond business, starting in education and perpetuated in wider society.
- Bias in the way gender pay gap data is reported: the Government's online portal asks respondents to report how women earn X% less than men which some have said assumes discrimination.

¹² CIPD: Not just a number: lessons from the first year of gender pay gap reporting, April 2019

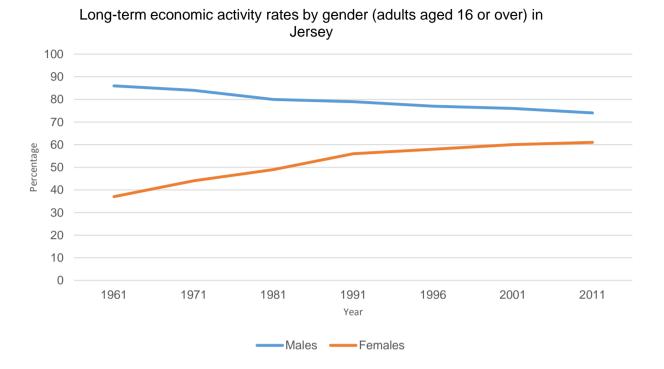
7. The gender pay gap in Jersey



¹³ The figures for the private and public and private sectors (combined) were taken from the <u>Jersey Opinions and Lifestyle Survey 2018</u> (additional breakdowns received from Statistics Jersey). The figures for the public sector workforce were provided by the Chief Operating Office (People Services) (June 2019) NOTE: The figures from JOLS and Census are slightly different. JOLS has a slight bias for more working adults to respond to the survey. The figures for the public sector workforce were provided by the Chief Operating Office (People Services) (June 2019)

The rise in employment among women in Jersey

The table below shows that the rate of women in employment in Jersey has increased substantially over a period of 50 years¹⁴.



The UK sees a similar pattern and the Institute of Fiscal Studies explains three key factors in the rise of employment among women:

- 1. Educational attainment UK figures show that 13% of women born in the early 1960s had obtained a degree or higher qualification by age 33, whereas this figure has risen to more than 45% for women born in the 1980s. Research shows that women with degrees tend to have higher employment rates than those without 15.
- 2. Working patterns changes in the working patterns of women have been concentrated at a particular point in the life cycle: the mid-to-late 20s and early 30s. This is in part because women are now cohabiting and having children both less frequently and later in life¹⁶.
- 3. Mothers participating in the labour market UK figures show that the share of women with children who are in employment has risen particularly rapidly, from lows of 48% for mothers with partners in 1983 and 42% for lone mothers in 1993 to 76% and 70% respectively in 2017. Overall, the share of working-age mothers in employment has risen from 50% in 1975 to 72% in 2015¹⁷.

There is no equivalent data in Jersey, but the Panel has no reason to believe that the same assumptions cannot be made to explain the rise in employment in Jersey. In addition, the last Jersey

¹⁴ Census 2011 - Figures taken from table 4.3, page 28

¹⁵ Institute for Fiscal Studies: "The rise and rise of women's employment in the UK", 27 April 2018

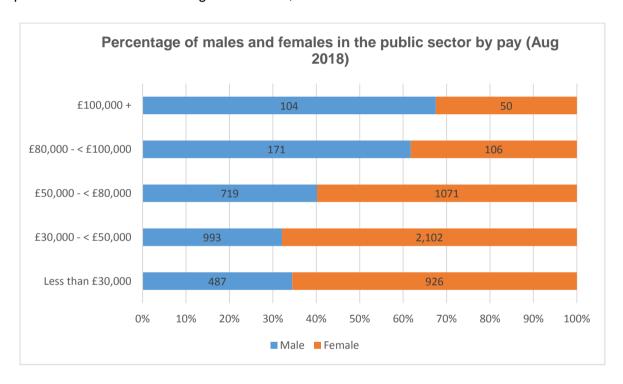
 ¹⁶ Institute for Fiscal Studies: "The rise and rise of women's employment in the UK", 27 April 2018
 ¹⁷ Institute for Fiscal Studies: "The rise and rise of women's employment in the UK", 27 April 2018

Household Income Distribution Survey (2014/15)¹⁸ shows that income before housing costs has increased by less than inflation, so real incomes have fallen over time. Income falls have been largest for those of working age with or without children which indicates that, in instances where a couple have children, there is financial requirement for both parents to work.

KEY FINDING 2: The rate of women in employment in Jersey has increased over a period of 50 years. This could be due to more women achieving educational qualifications, families having children later in life and more mothers participating in the labour market due to the increasing cost of living.

The public sector workforce

Using information provided by the SEB, the Panel has displayed the significant differences between males and females across the pay groups in the public sector in the graph below. The figures show that there is a higher proportion of women working in jobs that pay less than £80,000 and a greater proportion of men on salaries higher than £80,000.



KEY FINDING 3: In the public sector, there is a significantly greater proportion of women working in jobs that pay less than £80,000 and a greater proportion of men on salaries higher than £80,000.

The top of the civil service

There is also a clear gender imbalance at the most senior levels within the Government of Jersey, which is evidenced in the One Government structure <u>chart</u>. This shows that the most senior posts are dominated by men:

Chief Executive - 1 post (male)

¹⁸ <u>Jersey Household Income Distribution Survey</u> (2014/15)

¹⁹ Figures taken from information provided by the States Employment Board, August 2018

- Director Generals 7 posts (6 male, 1 female)
- Chief Operating Officer 1 post (male)
- Group Director, Director and equivalent posts 34 posts (15 male, 13 female) 6 vacancies to be filled

In relation to the seven Director General posts, in which only one female was recruited, the Panel asked the Chief Minister for his thoughts on the matter:

Deputy K.F. Morel:

Do you find it troubling that of all the director general posts only one has been filled by a woman and one of the reasons about that is for matters not to do with the women who applied, it is nothing to do with their ability, it is to do with potentially society's view that they should be caring and not men?

The Chief Minister:

It goes back to the earlier point about barriers; how do you remove those barriers? So I suppose the short answer is yes. But I am accepting it is a far more complicated picture because it is a whole layer of issues and how you address them. That is what I was saying, if you can, in terms of statutorily we get that framework in place, which I would deem a positive. That is the end of this year. Then you deal with the culture. Now is there stuff we can do within our organisation to make things better? I shall await the outcome of your report. I am sure you will probably be telling us there is²⁰.

Further on in the hearing, the Human Resources Manager explained that the process was overseen by the Jersey Appointments Commission (JAC). The JAC is an independent body that oversees the recruitment of States' employees and appointees to States supported or related bodies. It is the Commission's role to ensure that the selection is fair, efficient and conducted in accordance with best practice and procedures²¹. In the JAC guidelines for the recruitment of senior States employees, there are a set of standards against which all appointments should be made, one of which is: "the principles of equal opportunity and diversity must be inherent within the process.²²"

The Panel held a public hearing with the Chair of the JAC who explained what happened in the appointment of the Director General posts:

Deputy J.H. Perchard:

Thinking about our own public sector then, particularly at a senior level, do you think that we have achieved that diversity that we aspire to?

Chair, Jersey Appointments Commission:

I don't think any of us would feel overjoyed at the fact that there is only one woman on the very top team, but, if you look at the statistics of those who applied for senior roles, there are reasons. One of the tasks that I hope Jersey will undertake is to take a look at the statistics we have gathered. We are now collecting statistics more systematically and analysing what they tell us about our recruitment and how we attract people to come and work in Jersey.

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²⁰ Public Hearing with the Chief Minister, 17th January 2019

²¹ Jersey Appointments Commission

²² <u>Guidelines for the recruitment of Senior States Employees, appointees and members of independent bodies, Jersey Appointments Commission</u>

We do not have very many hard and fast answers as to why very many women did not make the long list, but we do have some anecdotal evidence.

We have 4 examples of very senior women who came forward for jobs but who at the 11th hour, pulled out because, I think the words they used were "following discussions with the family" and the very real difficulty – (and this does not just apply to Jersey) – faced by senior professional women to persuade their husbands to move with them to somewhere else. We know that we lost some very credible candidates. Another example given was where unmarried partners were concerned, we were told that partners said "Hang on, I have not even got the right to apply for a job unless the job is licensed, so why am I going to come with my partner?" We heard of one case where someone, and again this is anecdotal, who was married, was so shocked to hear that she could not take responsibility for her own tax affairs without her husband's permission she said: "That is not a place I want to work".

Another example mentioned related to the care of elderly parents. We were told "It is expensive when you come to Jersey, because you need to have been here at least 6 months before any support might be there". This is another factor that women in particular will look at. For parents with teenage children, their children have no right to apply for jobs. They are factors that we have heard from conversations that we have had, but they clearly contributed to the fact that we had fewer women than we had hoped for on the long lists and therefore fewer on the short lists, therefore fewer appointed.

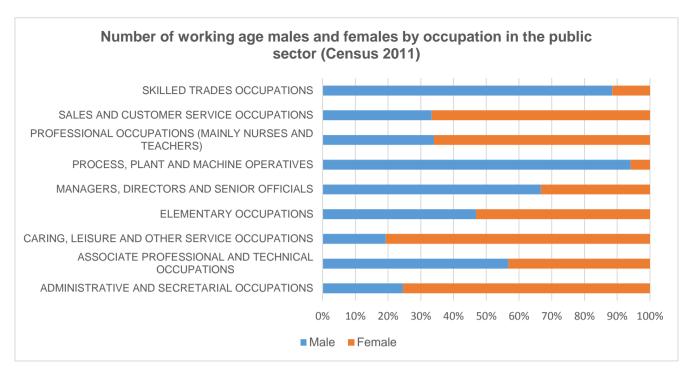
The evidence submitted by the JAC suggests that structural issues (such as residential and employment statuses for those who applied from outside of the island and tax practices for married couples) prevented more women from applying for the Director General roles, or resulted in them pulling out of the process altogether. It is acknowledged, however, that some of these structural issues may also have deterred some men from applying for the role.

KEY FINDING 4: The most senior posts in the public sector are dominated by men. In relation to the seven Director General posts, only one female was recruited. Residential and employment statuses for those who applied outside the island and current tax practices for married couples prevented more women from applying for the roles, or resulted in them pulling out of the process altogether.

Other professions in the public sector

The Census 2011 provides an overview of the types of occupations males and females fall into within the public sector. The figures show that significantly more males than females are in skilled trade roles and managerial and equivalent occupations. The figures also show that more females than males are in caring roles and administrative occupations:

²³ Public Hearing with the Jersey Appointments Commission, 22nd January 2019, note: the witness provided the Panel with slightly different wording to what is contained in the original transcript



Teachers

Although the Panel did not look into every profession in the public sector, it did request statistics on teachers as this was identified as a problem area by some participants in the focus groups. An analysis of the focus groups shows that, although participants regarded teaching as a female dominated industry, they excluded the most senior roles in teaching as being female dominated. Rather, head teachers were regarded by some as a largely male dominated role.

The Panel explored this further, and requested the numbers of male and female teachers, deputy head teachers and head teachers from Education²⁴. The figures are totals in both primary and secondary schools.

Teachers:

250 Male teachers

587 Male teachers

Female teachers

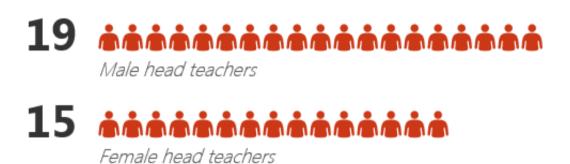
²⁴ Information received from the Children, Young People, Education and Skills Department, November 2018

Deputy Head Teachers:

12 Male deputy head teachers

Female deputy head teachers

Head Teachers:



The figures show that the teaching profession is dominated by women in Jersey. There are over twice as many female teachers than male teachers but when it comes to the most senior role of head teacher, there are more male heads (19) than female heads (15). The figures are most prominent in the Island's secondary schools, where only two of the head teachers are women. With more women than men working in our schools, the Panel would have expected to see a greater proportion becoming head teachers. This indicates that there is a glass ceiling in education.

KEY FINDING 5: There is a glass ceiling in education. There are over twice as many female teachers than male teachers but when it comes to the most senior role of head teacher there are more male heads than female heads. With more women than men working in our schools, the Panel would have expected to see a greater proportion becoming head teachers.

It is also interesting to note that when the participants of the focus groups discussed flexible hours and part time work, the general view was that there were rarely part time jobs for teachers. The focus group also uncovered an example where one teacher had been discouraged from applying to go part-time. The Panel asked Education to provide figures on how many teachers have applied for reduced hours after maternity leave, and of those, how many were granted over a five year period. The figures, taken from 20 schools, show that 18 formal requests were made and 11 were granted.

Further statistics reveal that during a 5 year period (2014 - 2018) a total of 172 teachers had taken maternity/paternity leave of which, 20 female teachers left teaching following their maternity leave²⁵.

²⁵ Information received from Children, Young People, Education and Skills Department, 21st January 2019

In response²⁶ to a consultation on extending family friendly proposals, NASUWT (the Teacher's Union) made the following points:

- "The NASUWT is therefore highly concerned that a significant proportion of teachers and other workers living in Jersey are being denied the flexibility they require because the current suite of legislation fails to provide them with the rights and entitlements that are seen as common practice in other jurisdictions".
- "The NASUWT supports a right for all workers to request flexible working. The Union asserts that it can and does benefit service provision".
- "The Union believes that flexible working can bring about an improvement in women's
 engagement with the labour market when they are caring for children, as it can help open up
 the number of vacancies advertised on a flexible-work basis from day one. In addition, it
 should assist in ensuring all employees receive the same treatment in terms of the right to
 request flexible working".
- "The development of flexible working should enable greater gender equality in both the workplace and at home, as well as play a role in promoting greater social mobility".

The Panel acknowledges that teachers do not have the automatic right to resume work on a parttime or job-share basis after maternity/paternity leave. However, the review has uncovered some concerns in this area which requires further examination from the Children, Young People, Education and Skills Department. This is particularly important because a refusal could be regarded as indirect sex discrimination, as the majority of carers of young children are women and a requirement to work full-time could therefore have a detrimental effect on a considerably larger proportion of women than men.

KEY FINDING 6: Figures taken from 20 schools show that 18 formal requests for reduced hours following maternity leave were made, of which, 11 were granted. However, the Panel received evidence that teachers are being actively discouraged from making formal requests for part-time work.

Gender diversity on boards: States-owned and majority owned entities

The Panel has found that women are underrepresented in the boardrooms of all of the states-owned and majority owned entities. The infographic below shows gender diversity within each of the seven boards (as of March 2019):

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²⁶ NASUWT response to consultation on family friendly consultation

GENDER DIVERSITY OF BOARDS

States owned entities and majority owned entities

Ports of Jersey

TOTAL BOARD MEMBERS 6



Male



Female

Jersey Telecom

TOTAL BOARD MEMBERS 7





Female



Jersey Electricity

TOTAL BOARD MEMBERS 8



Male



Female



Jersey Development Company

TOTAL BOARD MEMBERS 7



Male



Female





Andium Homes

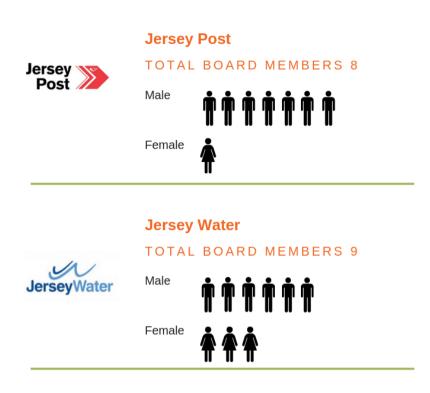
TOTAL BOARD MEMBERS 8

Male



Female





When the Panel met Charlotte Valeur, Chair of the Institute of Directors, she explained the importance of having parity in the boardroom:

Deputy J.H. Perchard:

"Following on from what you have just said about leadership, what is your perception of the States of Jersey in relation to diversity, particularly at the senior level?"

Chair of the Institute of Directors [views were her own]:

"If I look at, for example, the States-owned entities that you have, I just think there should be absolute parity on the boards of those and there is not. I think you might still have a few banging around with all men and this is not ... but the States is a shareholder. Just tell them what to do. That is what shareholders do. It is called stewardship. If they cannot lead the way, who can then? If the top of the pie cannot show this is what ... I mean, on all my boards pretty much we have got parity because I am leading by action. That is what leaders need to do. If you cannot do that, you cannot expect the levels down to do it if you are not doing it in your own circles. I think that is one of the key problems, when we do not have leaders who want to show the way. All countries, this is not just Jersey, this is everywhere²⁷."

There are many research papers that support the view that diversity in the boardroom enhances a business and its output. The Small Business Charter, for example, explains that a balanced board has diversity of thoughts, experience, skills, knowledge and gender²⁸. As noted by Charlotte Valeur, diversity should come from the top in order to filter down into all levels.

When the Panel met the Chair of the States Employment Board (SEB), he explained that SEB has little influence over arm's length organisations (ALO's) to encourage boardroom diversity. The Chair

²⁷ Public Hearing with Charlotte Valeur, Chair of the Institute of Directors, 28th January 2019

²⁸ Small Business Charter: The importance of boardroom diversity

did advise, however, that he had written to all ALO's on 8th March to encourage a discussion on achieving a greater range of candidates applying for positions:

Correspondence to ALO's from Chair of SEB:

"Dear all. I am writing in my capacity as both Chief Minister and chairman of the States Employment Board to request that you review the processes of appointments and reappointments. It is my belief that we could do better to reach the broader selection of the population for recruitment of boards. This is compounded by the fact that we do not always conduct a full recruitment process when reappointing board members. While there is no doubt that we have excellent boards I do feel that we should be considering more prominently the advantages of having a greater pool of candidates to select from in the future. As much notice as possible needs to be provided for the approval process for appointments. It should not be automatically assumed that all reappointments will be approved by default. There have also been several cases where the approval for appointments or reappointments was required at short notice, which is not good practice. I would welcome your comments and thoughts on what processes could be put in place to achieve a greater range of candidates applying for positions."²⁹

KEY FINDING 7: Women are underrepresented in the boardrooms of all of the states-owned and majority owned entities

Public sector initiatives

During the public hearing with the SEB, the Panel discussed what the Government of Jersey could do to encourage more females into senior positions. The Chair of SEB explained that an internal programme was being launched which would first discuss women in leadership. The Director of People Services provided further detail:

Director, People Services:

"Tomorrow I am co-chairing a meeting with another colleague that brings together a group of senior female directors to start talking about women in leadership in the context of the Government of Jersey. Just having a general first meeting, a bit of a debate about what we mean by women in leadership. I have a view that it may end up with an agenda that looks something like mentoring and coaching females in the organisation that are more junior. What they see are the barriers or the successes to them moving forward through the organisation. So, this is something that we have just started and we are hoping that we will gain some traction from that initiative". 30

The Panel was also advised that the Government of Jersey will be producing a gender pay gap report relating to public sector employees that follows the criteria required for public bodies in the UK. The Director of People Services explained that the pay audit will include an analysis of the impact on pay if a woman has taken time out of the workplace:

Director, People Services:

"I think in this instance, this is the pay audit that we will produce on an annual basis in April, will be a little bit more sophisticated than the one that we did last year because that was quickly pulled together for some information that we were asked to publish. I would prefer to

²⁹ Public Hearing, Chair of the States Employment Board, 21st March 2019

³⁰ Public Hearing, Chair of the States Employment Board, 21st March 2019

wait until we know what the numbers are really telling us. But they are quite complex. They are not just flat numbers. As the Chief Minister says, it could be to do with length of service,

it could be a number of things. But we will be looking at our pay audit and I am quite interested in anticipation of what that would tell us, then put some solutions, if required, around those".

Deputy J.H. Perchard:

"Will you be connecting the dots between length of service and the causations of different lengths of service? If a woman has taken time out will you be analysing the impact on pay at the later part of her career?"

Director, People Services:

"Yes"31.

The Panel is encouraged that the Government of Jersey is taking steps to understand the reasons behind, and publish data on, the public sector gender pay gap, particularly as the Panel has received an example of a Department Head providing inconsistent advice in relation to the starting salary of a male and female employee in the public sector:

Former civil servant:

"When I was employed as a civil servant I was advised by my Manager that the salary grade was 9/0 and non-negotiable. I pointed out that it was a significant pay drop from an identical role within the States in another Department. I was job sharing with another female colleague who subsequently left and I became full-time.

A new male colleague was taken on to do an identical role. Casually in conversation, he mentioned that he'd started on grade 9/3. I was utterly shocked and stunned. I did nothing for a week as I processed my feelings. My default was that he must be somehow "better" than me. However, looking at the facts I was able to disregard this. I am older, I have more years of experience, I have more qualifications and have had identical roles to my male colleague.

I went to HR and was told that contracts are confidential and that they couldn't discuss someone else's contract but everyone is free to negotiate their contract. I strongly re-affirmed that I was told by my Manager that the role was 9/0 non-negotiable.

Coincidentally, a job came up in the non-Civil Service States department. I did not want to leave my current role but I was devastated that I was being paid circa £5,000 less than my colleague.

I applied for the job and was short-listed. I didn't want to leave but I wanted to be paid the same as my male colleague. I discussed this with the Department Head who went to his Director and came back 30 minutes later with a circa £5,000 pay rise (confirmed by HR).

My observation is that it appears doors were held open for my male colleague to negotiate his pay which was a similar salary to his previous role. Whereas, my female colleague and I were both told it is grade 9/0 - take it or leave it."

³¹ Public Hearing, Chair of the States Employment Board, 21st March 2019

During the focus group exercise, the general view of participants was that the Government of Jersey should lead the way in publishing data and evidence in relation to the gender pay gap. The act of collating the data needed to report on gender pay gaps would provide the opportunity to investigate where the issues are and what they mean³². The Panel hopes that this will not only encourage improved openness and transparency within the public sector but also encourage other organisations and businesses in the private sector to analyse gender variances within their workforce.

KEY FINDING 8: The Government of Jersey has committed to publishing a gender pay gap report relating to public sector employees that follows the criteria required for public bodies in the UK. This is encouraging, particularly as the Panel received evidence that a female employee received inconsistent advice relating to her starting salary compared to her male colleague

RECOMMENDATION 1: The Government of Jersey should lead the way in collating, analysing and publishing data and evidence in relation to the public sector gender pay gap and related issues.

RECOMMENDATION 2: A public sector gender pay gap report should be published on an annual basis and at the same time every year, starting with a report by the end of 2020.

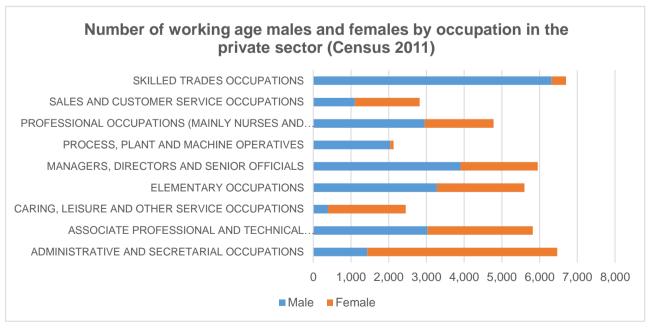
RECOMMENDATION 3: Action should be taken to reduce the gender pay gap and address any issues identified in the Government's report

RECOMMENDATION 4: Publication of the public sector gender pay gap should be accompanied by a government publicity campaign. This would raise awareness and understanding of the gender pay gap.

The private sector workforce

Using figures from the Jersey Opinions and Lifestyle Survey (2018), the proportion of males and females in employment within the private sector is almost equal with 54% male and 46% female.

The Census 2011 provides an overview of the types of occupations males and females fall into within the private sector:



³² Five ways the gender pay gap reporting can benefit business

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In a similar picture to the public sector, the figures show that significantly more males than females are in skilled trade roles and managerial and equivalent occupations. The figures also show that more females than males are in caring roles and administrative occupations. This would suggest that a higher proportion of females within the private sector fall into the lower paid jobs compared to males who dominate the senior positions.

The figures in the graph above also correspond with the general views expressed in the focus groups that nursing and carers are female dominated, and lawyers, police, doctors, head teachers, finance directors and senior managers are male dominated. One of the factors identified which contributes to a gender pay gap is occupational segregation (where some jobs are more typically done by men or women).

KEY FINDING 9: The statistics for both the private and public sectors in Jersey show that women encounter occupational segregation (where some jobs are more typically done by men or women) in mostly low paying jobs such as childcare and administrative work.

The Panel received a limited number of responses from organisations within the private sector, but one company Director did provide her experiences around perceptions of being a working mother:

Managing Director, Aqua (Trust Company)

"I can confirm I have understood and been subject to a wide ranging derogatory comments from senior employers based on assumed (untrue) allegations around an alleged inability to commit; given I remain a working mother and my commitment to the workplaces I have worked within has been questioned over a number of years"³³.

Another respondent from the private sector commented that options are limited in terms of a career and having to juggle childcare with work:

Leah Kerley, Technical Project Manager:

"Men are either reluctant or refuse to raise the question of flexible working for themselves owing to the way this will be perceived by their firm and potential negative implications for their own career. This is something I am resentful for, feeling like I have to bear the majority share of the burden of the children whilst also trying to succeed professionally and balance my work responsibilities - which proves extremely challenging when needing to leave at 2pm four days a week to collect children. In the first few years of my children's lives my wages suffered as I reduced my hours to have more of a balance, though financially I could not cope, so have had to increase my hours to that of full time. My wages are now equal to that of my husband, yet I am still one that runs out of the office four days a week to collect the children, I sacrifice attendance at key meetings and fear that this will ultimately impact my ability to progress in my career at the pace I would like it to"³⁴.

It does appear that in recent years more importance is being placed on achieving diversity in the workplace. The Chamber of Commerce said that employees were currently in high demand which could encourage employers to look into their recruitment, retention and reward practices:

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³³ Written Submission, Aqua (Trust Company)

³⁴ Written Submission: Leah Kerley

Chamber of Commerce:

"I think that any business that wants to be in business in 5 years' time has to look at how it treats its employees, how it recruits, how it retains, how it rewards, and the packages that the businesses have in place now in an employee's market. This is very much an employee's market at the moment."

A private wealth company explained to the Panel what initiatives they were undertaking to achieve a more gender diverse business:

Affinity (private wealth):

"Initiatives includes; flexible working hours, training on unconscious bias, equal maternity and paternity benefits, the planned introduction of psychometric tests as part of the recruitment process. We are corporate members of the Diversity Network in Jersey and advocates for change in this space" 36.

"GENDER EQUALITY IS AN OPPORTUNITY FOR DIFFERENTIATION AND GROWTH AND SHOULD THUS BE TREATED LIKE ANY OTHER STRATEGIC PRIORITY"

- PWC

KEY FINDING 10: The Panel received evidence that some women found that options were limited in terms of succeeding in their career whilst having to juggle childcare responsibilities with work. The Panel also found that men were reluctant to request flexible working for themselves because of how this may be perceived by their firm and the potential negative implications for their own careers.

In the next section the Panel has identified the benefits of achieving a diverse workforce and why it is important for businesses to show commitment in this area.

Why is gender diversity important in the workplace?

The Panel acknowledges that diversity is important in all aspects of life, and is particularly important in the workplace. A host of researchers, such as McKinsey & Company, have shown that diversity at all levels can make organisations more effective, more successful and more profitable³⁷. There are also several benefits to having a diverse workforce as explained below:

- ✓ Reputational benefits how a business is perceived to an audience i.e. existing employees or potential talent pool is a key definer in its overall success³⁸.
- ✓ Decrease staff turnover inclusive cultures are reported to have lower turnover rates due to increased morale, opportunity and equality³⁹.
- ✓ **Performance** if women are represented fairly and equally, research has shown that they are likely to perform better. Satisfaction levels from fair representation can also increase employee engagement⁴⁰.
- ✓ Widen talent pool The Advocate Group explains that, by not engaging female representation, employers lose out on half of the talent pool, and the unique attributes that

³⁵ Public Hearing, Chamber of Commerce, 6th February 2019

³⁶ Written Submission, Affinity (Private Wealth)

³⁷ Delivering through Diversity, January 2018, McKinsey& Company

³⁸ The benefits of gender equality in the workplace, HR Gazette

³⁹ 5 real benefits of gender diversity in the workplace, Advocate Group

⁴⁰ The benefits of gender equality in the workplace, HR Gazette

female employees can bring from entry level through to boardroom⁴¹. Additionally, the HR Gazette explains that if a board of directors is diverse, the company culture will be shaped differently due to diversity in decision making, and problems being approached from a wider set of perspectives.⁴²

KEY FINDING 11: Diversity is important in all aspects of life, and is particularly important in the workplace. A host of researchers have shown that diversity at all levels can make organisations more effective, successful and profitable. Achieving a diverse workforce also widens the talent pool and has reputational benefits for an organisation.

A recent report by PwC found that if Jersey improved its female employment participation, the economic impact would be significant. PwC's findings estimate that Jersey would benefit from a 6% boost to GDP equivalent to £239 million by matching female employment rates to Sweden's⁴³ (69%).⁴⁴

As noted by the PwC report, although gender equality has recently been on the government and business agenda in the Channel Islands, progress in this area has been slow. It says that gender equality is still seen as a "nice-to-have" rather than a top line competitive priority and that it will take more than good intentions within government and business to overcome the barriers that are holding women back⁴⁵.

In terms of government priorities, the importance of diversity as a whole is recognised in the States of Jersey Common Strategic Policy (2018 - 2022) which outlines five strategic policies and eight common themes. The eighth common theme is to "nurture a diverse and inclusive society":

"We are a diverse community made up of different nationalities, ages and genders. Sometimes these differences act as barriers to participating in society. As a Government we will work to remove barriers and promote inclusion and equal opportunity for all. This includes supporting inclusive communities, encouraging greater diversity in boardrooms and in the Assembly, and ensuring people with disabilities and older people are able to better participate in society".

Before the Common Strategic Policy was approved by the States Assembly, the Corporate Services Scrutiny Panel proposed that diversity was included as one of the strategic policies, however, the Council of Ministers amended the Panel's proposal to make diversity a theme rather than a priority. This was accepted by the States Assembly.

When the Panel met Kate Wright, Co-founder of the Diversity Network, she explained that not enough importance was placed on tackling diversity:

Co-Founder, Diversity Network:

"I also think the lack of a very clear strategy for diversity inclusion within the Strategic Plan [Common Strategic Policy] is telling in terms of understanding and the importance placed on this issue".

⁴¹ 5 real benefits of gender diversity in the workplace, Advocate Group

⁴² The benefits of gender equality in the workplace, HR Gazette

⁴³ PwC - Channel Islands Women in Work Index 2019, March 2019

⁴⁴ Sweden's employment rate obtained from PwC, July 2019

⁴⁵ PwC - Channel Islands Women in Work Index 2019, March 2019

Senator K.L. Moore:

"We did trv".

Co-Founder, Diversity Network:

"I know you did. If the Government are not demonstrating that this is important how can we expect smaller businesses to? So I do think the States needs to lead by example"46.

As there is a significant amount of research which shows that achieving diversity has multiple benefits, it is disappointing that it was not included as a priority for government.

When the Panel met the Chair of the Jersey Appointments Commission, we asked about the risks posed to an organisation by not achieving diversity:

Chair, Jersey Appointments Commission:

"You are not getting the best value you could. The Island is made up of men and women. Some of the things I am saying about women of course apply to some men too. I think some of the men find it even more difficult than women to ask for help around childcare because of all the blokev conversations that go on. There is work for both men and women to be done here."47

"More women need to be in senior roles. There is so much evidence to show that a more diverse management team creates improved results for businesses, Jersey still has a long way to go". - Soroptimist International of

Jersey

In the legal services sector, Advocate Vicky Milner highlighted the reputational aspects of achieving a diverse workforce:

Advocate V. Milner:

....I think one of the key things in terms of sustainability in law firms and the success of the legal industry in Jersey is that bearing in mind the high proportion of female graduates that are now coming through, if we want to [attract and retain that talent] we have to show that there are places for those young women to progress and that these senior positions are open to them. If we do not make it plain that Jersey has those positions to offer either they will not come, or they will come but then they will leave once they reach a certain level. So you are losing a talent pool that you have already invested in, so it is lost money"48.

Ensuring equal representation of women in the workplace does have positive effects on an organisation, as evidenced by a host of researchers⁴⁹. Although diversity is included as a theme in the States of Jersey Common Strategic Policy, is enough being done by government specifically to overcome the barriers faced by women?

KEY FINDING 12: Nurturing a diverse and inclusive society has not been prioritised by the Government of Jersey which has led some to question how much importance is being put on achieving a diverse workforce.

⁴⁶ Public Hearing with the Diversity Network, 21st January 2019

⁴⁷ Public Hearing with the Jersey Appointments Commission, 22nd January 2019

⁴⁸ Public Hearing with Advocate Vicky Milner, 6th February 2019

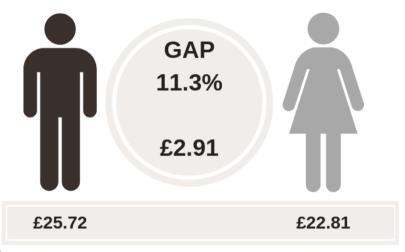
⁴⁹ Mckinsey & Co 2018, Forbes 2017

Measuring the gender pay gap in the public sector

Using figures from the Chief Operating Office (People Services), the distribution between males and females within the public sector is there are fewer male employees (35%) than female employees (65%).

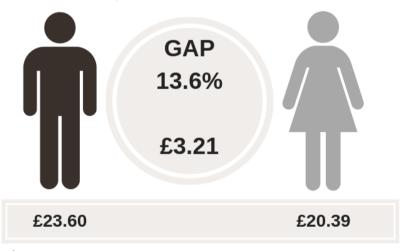
The Panel wrote to the States Employment Board (SEB), who is the employer of all public employees in Jersey, asking for information on the public sector gender pay gap. The SEB provided the Panel with an analysis⁵⁰ which shows a mean average difference in the hourly rate of pay of 11.3% and a median average difference of 13.6%, both in favour of men⁵¹:

Gender pay gap in the public sector



All staff (mean average)

Average hourly rate of pay and the percentage difference between them



All staff (median average)

Average hourly rate of pay and the percentage difference between them

KEY FINDING 13: There is a gender pay gap in the public sector. As a mean average, men earn 11.3% more than women. As a median average, men earn 13.6% more than women.

⁵⁰ using data based on employee full time equivalent basic pay (2017)

⁵¹ Written Submission: States Employment Board

Measuring the gender pay gap in the private sector

Without statutory reporting lines, it has not been possible to gather sufficient statistics about the private sector gender pay gap.

It is encouraging, however, that some companies in Jersey do publish their gender pay and diversity information. Jersey Post is one pioneering organisation that has been proactively reporting on its gender pay gap for the last 3 years and shows that, at the management level, male employers are paid 12.82% more than female employees:

Jersey Post:

"Out of its total employees in Jersey Post (excluding acquisitions), 20.9% (20.5 in 2017) are women. Whilst Jersey Post offers set salaries and wages for certain types of jobs, the mix of jobs means that on average male employees are paid 3.16% more than female employees (2017:1.95%). However, at management levels male employees are paid 12.82% more than female employees (2017: 7.84%). These figures include the salaries of Executive Directors. Jersey Post is actively addressing this position and continues to review how it recruits, what contractual terms it offers and is committed to seeing a balanced workforce". 52

KEY FINDING 14: In Jersey there is no equal pay legislation and therefore no requirement for employers to publish information on their gender pay gap. Without statutory reporting lines, it has not been possible to gather sufficient statistics about the private sector gender pay gap.

KEY FINDING 15: Despite the lack of statutory obligations in Jersey, it is encouraging that some companies in Jersey do publish gender pay and diversity information voluntarily.

The Panel's qualitative research suggests that there is certainly a perception that a gender pay gap does exist in Jersey. The limited statistical data collected during the review to support this perception would suggest that there are differences in the average earnings between men and women in Jersey. Without the comprehensive data across both the public and private sectors, however, it has been difficult to determine the extent of the gender pay gap in Jersey.

A range of stakeholders in both the public and private sectors were asked whether there was a gender pay gap in Jersey:

The Chief Minister:

I am going to say probably. The reason I say that is I think we would probably be unique if there was not one. If you then move on to what does that look like, at this stage we do not know. I know there was an initial piece of evidence sent to you by Senator Vallois, when she was the chair of S.E.B. (States Employment Board), but essentially we have asked Statistics Jersey to do a piece of work but also because of the nature of how you get the information, things like that. I know it is going to take a while to get that. So the basic position is, almost certainly, cannot quantify it at this stage⁵³.

⁵² Information provided by Chief Executive of Jersey Post, June 2019

⁵³ Public Hearing with the Chief Minister, 17th January 2019

Jersey Appointments Commission:

The Commissioners have no reason to believe that the situation is different in Jersey than in other jurisdictions where a pay gap exists and where evidence has been gathered to demonstrate this. But all we have to rely on at present is anecdotal evidence⁵⁴.

HSBC:

From our findings within our own company, then we do see a gender pay gap within our business areas, in many cases though they are not seen as a true gender pay gap, but have been driven by the wider norms in our society, such as career breaks which have traditionally been taken by females post maternity. We also have male and female dominated business areas such as IT and Corporate Banking being predominately male orientated and with the Retail Branches and HR being predominately female orientated⁵⁵.

Jersey Chamber of Commerce:

Based on the measure of average pay of women versus men we would expect a gender pay gap to exist in Jersey in similar ways to similar sectors in UK companies.⁵⁶

During the focus group exercise (undertaken by independent researchers 4insight), participants were asked what the first words were that came to mind when "Gender Pay Gap in Jersey" was said. The following is a visual representation of key words used by the 40 participants (the importance of each word is shown with font size):

"What do you think of when you hear 'gender pay gap in Jersey'?"

Maternity Tough
Big 4 Traditional Underpaid **Director Discriminatory Influences Inequality Discrimination Anti-family** Might be favourable towards menian Gorst Engraved prejudice in society and at work Closing Behind the UK/EU especially director/partners Depends what section of workforce you work in Unknown Policy may dictate this disparity in packages terms etc benefits Rubbish maternity forced to go back early to be able to live (pay mortgage etc) Weird especially gambling Unfair Senior levels
Ministers Unfair Senior levels
Ministers Unfair Senior levels Lots of women working Finance Difference in pay for same job Airlines **Old fashioned** Stereotypes Complex issue Not just pay Limited variables - ie all men vs all women **Present in Jersey** May depend on sector Not conspicuous/obvious Probably in some sectors Still patriarchal society Full time/ Part time Interested to see results **Company policies** Finance industry Male dominant Think it exists Other industries Archaic By sector/profession How is it measured? In men's favour Real d personally Obvious Institutionalised Wide The difference between remuneration earned by men and women in similar positions Women earning less than men in general, earning less for the same job No dataDifference between gender pay gap and earnings
PromotionImagine that it exists like rest of the world Unsure about it, do not know much about it Evidence Time off with children, less opportunity Confidence Men paid more than women Senior **CEOpatriarchal Glass ceilings Disparity StructuralExperiencesImproving PrevalentUnbalancedRole Rigid Access**

⁵⁴ Written Submission: Jersey Appointments Commission

⁵⁵ Written Submission: HSBC

⁵⁶ Written Submission: Jersey Chamber of Commerce

KEY FINDING 16: There is currently no requirement for employers in Jersey to report on their gender pay gap. The Panel's qualitative research suggests that there is a perception that a gender pay gap does exist in Jersey. There is currently a lack of comprehensive statistical data to support this perception, but, from analysing the statistics that are available, the Panel has found that there are differences in the average earnings between men and women in Jersey.

OVERARCHING KEY FINDING: There is a gender pay gap in Jersey. Without wide-ranging statistical evidence, however, it has been difficult to assess the extent of it in the Jersey economy.

Should gender pay gap reporting be introduced in Jersey?

During its public hearings, the Panel asked most attendees whether they thought statutory measures for gender pay gap reporting should be introduced in Jersey:

Ms. J. Hall, Diversity in Change

"There has to be something legislatively that goes hand in hand with other change. If you do the legislation on its own I do not think it is ever effective, there has to be wider cultural types of changes." 57



Chair, Institute of Directors [views were her own]

"We have information right in our hand; we have no shortage of information. It is having had all of that information for at least the last 10 years and still no substantial movement is disappointing. I would like to see a change before my children grow old, within the next 10 years, substantial change. For that, I think we need to have, unfortunately, laws in certain areas".⁵⁸

Advocate V. Milner:

"Legislation definitely has a role to play. I think that sometimes it is easy to make the assumption that that is the only way of doing it. In doing that, forgetting about everything that comes with legislation; the costs, the complexity, the legal risks that that might throw up and the fact that sometimes for everything you give you may take something away from somebody else. Before legislation is implemented, if that was an option, I would want to see independent research on the issues".⁵⁹

Chief Minister:

"I think it is about 80 per cent of our businesses employ between one and 5 employees and one thing we have to just watch is the burden on small employers [...] One is that it is not too onerous on top of all the other things we do. The other thing is about data protection and privacy because with very, very small samples, as we know, from stuff that we already publish in terms of the States, you do not want to identify individuals and their earnings. Can we do it? Yes. Would I prefer to try a voluntary method first? Yes. Then hopefully that will start again as that move is starting to shift attitudes". 60

⁵⁷ Public Hearing with Diversity in Change, 24th January 2019

⁵⁸ Public Hearing with Charlotte Valeur, Chair of the Institute of Directors, 28th January 2019

⁵⁹ Public Hearing with Advocate Vicky Milner, 6th February 2019

⁶⁰ Public Hearing with the Chief Minister, 17th January 2019

The general view seems to be that even if legislation was introduced in Jersey it would only be effective if societal attitudes and culture also changed. It was the Chief Minister's view that although legislation could be implemented he would favour using voluntary methods in the first instance. The Chief Minister also commented that, if statutory measures were introduced, the burden on smaller businesses would have to be considered. It is worth noting, however, that in the UK smaller businesses are exempt from reporting their gender pay gap even though 96% of all businesses are "micro-businesses" (0-9 employees). Although there are no comparable statistics in Jersey, the labour market report for December 2018 found that 89% of all undertakings in Jersey had fewer than 10 employees⁶¹.

The PwC report supports the general view that legislation would only be effective if there was a focus on gender equality across the board. It does suggest, however, that Jersey should consider a similar approach to the UK with statutory gender pay gap reporting. It says that this would shine a light on companies with significant gaps and act as an incentive to address the issues:

"On its own, gender pay gap reporting is not a silver bullet, but alongside a broader focus on gender equality across multiple areas it can be highly effective as a lever for change." 62

KEY FINDING 17: In the UK, organisations with 250+ employees have had to report their gender pay gap annually since 2017. The Panel has found that introducing statutory measures in Jersey would need to go hand in hand with a change in societal attitudes and culture.

62 PwC - Channel Islands Women in Work Index 2019, March 2019

^{61 &}lt;u>Labour Market Report</u> Jersey, December 2018

8. The causes of Jersey's gender pay gap

There are many different opinions, views and research on what might cause a gender pay gap. In order to obtain as many views as possible, the Panel wrote to 28 academics asking a number of questions about gender pay gaps, what causes them and how they can be addressed. In response, the Panel received a submission from Dr Malcolm Brynin from the Institute of Social and Economic Research at the University of Essex. His view is that the gender pay gap is largely due to low pay in jobs that women do but men do not do:

What are the main causes of a gender pay gap?: If the gap is interpreted as at the occupational or at the job level, then the implications are different. These gaps vary enormously by occupation. My own research suggests that the gap is lower (as a proportion) for highly educated women. However, because of gender segregation (which is changing, but slowly), many women do low-paid jobs which men do not do, or barely do (e.g. cleaning, caring, and to some extent catering).

Calculating the gaps for these is therefore almost futile and resort has then to be made to comparison with broadly similar occupations (e.g. female domestic cleaners with male refuse collectors), which is a slow and difficult process. Unfortunately the main emphasis of government policy seems to be on the issue of comparable treatment of men and women doing the same type of work, which often (but not entirely) amounts to helping women in elite or at least relatively comfortable positions. The real problem for women is not so much comparability but low pay in jobs that men do not do⁶³.

The Panel also received a submission from Sheila Wild, an Equality Professional and founder of the Equal Pay Portal. Her view is that a gender pay gap is caused, amongst other things, by the undervaluing of women's work:

What are the main causes of a gender pay gap?: Occupational segregation, pay discrimination, the undervaluing of women's work and the unequal distribution between men and women of domestic and family responsibilities. Of these, the undervaluing of women's work is the one that tends to get overlooked, with for example, women in caring roles not having the emotional demands of the job taken into account when rates of pay are being set⁶⁴.

A submission from Dr Victoria Basham, Reader in International Relations at Cardiff University supports the view that women's work is undervalued and also believes that unconscious bias is one of the main causes of a gender pay gap:

What are the main causes of a gender pay gap?: Unconscious bias in promotions, poor attitudes and policies towards maternity leave and a cultural aversion to paternity leave, certain sectors continuing to undervalue work traditionally 'feminised' such as care roles and to over-value masculinist forms of work and work cultures such as investment banking⁶⁵.

⁶³ Written Submission - Dr Malcolm Brynin, Institute for Social and Economic Research

⁶⁴ Written Submission - Sheila Wild, Equality Professional, Equal Pay Portal

Written Submission, Reader in International Relations

KEY FINDING 18: There are wide-ranging views and opinions as to what might cause a gender pay gap. Some academics believe that gender pay gaps are due to higher numbers of women in lower paid professions, the undervaluing of women's work, the over-valuing of work carried out predominantly by men and unconscious bias in the workplace.

The Panel also sought the views from a variety of stakeholders in Jersey. Although there can be many factors which contribute to a gender pay gap, a number of common themes emerged during the review which the Panel has focussed on in particular:

- Gender stereotypes
- Occupational segregation
- Unconscious bias
- Glass ceiling
- Domestic commitments
- Caring responsibilities

These are explained in further detail in the following sections.

OVERARCHING KEY FINDING: Although there can be many factors which contribute to a gender pay gap, the most common themes that emerged are: gender stereotypes, occupational segregation, unconscious bias, glass ceiling, domestic commitments and caring responsibilities.

A gendered society

Gender roles in society can be defined as how males and females are expected to act, speak, dress and conduct themselves based on their sex. For example, girls and women are generally expected to dress in typically feminine ways and be polite, accommodating, and nurturing. Boys and men are generally expected to be strong, aggressive, and bold⁶⁶. A number of submissions to the Panel commented on the gender differences between men and women starting at a young age and how this could contribute towards a gender pay gap.

Advocate Vicky Milner:

"Being prepared to push yourself forward in a highly competitive area may require levels of confidence and forcefulness which in our society are more rewarded in men, men being congratulated from birth on being big, strong, brave, vocal and confident - like a lion or a chest-beating



"alpha male". By contrast, women are expected to be kind, sympathetic, gentle, petite and have a "softer touch". This could mean that women expect to fail if they speak up for themselves and/or that they will be perceived as "difficult" or "pushy""⁶⁷.

Diversity in change:

"I have a daughter who is 3½ years-old and I have called out with her nursery, for example, when they have parties, it is princesses and superheroes. My daughter loves pirates but she loves princesses, that is fine, and she also loves superheroes. Let us not pigeonhole our children at such a young age"⁶⁸.

The Fawcett Society has found that gender stereotyping limits children by presenting them with a specific set of acceptable behaviours. This leads to occupational and subject segregation which has found to be one of the key contributing factors to the gender pay gap. Existing research shows that from an early age, children's career aspirations are shaped by gender stereotyping⁶⁹.

A UK study undertaken by Mintel in 2017 found that 44% of children aged 7 - 15 said that being a

plumber/builder/electrician is "for boys" and 5% said that it was "for girls." With regards to teaching, 19% of children viewed teaching as a job "for girls", compared to 16% who considered it "for boys." The perception of school subjects as masculine or feminine can influence subject choice, and subsequently occupational choice. The Fawcett Society explains that this is particularly problematic for girls as "feminised jobs" are often lower paid.

"Gender stereotypes are set at a very young age. By secondary school it is hard to change these. If women consider certain careers as "male" – they are less likely to apply. There is a historic imbalance in senior positions in Jersey - change is going to take a generation, but that is no reason not to do it".

- Affinity Private Wealth

⁶⁶ What are gender roles and stereotypes, Planned Parenthood

⁶⁷ Written Submission, Advocate Vicky Milner

⁶⁸ Public Hearing with Diversity in Change, 24th January 2019

⁶⁹ Gender Stereotypes in Early Childhood: A Literature Review, Fawcett Society

Mintel, UK Lifestyles of Children and Teens cited in Gender Stereotypes in Early Childhood: A Literature Review

⁷¹ Gender Stereotypes in Early Childhood: A Literature Review, Fawcett Society

Where does gender stereotyping come from?

Some research suggests that gender roles emerge in response to specific historical situations, but tend to persist even after the historical conditions have changed⁷². For example, wars have been identified as a factor which have permanently changed gender roles in societies. Dr Victoria Basham, (Reader in International Relations) explains that work traditionally seen as "women's work" has been undervalued and roles associated with "men's work" have tended to be more highly prized because the post-World War II economy was built on the traditional view that the man is the breadwinner and the woman looks after the home:

Do you think a pay gap is more likely in gender dominant industries i.e. construction, politics, nursing, teaching?: Not necessarily as it can be a problem in many fields but generally, work traditionally seen as 'women's work' (nursing, teaching etc.) has been undervalued and roles associated with 'men's work' have tended to be more highly prized because our post WW2 economy was built on the notion of the male breadwinner and housewife which is not only sexist but heteronormative⁷³.

KEY FINDING 19: Gender roles in society have meant that girls and women are generally expected to dress in typically feminine ways and be polite, accommodating, and nurturing. Boys and men are generally expected to be strong, aggressive, and bold. Exposing girls and boys to gender stereotypes at a young age, contributes towards occupational segregation and a gender pay gap.



Occupational segregation

Although women have advanced toward economic equality during the last 50 years, differences in the occupational distribution of men and

women continue to characterise the labour market⁷⁴. In that regard, pay can vary based on which occupation someone is employed in.

The Office for National Statistics explains that when comparing hourly earnings for full-time employees, men in the highest-paid occupation group (i.e. chief executives and senior officials) earn 5.3 times more than men in the lowest-paid occupation group (i.e. elementary occupations) whilst for women this figure is 4.5 times more⁷⁵.

The graph below shows the occupation group of working adults (of working age) by gender in Jersey⁷⁶. It shows that certain occupations were dominated

by particular genders. For example, men accounted for 94% of those employed in skilled trades and 66% of managers, directors and senior officials. In contrast, women accounted for 83% of those

⁷² Gender: An Historical Perspective, July 2017

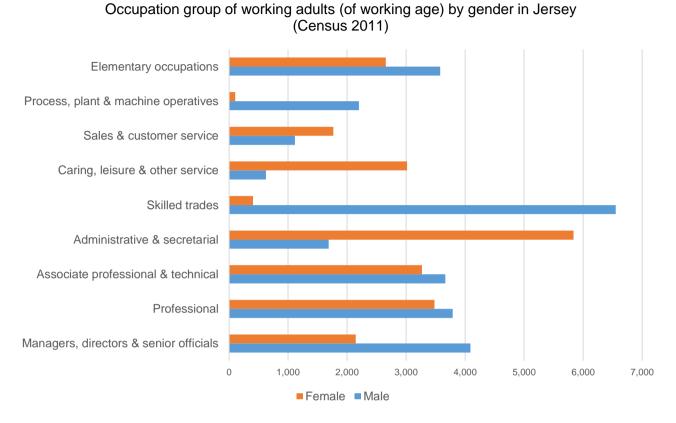
⁷³ Written Submission, Reader in International Relations

⁷⁴ "Occupational Segregation and the Gender Wage Gap: A Job Half Done" January 2014, Institute for Women's Policy Research

⁷⁵ Office for National Statistics "<u>Understanding the Gender Pay Gap in the UK</u>"

⁷⁶ Census 2011 - Figure 4.3, page 30

employed in caring, leisure and other service occupations and 78% in administrative and secretarial occupations:



KEY FINDING 20: Certain occupations in Jersey are dominated by particular genders. More males than females are in skilled trades and managerial roles and more females than males are in the caring and administrative roles. These latter roles tend to be the lower paid occupation groups.

A House of Commons Committee paper explains that one of the reasons why girls have historically taken low paid jobs is that they had lower educational attainment than boys, because they tended to leave full-time education earlier⁷⁷. Evidence in the UK shows that this has now changed with a greater proportion of girls than boys achieving higher grades secondary education. This mirrors

What is occupational segregation?

Occupational
segregation is where
some jobs are more
typically done by men
or women

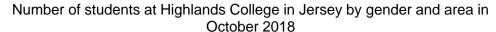


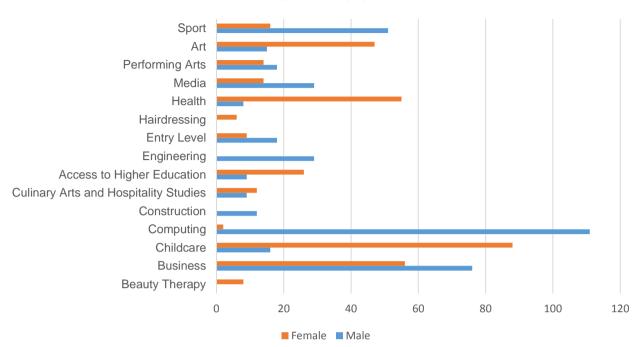
statistical data in Jersey which shows that a higher proportion of females achieved 3 or more A levels at grades A* or A than males and a higher proportion of females also achieved grades AAB (or better)⁷⁸.

However, despite the wider opportunities opened up by these changes in educational attainment, when they start work, young people in Jersey still tend to opt for traditional occupations as can be seen in the graph below:

⁷⁸ A level and equivalent results in Jersey, Academic year 2015/2016

⁷⁷ "Jobs for the girls: The effect of occupational segregation on the gender pay gap" March 2005





Perhaps the most notable areas where there are significantly more females than males is in health and childcare. In contrast, significantly more males than females chose computing courses and noticeably more males than females chose business courses.

KEY FINDING 21: A greater proportion of girls outperform boys at secondary school level in Jersey. Despite the higher grades achieved in their education, women are much less likely to access senior roles later in their careers.

KEY FINDING 22: Stereotypes towards men and women in wider society encourage young people to opt for subjects of study that in turn perpetuates occupational segregation (where some jobs are more typically done by men or women) in the future.

Technology

A recent report⁷⁹ by PwC explains that the skills businesses and public sector organisations needs are changing, particularly because of new technology and changing customer expectations. It says that enabling women to increase their participation in the Channel Island's economy is a critical part of meeting new demands. Technology and data analysis in particular are identified in the report as the specific skills' needed in an evolving economy. Research undertaken by PwC shows that only 27% of female students in the UK would consider a career in technology, compared to 61% of males, and only 3% say it would be their first choice:

PwC Report:

Reversing this would require concerted action to overcome biases, stereotypes and lack of female role models that begin in schools and continue throughout the world of work.

⁷⁹ PwC - Channel Islands Women in Work Index 2019, March 2019

It's also important to recognise that all industries are being transformed by technology and to use this as a way to help attract more women into a field that has traditionally been seen as dominated by male "techies".⁸⁰

In her written submission to the Panel, Advocate Vicky Milner explains that "the lack of women in the technology sector should be a huge concern to everyone in Jersey":

Advocate Vicky Milner:

"We are seeing girls dropping out of STEM (science, technology, engineering and maths) subjects and failing to engage in hackathons and coding clubs in the same way as boys. This is not a new thing. However it is vital that it is addressed, given that going forward power will be in the hands of those who control technology, potentially creating a very unequal society. This is particularly important when one considers the implications of artificial intelligence ("AI") and the impact of unconscious bias when it comes to programming AI."

KEY FINDING 23: Technology has been identified as a specific skill needed in an evolving economy. A significant proportion of males than females chose computing courses at Highlands College in 2018. If more males than females are in technology focussed roles, this could have a greater impact on the gender pay gap in Jersey.

KEY FINDING 24: If the number of males working in technology continues to be significantly higher than the number of females, it is likely that software and systems developed, in artificial intelligence in particular, may be inherently gender-biased.

In November 2018, the Education Minister was questioned on gender equality in computer studies during States Assembly questions by Deputy Morel. The Minister advised that there were a wide range of initiatives to encourage more young women to study computing:

Deputy K.F. Morel:

"With 111 males and 2 females currently studying computing at Highlands, will the Minister advise the Assembly as to the measures she is taking, if any, to encourage young women to choose to study computing and thereby to ensure Jersey's future digital sector is fully representative of the Island's population and not just dominated by men?"

The Minister for Education:

"These numbers are disappointing but I am pleased to advise the Deputy that the take-up for G.C.S.E. (General Certificate of Secondary Education) computer studies is much more promising with 40 per cent of this year's cohort being girls up from 32 per cent last year. Female role models are an encouragement for the take-up of computing in this year at Le Rocquier School, the launch of a new industry standard digital design G.C.S.E. course called D.E.C. (Design Engineer Construct), which has seen 25 per cent of the 21 students being girls. A local female undergraduate studying engineering at Bath met with students and parents during the launch. In September, one of the U.K.'s most influential female advisers on cybersecurity spoke at Beaulieu School to over 150 students about the exciting careers in cyber, and especially why girls are particularly valued in this field. There are a wide range

⁸⁰ PwC - Channel Islands Women in Work Index 2019, March 2019

⁸¹ Written Submission, Advocate Vicky Milner

of initiatives, past and future, that I hope will encourage more young women to study computing and go on to successful careers in the digital sector."

Deputy K.F. Morel:

"If the Minister looks at statistics for all Highlands College courses, she will find that there is a clear division with men studying male jobs and women studying female jobs, little evidence of breaking down these barriers. Does the Minister agree that there is a cultural problem within the education sector that teaches boys and girls that they are only fit for certain types of work?"

The Minister for Education:

"I think I would go further than that. I think there is a cultural issue in our society in terms of the way women and men were deemed to be able or not able to do certain things within the remits of their capabilities." ⁶²

The Panel also discussed this issue with the Chief Minister who said that although certain schools in Jersey do have initiatives to try and expose girls to subjects which may previously have been perceived as male subjects, improvements can still be made to the education system.

Chief Minister:

"I have always understood that certain schools do have programmes where they do try and expose - we are talking about girls - to what might previously have been perceived as more male subjects. So there is a greater push on I.T. and coding....[...] But obviously at the younger age level it has to be at the education system improving what we do."63

The Panel asked Education to provide further information on any programmes and initiatives which were being used to encourage diversity and equality. The Panel received a paper which outlined the following initiatives:

- Primary Engineer girls and boys having access to local engineers in classrooms across early years, primary and secondary school provision. As part of the programme nearly 700 school pupils (over half were girls) entered the national Leaders Award design competition.
- Tech Mums Skills Jersey have supported a local group Women in Tech which launched a
 10 week course to get mums back into employment.
- Women in construction A pop-up stand will be provided at one secondary school in July which will include a presentation from a local female plumber.
- A female lawyer at HSBC delivered a presentation on "Gender Diversity" to all secondary school careers teachers in May 2018. Following the presentation there are plans to coordinate a School Mentoring Programme.

Although the initiatives are focused on girls being exposed to subjects which may traditionally be perceived as male orientated, there must also be emphasis on exposing boys to subjects in the same way. The Education Department could, for example, provide male role models who are in the caring industry to counter any gender biased views.

⁸² Hansard, 6th November 2018

⁸³ Public Hearing with the Chief Minister, 17th January 2019

The PwC report⁸⁴ offers some suggestions as to how educators can make a difference in terms of boosting gender equality within the education system:

- Break down barriers Schools could play a role in broadening opportunities and choices by encouraging girls to think about different A-Level options and using role models who do not necessarily fit the "traditional mould".
- Embrace disruption within teaching Embed technology throughout the school curriculum
 would accelerate the upskilling of young people so that they are ready for future work and
 attractive to employers.
- Work with businesses to create a relevant curriculum this could help highlight opportunities for women, offer career options they might not have previously considered and provide aspirational role models.

KEY FINDING 25: Although certain schools in Jersey do have initiatives to try and expose girls to subjects which may previously have been perceived as male subjects, such as technology, improvements in this area urgently need to be made to the education system.

KEY FINDING 26: The initiatives to encourage gender diversity are focused on girls being exposed to subjects which may traditionally be perceived as male orientated. There are few initiatives that expose boys to subjects which are traditionally seen as female orientated.

RECOMMENDATION 5: The Minister for Education should undertake an audit of registered childcare providers, preschools and primary schools to ensure gender neutral practices within the curriculum and the general culture and ethos. This is to challenge and work against the idea that "boys will be boys" and "girls will be girls". The audit should be undertaken by the end of 2020.

RECOMMENDATION 6: The Minister for Education should undertake an audit of curriculum choices made by secondary schools and further education providers across the different subjects. The Minister should evaluate the ethos and culture in each school or college and the part the student voice plays in establishing that culture. The audit should be undertaken by the end of 2020.

RECOMMENDATION 7: The Minister for Education should instruct the curriculum council to introduce measurers to reduce gender segregation in subject choices.

Unconscious bias

During its public hearings, several different attendees used the term "unconscious bias" and believed this contributed to a gender pay gap. Unconscious bias can be defined as automatic associations based on gender. These associations often stem from gender stereotypes, traditions and norms⁸⁵. For example, it is often assumed that a woman in her 20s will, when she is in her 30s, have a child.

"Globally, women are underrepresented in corporations, and the share of women decreases with each step up the corporate hierarchy"

(International Labour Organisation)

⁸⁴ PwC - Channel Islands Women in Work Index 2019, March 2019

⁸⁵ Breaking biases: Unconscious gender bias in the workplace, International Labour Organisation, August 2017

Dr Victoria Basham (Reader in International Relations) believes that unconscious bias is one of the main causes of a gender pay gap and better training is required in organisations:

What initiatives can be undertaken to reduce a gender pay gap?: Better training on unconscious bias in companies but also widespread root and branch changes throughout society are also needed. Until women having babies is not seen as an impediment of some kind, until every institution in society in government can honestly say it doesn't draw on gendered language or value particular personality and leadership traits over others, there is a long way to go⁸⁶.

When the Panel asked for views from the general public, it was one respondent's view that unconscious bias starts in education:

Leah Kerley, Technical Project Manager:

Schools/Education play a big part - Women's achievements through history are rarely celebrated - focus is on men and what they have done, school books are mostly traditional - men appearing as doctors etc. and mothers stay at home 'Tiger that came to tea' as an example. More women should give more talks at schools, career fayres etc. and be involved in demonstrating what women CAN achieve allowing young girls to have role models and understand their options are the **SAME** as men. Historical and political iconography is biased to men, girls grow up thinking that men shaped history, and that their role was not as valuable. Gender separation at a young age - again, JCG prep as an example. Boys and girls are mixed in classrooms, though they wear different colour uniforms and their book bags

go in different boxes in the classroom - what reason would there be for this at the age of 5?! Children are brought up to see that girls and boys are different - thus unconscious bias begins⁸⁷ [respondent's emphasis].

In 2013, the International Labour Organisation surveyed companies in developing regions on barriers to promotion. The survey ranked What is unconscious bias?

Unconscious bias is automatic associations based on gender.

These often stem from gender stereotypes, traditions and norms

what respondents considered the most significant 15 barriers in order of priority⁸⁸. Interestingly, the Panel notes that five of the barriers to women's leadership were related to discrimination and unconscious gender bias. The respondents also cited stereotypes against women and inherent gender bias in recruitment and promotion⁸⁹. Unfortunately, there does not seem to be any local research to find out the top barriers to women's leadership in Jersey.

When the Panel met the co-founder of the Diversity Network, Kate Wright, she explained that unconscious bias is an issue which does not just apply to women:

⁸⁶ Written Submission, Reader in International Relations

⁸⁷ Written Submission: Leah Kerley

⁸⁸ Women in Business and Management Gaining Momentum, Global Report

⁸⁹ Breaking biases: Unconscious gender bias in the workplace, International Labour Organisation, August 2017

Co-Founder, Diversity Network:

If you look at it through another diversity lens, this is one of the things that struck me when I first moved to Jersey, when people talk about recruitment or who they work with, it is: "Oh, yes, we went to the same school" and I wonder at the number of people who are going through C.V.s (curriculum vitae) and: "This one went to the same school as me, they must be good." They are not actively discriminating against the others but they are unconsciously drawn to the one who went to the same school. Unconscious bias is a big factor and if you are in charge of an organisation it is something that I would look at. There are lots of simple things you can do to help remove those biases, blind C.V.s, for example. Take out the name, the age, the gender, the school, the university, so people just focus on the skills. It makes a big difference⁹⁰.

As mentioned by Kate Wright, there are a number of initiatives an organisation can implement to make the hiring process more neutral. The removal of name, age, gender and education on CVs could be a way to focus on which candidates are the most skilled for the role. When the Panel met the Chair of the States' Employment Board, he explained that gender neutral recruitment practices were due to be implemented within the public sector:

Chairman, States Employment Board:

"I think we were certainly aware of the issues around, let us call it, gender neutral hiring process, and things like that, and that is around ... and I think we have done things like taking out date of birth, taking out names, taking out schools, I believe. I am looking down at Denise for some extra details. It is that kind of territory and I think we already do some of that".

Head, H.R. Business Partner:

"We do some of it but we are investing in a new system at the moment and we hope to go further. At the moment we take out date of birth but we do not take out names and schools. Although depending on what level the appointment is because if we do senior appointments quite often we will use an executive search company who will generally put the data forward without names and just call candidates - A, B and C - and they will do that at long list and short list. But when we are doing internal recruitment at the moment, names are included, but we are hoping to make adjustments because we are investing in a new process in the system. As a result, we should be able to make those adjustments."

KEY FINDING 27: Automatic associations based on gender (unconscious bias), such as assuming a woman will have a child in her 30s, has been identified as a factor which contributes to a gender pay gap. Organisations can implement a number of initiatives to make recruitment practices more gender neutral, thereby ensuring the focus is on those who are most skilled for the role.

RECOMMENDATION 8: As part of the planned changes to recruitment practices within the public sector, name, age, gender and place of education should be removed from applicants' CVs to ensure that candidates most skilled for the role are recruited. These changes should be introduced by the States Employment Board by Q2 2020.

⁹⁰ Public Hearing with the Diversity Network, 21st January 2019

⁹¹ Public Hearing, Chair of the States Employment Board, 21st March 2019

Glass ceiling

The glass ceiling is a metaphor for explaining the inability of women to advance past a certain point in their professions, regardless of their qualifications or achievements⁹². A number of the submissions to the Panel commented on the glass ceiling and/or certain barriers which may affect a woman's progression in the workplace. A common barrier identified during the review was that women were less likely than men to put themselves forward for jobs if they did not meet all of the requirements:

Chair, Jersey Appointments Commission:

"Internationally it is known that if you produce a C.V. and a job specification that a man will read the job specification and if he thinks he can match half of it he will apply. If a woman looks at it, if she cannot make it at least 90 per cent she will not apply. We have to get the message out to women: "Have the confidence to apply if you can meet half of it, otherwise you are not chasing in the race in the same way"."93

Co-Founder, Diversity Network:

"I believe there is quite a lot of research to prove it but women are less likely to actively put themselves forward for promotion than men. Apparently men only need to be about 40 per cent there before they say: "Yes, I can do that job" where women want to tick all the boxes

to demonstrate they can do a role before they have the confidence to put themselves forward"⁹⁴.

Advocate Vicky Milner:

"I think certainly that we see women leaving firms because they know there will come a point at which they cannot progress, when there is a glass ceiling. I think that is definitely a cause of this flow of women out of law firms at certain levels".

What is a glass ceiling?

An invisible but real barrier within a hierarchy that prevents women (or minorities) from reaching upper level positions



KEY FINDING 28: A number of submissions to the Panel commented on the glass ceiling (the inability of women to advance past a certain point in their professions) and/or certain barriers which may affect a woman's progression in the workplace. A common barrier identified was that women were less likely than men to put themselves forward for jobs if they did not meet all of the requirements.

Domestic commitments

Many of the submissions to the Panel commented that a higher proportion of females than males take on domestic commitments. A submission from the Chamber of Commerce suggests that

⁹² A Study on the glass ceiling effect on women in the work place, March 2018

⁹³ Public Hearing with the Jersey Appointments Commission, 22nd January 2019

⁹⁴ Public Hearing with the Diversity Network, 21st January 2019

⁹⁵ Public Hearing with Advocate Vicky Milner, 6th February 2019

significantly more females than males take the lead with home and family responsibilities, thereby impacting on the availability of females in the workforce:

Chamber of Commerce:

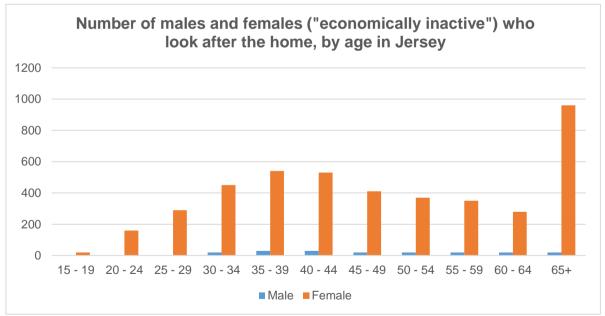
"Where we do believe there is likely to be gender differentiation (voluntary discrimination) is in the home, as there still appears to be significantly more females than males taking the lead with home and family responsibilities. To some extent this inevitably reduces the levels of availability of females in the workforce and can also impact on the desire of some females to take on more senior roles that could result in greater workplace demands and longer hours" 6.



During the focus group exercise, the following quotes were the attitudes of male and female participants which included perceived attitudes towards men and women:

- A man does well because he has a woman looking after his children at home.
- Women have to do a particular job or stay at home with child.
- Atypical for a man to be the one who stays at home with the child or to take paternity leave.

The <u>census</u> (2011) shows that a higher proportion (44%) of economically inactive women of working age were looking after the home compared with men (3%). The Panel asked Statistics Jersey to provide a breakdown of the numbers by age. The graph below shows that between the ages of 30-44 a higher proportion of women are looking after the home which significantly increases at the age of 65+:



There is no way to know for certain without further statistical evidence, but the influx at ages 30 - 44 of women economically inactive and looking after the home could correlate with the average age women are having children in Jersey. In 2017, the mean average age of all mothers having children

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⁹⁶ Written submission from the Chamber of Commerce

was 32 years. It is also worth noting that the proportion of older mothers in Jersey has increased with 33% of mothers aged 35 or over in 2017⁹⁷. These statistics lead the Panel to question whether more women are looking after the home between the ages of 30 - 44 because those are the ages they are most likely to have children.

KEY FINDING 29: In 2011, a higher proportion of "economically inactive" women (44%) of working age were looking after the home compared with men (3%). Further analysis shows that between the ages of 30 - 44 more women are looking after the home which could correlate with the average age women are having children in Jersey which is 32 years.

Caring responsibilities

Many of the submissions the Panel received identified that caring responsibilities and in particular starting a family contributed to a gender pay gap. Research⁹⁸ undertaken elsewhere shows that women either choose or need to leave and re-enter the workforce in order to meet family responsibilities which may result in a loss of seniority or progression opportunities. The Jersey Census (2011) shows that more women are working part-time (20%) than men (4%).



Interestingly, in the Jersey Opinions and Lifestyle Survey (2016), 92% of fathers would have liked to have taken more leave. In the same survey, it says that financial barriers prevent parents from taking more time off for parental leave.

It is also worth noting that caring responsibilities are not just limited to starting a family, it can also mean caring for other members of the family such as elderly parents. Dr Basham, (Reader in International Relations) comments that more women also take on caring responsibilities for family members other than children:

Do you think the reason for a gender pay gap is because women take on childcare?: It's one reason and an important one but not the only one. Studies also show that women also do more household labour (cleaning etc.) and take on more caring responsibilities for family members other than children i.e. ageing parents. Women without children are sometimes viewed with suspicion or expected to do more to progress because they don't have children and are thus assumed to have more time⁹⁹.

Looking specifically at starting a family, the Chamber of Commerce suggests that it is more often the woman who will take time out of the workplace to look after children resulting in a clear difference between men and women in the workplace:

President, Chamber of Commerce:

"If you look at the lower ranks in an organisation I think you will find that there is probably little, or no gender pay gap. I think as employees move through their employment you tend to find that there is a fundamental difference in that the females, if they are going to have a family, will have a family, which will tend to take them out of the workplace for an amount of

⁹⁷ Jersey Births and Breastfeeding Profile 2018, Statistics Jersey

^{98 &}quot;What is the Gender Wage Gap?", Pay Equity Commission

⁹⁹ Written Submission, Reader in International Relations

time. I think it is ... more often than not it is the female that will tend to look after the children, so you will find that there is a time in employment where the ladies, the females, are absent from work at the same time the men are continuing to work. It is not always the case and obviously we are not talking about same-sex couples and fostering and adoption and that sort of stuff, but that tends to be a clear difference between men and women in the workplace" 100.

KEY FINDING 30: Many of the submissions received during the review identified that caring responsibilities contributed to a gender pay gap as it is more often women who take time out of the workplace to care for children (or elderly relations).

RECOMMENDATION 9: The Government of Jersey, with the support of Statistics Jersey, should collect data on the economic value of work done in the home including childcare, cooking, shopping, housework, odd jobs and gardening. This should be undertaken when measuring Gross Domestic Product and by calculating what it would cost to pay a domestic worker to do the work. Consideration should also be given to changing the term "economically inactive" in official reports when describing the above roles.

The fact that more women take time out of the workplace to look after children is most likely due to what past and present Jersey laws have permitted. Current legislation only permits women to take more paid leave (6 weeks) than men (2 weeks) and a further 18 weeks maternity benefit. Although there are proposals to replace maternity and paternity leave with parental leave, in order to put men and women on a more equal footing, the current emphasis for caring responsibilities is on women.

A report by the National Assembly for Wales says that having children has a life-long effect on women's employment rates, career opportunities and income: "A startling proportion of women either do not go back to work after having children, or return to lower-paid, part-time jobs to fit around childcare"¹⁰¹. It says that before the first child is born, the employment rates of men and women in the UK are almost identical. Between the year before and the year after the birth of the child, men's employment rates barely change but women's employment rates drop¹⁰².

The graph below is taken from the report and shows that by the time the first child is aged 12, women's hourly wages are a third below men's. When the child is aged 20, women's employment rates still have not caught up with men's¹⁰³:



¹⁰⁰ Public Hearing, Chamber of Commerce, 6th February 2019

Work it out: parenting and employment in Wales, July 2018

¹⁰² Work it out: parenting and employment in Wales, July 2018

¹⁰³ Work it out: parenting and employment in Wales, July 2018 using information from Institute for Fiscal Studies

In the Jersey Annual Social Survey 2014 over half (56%) of all adults agreed that 'being a working parent has an impact on pay or opportunities for a higher paid job', with this proportion rising to over two-thirds (68%) of those who were working parents¹⁰⁴.

The Jersey Advisory and Conciliation Service (JACS) provided a submission to the Panel which explains that there has been a lack of flexible working employment rights in the past which has caused problems when care givers want to return to work:

Jersey Advisory and Conciliation Service:

"The lack of non-regular working hour employment opportunities in the past have meant that those who take a career break for example to care for children or elderly parents has been shown to be problematic when care givers wish to return to work. It can mean that individuals who return to work may end up doing different roles or are out of the workplace for longer than was first anticipated, so they then face a gap in skills and knowledge, thus undermining their employability value¹⁰⁵."



As it is more likely for a woman to be the primary care-giver, it is women who have been affected the most by non-flexible employment opportunities in the past. JACS also explains that recent changes to the Employment (Jersey) Law 2003 allows any employee to make an application for flexible working. JACS point out that, as the changes were introduced in 2018 and are not gender specific, it is too early to tell whether employers will respond to flexible working requests in ways that open up employment opportunities i.e. an increase in part-time vacancies, which would not just be for women.

The cost of childcare has also been identified by many as a barrier for women who want to return to work after having children:

Co-Founder, Diversity Network:

"Cost of childcare is a big one often cited. Of all the social media that we put through the Diversity Network, the ones that get the biggest response is anything related to flexible working. There is huge demand for it and also the barrier of childcare costs. It just makes it impossible for some women to go back to work. It is just too expensive and that is a big issue" 106.

¹⁰⁴ Jersey Annual Social Survey 2014

Written Submission, Jersey Advisory and Conciliation Service

¹⁰⁶ Public Hearing with the Diversity Network, 21st January 2019

Aqua (Trust Company)

"...Aqua believes the biggest and most relevant factor is not one of gender; but one of childcare. If women cannot return to work because they have no reassurance or expectation around reasonable support and coverage for their children; it is obvious that they will be unable to provide the same level of commitment to their workplace." 107

In 2013/14 the Jersey Child Care Trust facilitated a focus group exercise with parents in Jersey which was based on "What is life in Jersey like for your family?" The Jersey Community Relations Trust combined the findings of the focus group to publish a report on the Cost of Childcare. It noted that affordability of childcare was found to be a topic of concern for parents¹⁰⁸:

Jersey Child Care Trust: Focus Group:

"Having a family in Jersey was generally recognised to be a costly experience and the maternity grant given to expectant mothers irrespective of income was very much appreciated and utilised by all" 109.

In relation to work/life balance, the focus group found:

Jersey Child Care Trust: Focus Group:

"There was a split between parents who were in professions where they felt it impossible to take a career break and needed to carry on working otherwise they would lose their position in the company or would be too out of touch and never re-gain their present level. Some of these parents however were in the situation of working to simply pay for the childcare and found it very stressful" 110.

In the Jersey Opinions and Lifestyle Survey (2016) one of the top 4 reasons why friends or relatives looked after children of working parents was because 45% of respondents could not afford other childcare options¹¹¹. In a similar survey undertaken in 2013, 32% of respondents, who were mostly female, said that the cost of care for their children was the main reason that prevented them from returning to work¹¹². These statistics indicate that the cost of childcare is an issue, and one that is either preventing parents (mostly women) from returning to work or one that is forcing them to find alternative childcare arrangements so that they are able to work.

KEY FINDING 31: The cost of childcare has been identified as a factor which prevents parents, mostly women, from returning to work. This impacts on women's careers the most as it is generally the mother who takes on primary caring responsibilities, despite the fact that 92% of fathers would have wanted to take longer leave. This could be due to the fact that employment legislation has provided mothers with a longer period of parental leave than fathers. Some researchers have found that having children has a life-long effect on women's employment rates, career opportunities and income.

¹⁰⁷ Written Submission, Aqua Trust Company

¹⁰⁸ Jersey Community Relations Trust - <u>Cost of Childcare</u> Research Report

¹⁰⁹ Jersey Child Care Trust (JCCT) Focus Group Report 2014

¹¹⁰ Jersey Child Care Trust (JCCT) Focus Group Report 2014

¹¹¹ Jersey Lifestyle and Opinion Survey 2016

^{112 &}lt;u>Jersey Lifestyle and Opinions Survey 2013</u>, figure 6.3 and information received from Statistics Jersey 11th February 2019

9. Considerations for tackling the Island's gender pay gap

It is clear that the issues are complex and difficult to tease apart. Whilst there are many anecdotal research papers on gender diversity, there is a specific need to collect hard data in Jersey on the extent of the gender pay gap and the factors that may be preventing women's progression. From the evidence collected during the review, there seems to be structural issues (policies and working practices) that can create barriers for women and there are cultural issues (stereotypical views and values) that can create biases about women's capabilities.

The following recommendations were suggested by those who participated in the focus groups and cover both the structural and cultural issues:

- Drive behavioural change, encourage pay transparency and more flexible working for individuals, both women and men
- Encourage action against discrimination
- Improve communications around the gender pay gap and the success stories
- Address poor Jersey statistics around the gender pay gap
- Promote education starting very early regarding societal factors/biases – nurseries through to the older population whether grandparents or not

"Law has a role in changing behaviour. Politicians need to be bolder..... Let's be bold and turn it the right way around."

"The States could lead by example."

KEY FINDING 32: There are many factors that prevent women's progression in the workplace. The Panel has found that these can be separated into two main areas - structural and cultural. The structural issues, such as policies and working practices, create barriers for women and the cultural issues, such as stereotypical views and values, create biases about women's capabilities in the workplace and men's capabilities in caring roles.

Flexibility in the workplace

A number of the submissions to the Panel commented on the importance of flexibility in the workplace for parents. The Children's Commissioner explained that flexibility for both parents was important particularly so that women do not have to make a choice between having a career and starting a family:

Children's Commissioner for Jersey:

In terms of cultural "norms" (such as the mother looking after the children and the father being the main breadwinner), the main focus on any working practices should be on employers providing the flexibility for families to achieve the balance that works for them - whether that is the mother, or the father, or both who are in employment. The focus should be on promoting more inclusive working practices in terms of parental leave policies and flexible working (without incurring penalties on earning potential/promotion) and I would ask what Jersey is currently doing to achieve this. We should be promoting working practices

that mean women don't need to make a choice between having a career and having a family - and where not working full-time hours doesn't mean a stalled career and prospects. 113

Parental Leave proposals

It is hoped that proposals due to be lodged by the Minister for Social Security, which calls to extend family friendly employment rights, will offer this kind of flexibility and encourage gender balance in childcare roles. The proposals will include 52 weeks parental leave (6 weeks paid) for both parents (as well as adoptive and intended parents in a surrogacy arrangement). The Minister explains that the aims of the legislation are to enable working parents to more effectively combine their parenting responsibilities with a job with the intention of addressing gender inequality.

In the UK, the Government has recognised that fathers taking a greater responsibility for childcare will contribute to reducing the gender pay gap particularly as the gender pay gap between mothers and fathers is far wider than that between all women and all men¹¹⁴:

House of Commons: Fathers and the workplace:

"The Government also acknowledges that fathers taking greater responsibility for childcare, and thus enabling women to re-join the workplace, will ultimately contribute to reducing the gender pay gap" 115.

Other countries promote the gender equal use of parental leave through gender neutral benefits. In Sweden for example, there are two types of parental policies targeted to fathers: 1) The "daddy days" which are typically used after the birth and 2) individual leave which can be allocated for the father (father quota) or used by either of the parents (shared leave)¹¹⁶.

In 2017, fathers in Sweden received an average of 27.6% of the parental benefits, while mothers received the remaining 72.4%. Ten years earlier, those figures were 20.9% and 79.1% respectively, meaning the share used by dads has increased by 33.2% over that period¹¹⁷. This shows that gender neutral policies do impact on childcare roles over time.

KEY FINDING 33: The importance of flexibility in the workplace for parents was a common theme throughout the review. Flexibility for both parents is particularly important to women as it enables them to not have to make a choice between a career and starting a family. The Social Security Minister is due to re-lodge proposals to extend family friendly employment rights to all parents which aims to encourage gender balance in childcare roles.

Statutory measures

There was a mixed response from stakeholders as to whether statutory measures should be introduced for gender pay gap reporting. The general view was that even if legislation was introduced, it would only be effective if societal attitudes also changed. The report by PwC states that Jersey should consider introducing gender pay gap reporting because it can be highly effective as a lever for change¹¹⁸.

¹¹³ Written Submission: Children's Commissioner for Jersey

¹¹⁴ House of Commons: Fathers and the workplace

¹¹⁵ House of Commons: Fathers and the workplace

¹¹⁶ Men's childcare: a comparative study of fathers' parental leave use in Sweden and Finland

¹¹⁷ Dad's in Sweden are taking more parental leave than ever

¹¹⁸ PwC - Channel Islands Women in Work Index 2019, March 2019

In terms of existing legislation for collecting information, the Panel hopes that a recently approved Law¹¹⁹, which enables Statistics Jersey to access data held by public authorities, will go some way in addressing the lack of data available. Statistics Jersey advised the Panel that it has been given administrative data from Social Security Contributions which includes information on earnings for the majority of workers in Jersey, as well as some demographic information such as gender. Statistics Jersey are exploring ways of combining this information with data collected from the manpower survey, which would provide details on the industry of employment and if they are full or part time workers. Depending on the quality of the data, Statistics Jersey could use what is collected to report on the gender pay gap by age in Jersey.

Although collecting this type of data will be useful, Statistics Jersey are mandated to publish any information it receives anonymously. The only way in which data on gender pay gaps could be collected openly and transparently, by every organisation, is if Jersey introduced equal pay legislation.

KEY FINDING 34: There were mixed views on whether statutory measures should be introduced in relation to gender pay gap reporting but some believed that it could be an effective lever for change. If the States is going to make a decision on whether to introduce legislation, it should also be asking how, as a society, we can encourage that cultural shift alongside any legislative changes.

Pay transparency

During the focus group exercise, participants raised the issue of pay transparency and felt that employees should be able to have the freedom to talk about pay and bonuses. There was a perception that there was very little pay transparency in Jersey, other than in the public sector.

One of the key benefits of pay transparency is that it encourages equal pay among employees and creates fair play¹²⁰. One of the disadvantages of pay transparency is around perception. For example, if an employee perceives their work to be equivalent to their colleagues but that colleague is earning more. This point was raised by Advocate Vicky Milner:

Advocate Vicky Milner:

"...the fact that one person gets more than another does not necessarily mean it is unfair. That is why I think that some caution is sometimes necessary, but you cannot really make any judgments until you have the data, or the quality of your judgments is going to be very different depending on the data that you are using, so you have to start somewhere." 121

The Panel received views on this matter from Sheila Wild, a UK equalities professional:

What are your views on making it a disciplinary matter if staff discuss salary? Making discussion of salaries a disciplinary matter flies in the face of the increasing expectation of pay transparency, and is also potentially in breach of the equal pay provisions whereby subjecting someone to a detriment for raising the issue of equal pay can amount to victimisation. Moreover, if an employer's pay system is fair – and most employers like to see themselves as being fair – why would you discipline someone?

¹¹⁹ Statistics and Census (Jersey) Law 2018

¹²⁰ Pros and cons of salary transparency

Public Hearing with Advocate Vicky Milner, 6th February 2019

Do you think companies should adopt "pay transparency" i.e. allowing staff to request information on pay levels broken down by gender? Why should it be necessary for staff to ask? Why aren't rates of pay out in the open? The fact that they are not suggests that an employer has something to hide.

Stakeholder views on pay transparency were mixed. The general view was that employers should be transparent with their rates of pay but this should not necessarily be included as a statutory measure within employment legislation.

KEY FINDING 35: There is a perception that there is very little pay transparency in Jersey, other than in the public sector. The general view of stakeholders was that employers should be transparent with their rates of pay but this should not necessarily be included as a statutory measure within employment legislation.

Quotas

Quotas can be defined as a type of metric to increase the number of underrepresented groups in order to create a more diverse workforce. Some countries (see the case study below) have introduced statutory measures, such as gender quota laws, in order to bring about change to increase the proportion of women in leadership positions.

Case study: Norway

In 2003, Norway became the first country in the world to impose a gender quota requiring nearly 500 firms to increase the proportion of women on their boards to 40%¹²² (the "Gender Quota Act"). Other countries followed suit such as France, Malaysia, Belgium, Iceland, Italy, the Netherlands and Spain "in order to break the glass ceiling preventing women from reaching top business positions". ¹²³

The Norwegian legislation mandates both men and women to be represented on corporate boards in all public limited companies in the private sector. The representation breakdown is as follows¹²⁴:

- 1. Where there are two or three board members, both genders should be represented.
- 2. Where there are four or five board members, both genders should be represented with at least two members each.
- 3. Where there are six to eight board members, both genders should be represented with at least three members each.
- 4. Where there are nine or more members of the board, each gender should be represented with at least 40 percent each.
- 5. Rules 1 to 4 also apply to the election of deputy members

Statistics Norway published a report "What is women and men in Norway?" which provides a breakdown of gender distribution among managers and senior positions:

¹²² Norway's gender quota law has made boards more professional: state fund boss

Norway's gender quota law has made boards more professional: state fund boss

¹²⁴ Norway's Companies Act: A 10-year Look at Gender Equality, 2014

¹²⁵ Statistics Norway, What is women and men in Norway?

- Managers: Women make up 47% of the labour force in Norway, but they are still in the
 minority in managerial positions. In 2016, 38% of all managers were women but this has
 increased substantially since 2001, when women accounted for only 26% of all managers.
- Senior roles: Although the gender balance among managers has improved, men dominate at the very top of the most senior roles. One in every four senior managers were women in 2016, and eight in every ten CEOs were men.
- Public sector: The proportion of women in managerial positions is highest in occupations and industries in the public sector, particularly in education and health, where more than 70% of managers are women (however most women in Norway are employed in the public sector).
- Boardrooms: Until the introduction of the Gender Quota Act, the boardrooms were largely dominated by men. In 2003 (when the law was passed), 91% of all board members in public limited companies were men, and 97% of all board chairs were men. Since the Act came into force, however, the proportion of women on boards has remained stable at around 40%.

The statistics above show that although the Gender Quota Act has been effective in achieving better gender balance in boardrooms, women in Norway are still underrepresented in the more senior roles.

The views on introducing quotas were mixed from stakeholders. The Chair of the Institute of Directors explained that the majority of IoD members were not in favour of quotas: "the majority of our members would not like to have a quota, but unsurprisingly the majority of our members are also men"¹²⁶. Representatives from Diversity in Change and the Diversity Network were in favour of quotas:

Diversity in Change:

"If people can understand the psyche behind the fact why people are promoting similar people, it is not meritocracy, a lot of it is about psychology, then I think that will help people understand the importance of redressing that balance has to go beyond someone just hoping that people will do it. Hence that is why quotas then do become more important" 127.



Diversity Network:

"From a gender point of view I think if you look at the U.K you may have heard of the 30% Club. They have had tremendous success in terms of supporting more women on to F.T.S.E. 100 (Financial Times Stock Exchange 100) boards. I think in 2010 when they were founded their aim was to get 30 per cent of women on to F.T.S.E. 100 boards and they had achieved that by 2018. That was through really engaging with leadership in business, the chairs and C.E.O.s (chief executive officers), and they provided practical support as well. It was signing up to targets" 128.

¹²⁶ Public Hearing with Charlotte Valeur, Chair of the Institute of Directors, 28th January 2019

Public Hearing with Diversity in Change, 24th January 2019

¹²⁸ Public Hearing with the Diversity Network, 21st January 2019

The Panel is not suggesting that statutory measures such as quotas should be introduced in Jersey, but the concept of encouraging an equal proportion of men and women on boards seems like a sensible approach. There are other voluntary measures which could be introduced in order to encourage gender balance in the workplace. In the UK for example, voluntary charters such as Women in Finance and the 30% Club encourage companies to sign up to the aim of getting more women onto boards¹²⁹. These types of initiatives could be introduced as "voluntary measures" before legislation is considered. Introducing voluntary measures in the first instance was suggested by the Chief Minister when he was asked whether statutory measures for improving gender equality should be introduced in Jersey.

KEY FINDING 36: Some countries have introduced statutory measures, such as gender quota laws, in order to bring about change to increase the proportion of women in leadership positions. Although statutory measures are not being proposed in Jersey, there are other voluntary measures which could be introduced to encourage an equal proportion of men and women on boards.

Initiatives and strategies

The Government of Jersey should improve recruitment and progression of women and aim to reduce the gender pay gap. The Panel has found that the Government should lead the way on this and implement initiatives and strategies which will hopefully encourage businesses in the private sector to follow suit. There are a number of approaches which can be taken but, alongside these, high quality data should also be collated in order to understand the causes of the gender pay gap.

The following initiatives and strategies should be considered by the Government of Jersey:

- Appointing diversity managers/diversity groups and/or task forces the role would monitor diversity within the organisation and implement diversity strategies and policies.
- Unconscious bias training and monitoring making people more aware of unconscious biases and how to reduce their impact. Teachers in particular should receive gender awareness and unconscious bias training in order to tackle gender stereotyping from school age.
- Diversity training raising awareness of diversity in the workplace.
- Voluntary measures such as the 30% Club which aims for greater gender balance in business.
- Data although the States Employment Board has committed to publishing the public sector gender pay gap every year this should be accompanied by a government publicity campaign.
 This would increase awareness of the gender pay gap and why addressing it is important for business.
- Mentoring by female role models to inspire young women and girls to aim for senior positions and to take up positions in science, technology, engineering and maths (STEM) subjects.

¹²⁹ PwC - Channel Islands Women in Work Index 2019, March 2019

- Reviewing recruitment practices recruitment should focus on candidates most skilled for the role. Gender neutral recruitment practices should be implemented such as the removal of name, age, gender and education on CV's.
- Identify the barriers to women Management within the Government of Jersey should access the workforce, identify talent and put interventions in place to overcome barriers.

The Panel notes that on the 11th May, the Government of Jersey launched a women's leadership initiative called I WILL. The initiative aims to ensure:

- A working environment that supports and inspires women to leadership roles;
- Creating opportunities to network across all grades and areas of the organisation;
- Effective channels of feedback and input into ongoing organisation change to ensure women's views and needs are effectively championed.

Although it is too early to tell the outcomes of this initiative, it is a positive step taken by the Government of Jersey to encourage and inspire women. These types of strategies and initiatives should be implemented frequently to ensure momentum within the organisation.

OVERARCHING RECOMMENDATION: The Government of Jersey should take immediate action to close the gender pay gap.

RECOMMENDATION 10: A Head of Diversity should be appointed to monitor diversity, equality and inclusion within the public sector. The Head would be responsible for implementing relevant strategies and policies, suggesting new initiatives and employment practices to ensure a gender neutral and gender sensitive public sector. The role should be created within the existing workforce by the end of Q2 2020.

RECOMMENDATION 11: The Government of Jersey should deliver unconscious bias training and monitoring to all public sector employees. This should be delivered by end of 2020.

RECOMMENDATION 12: All Departments within the Government of Jersey should receive diversity training to raise awareness of diversity in the workplace. This should be delivered by end of 2020.

RECOMMENDATION 13: The Government of Jersey should explore voluntary measures, such as the 30% Club, which aims for greater gender balance in business. This work should be undertaken before the end of 2019.

10. Conclusion

This review has found that there is a gender pay gap in Jersey, but wide-ranging statistical evidence is required in order to assess the extent of it in the Jersey economy. As a starting point, the Panel has recommended that the Government of Jersey collects, analyses and publishes data in relation to the public sector gender pay gap and related issues. This should raise awareness of the underlying issues associated with gender pay gaps such as social norms, biases and gender stereotypes.

The act of collating the data needed to report on the gender pay gap would also provide the Government of Jersey with the opportunity to investigate where the issues are and what they mean. Rather than recommending statutory measures are introduced, the Panel has opted for a soft approach in the first instance by suggesting a number of recommendations which focus on initiating a cultural shift. This was mainly because the Panel found that views were mixed on whether statutory measures should be introduced in Jersey.

The Panel intends to follow-up on the review once its recommendations, if accepted, have had time to bed in and take effect. As part of its follow-up work, the Panel intends to re-examine whether statutory measures should be introduced in Jersey, as some stakeholders believed it could be an effective lever for change.

The Panel's overarching finding and recommendation is that there is a gender pay gap in Jersey and the Government of Jersey should take immediate action to close it.

11. Appendix 1

Review Panel Membership









Deputy Jess Perchard

Terms of Reference

- 1. To determine whether there is a gender pay gap in the public and private sector in Jersey
- 2. To examine other jurisdictions in order to obtain international evidence on the gender pay gap
- 3. To assess what measures are being taken to promote more equal, inclusive and transparent workforce environments
- 4. To explore the sociological factors associated with the gender pay gap

Evidence Considered

Focus Groups

The Panel commissioned independent qualitative research undertaken by 4insight (research consultant) with islanders exploring in-depth views and perceptions from both the rational and emotional perspectives.

5 focus groups were conducted targeting 8 respondents per group as below:

1 group with a mix of men and women in senior management/leadership roles aged 25 65, with and without children across a mix of sectors and attitudes.

- 1 group of main care givers (both children & parents), mix of men and women plus a mix of age
- 1 group working women (full-time, part-time and flexible), aged 28-35 with a mix of attitudes and family constructs
- 2 groups of working women with a mix of sectors, age, attitudes and family situations

All respondents were recruited and screened to an agreed screener questionnaire by 4insight, which ensured a mix of social demographics and attitudes of the individuals.

Each group lasted 90-110 minutes and was conducted to a discussion/topic guide, prepared by 4insight, which was agreed by the Panel. Projective and enabling techniques, within the focus group methodology, were utilised to explore perceptions at an emotional and unconscious level on an individual, (self-completion basis) plus open discussion level, whether reaching consensus or not.

These focus groups were professionally facilitated/moderated by 4insight and held in professional viewing facilities with one way mirrors in St Helier. All focus groups were digitally recorded and professionally analysed.

Public Hearings

- Chief Minister 17th January 2019
- Diversity Network 21st January 2019
- Jersey Appointments Commission 22nd January 2019
- O Diversity in Change 24th January 2019
- O Chair of the Institute of Directors [views expressed were her own] 28th January 2019
- Chamber of Commerce 6th February 2019
- Advocate Vicky Milner 6th February 2019
- Social Security Minister 4th March 2019
- Chair of the States Employment Board 21st March 2019

Written Submissions

28 written submissions were received during the Panel's review which can be viewed here. The Panel also received 4 responses from academics which are also available to view on the States Assembly website. The Panel is grateful to everyone who took the time to provide their views.



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