BEMM457 TOPICS IN BUSINESS ANALYTICS

**PARITY IN PROGRESS**

***EXAMINING THE GENDER PAY DIVIDE IN THE UK WORKFORCE***

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**INTRODUCTION**

The gender pay gap is the difference in average (median) hourly earnings between men and women, represented as a percentage of men's earnings. This measure is widely used to highlight the gender pay gap, with a positive percentage indicating that men earn more per hour than women.   
This briefing seeks to provide a complete overview of the gender pay gap in the UK by presenting current information on its size and investigating some of the important variables that contribute to its existence. While the headline percentage reflects gender pay disparities, the underlying causes are numerous and complex. Occupational segregation, different working hours, career interruptions, and systematic prejudices in hiring and promotion policies are all factors that contribute to the gender wage gap.   
It is critical to approach the results for 2020 and 2021 with caution resulting from the Covid-19 epidemic. During this time, many people were placed on furloughs, typically with lower pay, which distorted earnings figures. Additionally, disruptions in data collecting from firms in 2020 resulted in probable inconsistencies and restrictions in the presented numbers. These anomalies suggest that year-on-year comparisons and long-term trends during this period may not adequately capture the underlying dynamics of the gender pay gap.

As we progress through this briefing, we will look at not only statistical patterns, but also the larger social, economic, and cultural aspects that contribute to and perpetuate the gender pay gap in the UK.

**OBJECTIVE**

The purpose of this report is to provide a thorough examination of the gender pay gap in the United Kingdom by quantifying the present size of the gender pay gap in various job categories, such as full-time, part-time, and overall employees. Investigating long-term trends to better understand historical progress and areas that require additional effort. Analysing the underlying causes of the gender wage gap, such as occupational segregation, shifts in working hours, career interruptions due to maternity, and institutional biases in hiring, promotion, and workplace culture. Evaluating the effects of age, education, and regional differences on pay discrepancies between men and women. Investigating the gendered impact of motherhood and caring duties on professional paths and wages. Using industry-specific differences to find sectors with the most pronounced inequalities. Reviewing legislative initiatives and organizational practices targeted at closing the gender pay gap, including as flexible working arrangements, anti-discrimination legislation, and pay structure transparency. Making concrete recommendations to governments, businesses, and stakeholders to promote wage parity, support working parents, and build a more inclusive workforce.  
The report's study aims to inform evidence-based methods for closing the gender pay gap while also addressing the broader social and economic concerns connected with gender inequality in the workplace.

**THE GENDER PAY GAP IN THE UK:**

The gender pay gap remains a key indicator of pay inequality between men and women in the UK. According to the latest figures published by the Office for National Statistics (ONS), the median hourly pay (excluding overtime) for full-time employees in April 2024 was 7.0% lower for women than for men. In contrast, for part-time employees, women earned 3.0% more than men, reflecting a small but consistent trend where women working part-time tend to earn slightly higher median pay than their male counterparts.

The median is used to measure the gender pay gap as it represents the middle point in earnings distribution, where half of employees earn more, and half earn less. This measure is generally regarded as a more reliable indicator of typical pay than the mean average, which can be skewed by very high or very low earners.

However, when considering all employees (both full-time and part-time combined), the gender pay gap was notably wider: women earned 13.1% less than men on a median hourly basis in April 2024. This larger gap arises because a higher proportion of women are employed in part-time roles, and part-time workers typically earn less per hour compared to full-time employees.

**TRENDS IN THE GENDER PAY GAP**

Over the decades, the gender pay gap has shown a downward trend. Since 1997, the gap in median hourly pay for full-time employees has steadily decreased, reflecting progress in addressing gender disparities in pay. Similarly, the overall gender pay gap (including both full-time and part-time employees) has also narrowed over this period, albeit at a slower pace.

The part-time gender pay gap has remained relatively stable and consistently negative, meaning that women working part-time tend to earn slightly more than men in similar roles. However, this small advantage for part-time women does not offset the overall disparity caused by a higher prevalence of part-time work among women and the lower earnings associated with part-time roles.

These statistics highlight both the progress made in closing the gender pay gap and the structural challenges that continue to perpetuate pay inequality between men and women in the UK workforce.

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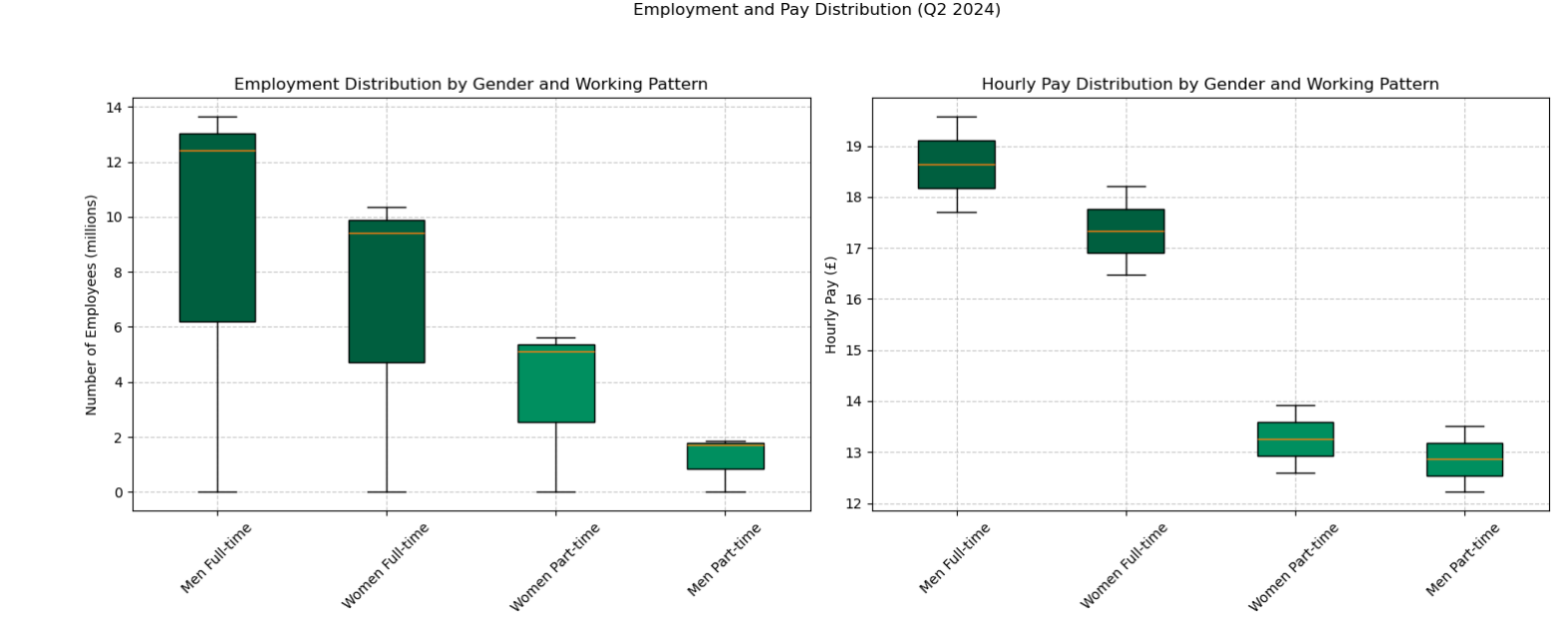
**REPORTING THE GENDER PAY DISCREPANCY**

Employers in the public and commercial sectors with 250 or more workers have been obliged to release gender pay data on an annual basis from 2017–18. void inside their organizations.   
In 2022–2023, 14% of employers reported that the median hourly wage for women in their organization was higher than that for men, while 78% of reporting firms said the opposite. Eight percent of respondents said that women's median hourly wages were equal to men's.

**GENDER, HOURS & EARNINGS**

In April 2024, women's median hourly wages for full-time workers were 7.0% lower than men's, while women's median hourly wages for part-time workers were 3.0% higher than men's (numbers exclude overtime pay).   
The gender pay gap for all employees is significantly greater than the disparities for full-time and part-time employees since a greater percentage of women work part-time, and part-time employees typically make less per hour. In April 2024, the median salary for all employees was 13.1% lower for women than for males.

Part-time workers earn less than full-time employees, and women are more likely to work part-time (35% in April to June 2024 vs. 12% for men) employees.   
In April 2024, full-time employees received a median hourly income of £18.64 (without overtime), while part-time employees earned £13.26.



**LIFE CYCLE FACTORS AND THE GENDER PAY GAP**

The Gender Pay Gap is a complex issue.  
  
**Age-based disparities.**  
Younger women typically have little to no pay difference, but this widens as they mature.  
Older women, particularly full-time workers, experience a substantially larger pay disparity.  
Contributing Factors  
Women are more likely to work part-time, which often pays less per hour.  
Career interruptions for caregiving can reduce women's earning potential.  
Subtle forms of gender bias and discrimination might impede women's job advancement and compensation.

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**MOTHERHOOD AND THE GENDER PAY GAP**

Motherhood and the gender wage difference. According to a 2021 Institute for Fiscal Studies (IFS) analysis, most of the gender pay inequalities can be attributed to 'child penalties', or parenthood. It discovers that men's average earnings are virtually entirely unaffected by motherhood, whereas women's earnings decrease sharply when they become parents and subsequently stabilize at a significantly lower level with no increase. According to the IFS, seven years after the birth of a first child, women's wages are less than half that of males. The graphic below demonstrates that from 1991 to 2017, the birth of a first child resulted in a disparity in incomes, labour force participation, and hours worked between men and women. According to the IFS, this may understate the discrepancy because women with low income before the birth of their first child are less likely (40%) than women with high pre-birth wages (70%) to work. This suggests that women who are included in pay data after the birth of their first child are more likely to earn a high income.14 Between 1991 and 2015, the income difference (based on mean hourly earnings15) between mothers and fathers was roughly 10% before the birth of their first child, but it increased to around 30% by the time the child was 13:16.

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**THE ECONOMIC CONSEQUENCES OF MOTHERHOOD**

The pay gap between men and women fluctuates in the years leading up to and following the birth of their first child.

The pay disparity widens dramatically in the years leading up to childbirth. This shows that pregnancy discrimination or shorter work hours owing to health concerns could be involved. The pay disparity widens after childbirth, reaching its peak roughly 5-10 years later. This could be due to maternity leave, reduced job hours to care for children, or prospective career interruptions. The "age-adjusted" line indicates that, even after accounting for variations in age and experience, the pay gap remains considerable around delivery. This suggests that factors other than age and experience are contributing to the discrepancy.

**Possible interpretations:**  
Pregnancy discrimination and biases against moms in the workplace may contribute to the growing pay disparity. Reduced work hours and career interruptions owing to childcare duties can have an influence on women's earnings. Unfavourable workplace cultures that fail to meet the demands of working parents may disproportionately impact women.

These findings underline the importance of policies and practices that support working mothers while also promoting gender equality at work. This may include:  
  
Stronger anti-discrimination laws would protect women against pregnancy discrimination and ensure equal pay for equal effort. Allows both parents to care for their children while maintaining their employment. Flexible work arrangements include choices such as part-time work, remote work, and flexible hours to meet the demands of working parents. Changes in workplace culture include promoting cultures that respect diversity, equity, and inclusion, as well as supporting working parents. By tackling these challenges, we can seek to close the gender pay gap and make the workplace more egalitarian for everyone.

**Factors Contributing to the Post-Childbirth Pay Gap**

While shorter work hours owing to childcare duties account for some of the widening pay difference between mothers and fathers, various additional factors contribute to the disparity.  
  
**Negotiation disadvantage:**  
Women may be less likely to negotiate higher compensation than males. Negotiation methods and outcomes for women might be influenced by societal expectations and workplace biases.

**Occupational Choice:**Women may choose lower-paying careers that provide greater flexibility and family-friendly advantages. These "family-friendly" jobs sometimes have lower pay scales than higher-paying, less flexible positions.

**Commuting constraints:**The rising burden of childcare may limit women's commuting options.Women may be forced to choose occupations closer to home, which frequently pay lower income and provide fewer prospects for professional progression.

**Workplace Flexibility:**The gender salary gap and the gender commute gap could be interconnected. Both could be related to a larger issue: a lack of workplace flexibility to meet the demands of working parents, particularly women. Addressing these issues requires a diverse approach, which includes equal wage legislation, affordable childcare, flexible work arrangements, and combating gender stereotypes in the workplace.

**GENERATIONAL DIFFERENCES IN THE GENDER PAY GAP**

The gender pay gap changes dramatically across decades, with younger generations having smaller discrepancies than older ones. This means that as younger generations age, the gender pay gap may continue to narrow. For example, the pay gap for full-time workers in their forties has narrowed dramatically over time, demonstrating progress toward lowering the pay disparity.  
  
Education has an important role in closing the gender pay gap. Women's greater educational attainment has helped to close a major percentage of the total wage difference. However, while more women are pursuing higher education, the salary difference between degree-qualified professionals has remained essentially stable. This shows that issues other than education, such as workplace discrimination and bias, may still impede women's career advancement and wage fairness.

Surprisingly, the pay disparity has narrowed for employees with lesser levels of education, such as GCSEs or A-Levels. This suggests that, while education is important, other variables such as changes in workplace culture, equal pay regulations, and increased awareness of gender bias may also be helping to close the gender pay gap.  
  
More study is needed to fully understand the intricate interaction of factors that contribute to the gender pay gap, as well as to develop successful solutions for achieving pay fairness.

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**FEMALE LABOR FORCE PARTICIPATION**

Women are more concentrated in low-productivity enterprises. The green area, which represents the percentage of women, is substantially bigger at the bottom end of the GVA scale (firms with GVA per worker less than £100,000). As business productivity rises, the proportion of female workers falls substantially. The green area decreases as we travel up the GVA tiers, demonstrating that women are underrepresented in the most productive enterprises. In contrast, as business productivity grows, so does the share of men. The blue region, representing the percentage of males, expands near the higher end of the GVA range, indicating that men are more likely to work in the most productive businesses.  
This pattern indicates that there are considerable barriers or biases preventing women from pursuing higher-productivity, presumably higher-paying, job options. The gender disparity widens as women enter their mid-30s and 40s, as indicated in the preceding text.   
The stacked area chart format clearly illustrates the relative distributions of men and women across the company productivity spectrum. The cumulative percentages make it easier to compare the overall gender representation, while the color-coding aids in group differentiation. This data and visualization emphasize a crucial component of the gender pay gap: it is driven not just by individual variables, but also by unequal distribution of men and women in the labour market, notably in terms of productivity and profitability of the enterprises for which they work. Understanding and eliminating structural prejudices is critical to advancing gender parity in the workplace.

A graph of a person and person

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**REGIONAL VARIATIONS IN THE GENDER PAY GAP**

The main takeaways from this visualization are:  
  
1. Full-time employees face a bigger gender wage gap than part-time employees. The full-time pay difference varies from 0.8% in Northern Ireland to 13.3% in the South East, however the part-time pay gap is negative or zero in all regions, showing that women in part-time jobs earn more than males.

2. The larger full-time wage disparity in places such as the South East and London could be attributed to a variety of variables, including disparities in industries, work functions, and career advancement prospects between men and women. In contrast, Northern Ireland's insignificant pay gap is most likely due to a higher share of public sector positions, which have more gender-equitable pay structures.  
  
3. The negative part-time pay gap indicates that women in part-time jobs are frequently working in higher-paying professions or have greater experience and qualifications than their male colleagues. This could be due to women taking on more caregiving obligations and choosing part-time work, which leads to them holding more senior or specialized positions.

By showing the full-time and part-time pay discrepancies in a single graph, we can readily compare, and contrast female pay disparities across job types and locations. This data can help policymakers and businesses identify areas where focused measures are required to address the underlying causes of the gender pay gap and promote greater pay equity.

A graph of blue and orange bars

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**INDUSTRY-SPECIFIC PAY GAPS**

The gender wage gap varies between industries, even though individuals working in the same business may perform diverse roles.   
Some of the salary disparities in an industry may be explained by differences in the types of roles held by men and women.   
The highest gender pay disparity for full-time employees occurs in finance and insurance operations (25.2%).   
The industries with the smallest pay disparities for full-time employees are transportation and storage (1.3%) and administrative and support services (3.2%).

In many industries, the pay difference for part-time workers is minimal or negative.   
The health and social work industry has the greatest part-time wage gap, at 27.9%, as illustrated in the chart below.   
Surprisingly, part-time employees had a lower total pay difference than in most industry sectors (see chart). Female part-time employees outnumber men in areas with higher-than-average compensation, such as education, health, and social work.

A screenshot of a graph

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**MITIGATING THE GENDER PAY GAP**

Strong equal pay laws can guarantee fair pay for equal effort. Flexible employment arrangements can assist women balance their career and family duties.  
Affordable childcare can alleviate the financial stress on working parents.  
Challenging gender stereotypes can motivate women to explore nontraditional jobs. Pay discrepancies can be identified and addressed more effectively with transparent pay procedures. Mentoring and sponsorship programs can help women progress their careers.

**CONCLUSION**

The gender pay gap in the UK is more than a number; it reflects deeper disparities that limit women's prospects and earning potential throughout their careers. Despite decades of improvement and regulatory measures, considerable discrepancies exist, particularly among women in full-time jobs, caregivers, and those working in high-paying industries. One of the most notable discoveries is the effect of childbirth on women's earnings. Known as the "child penalty," this issue causes a significant drop in women's income following childbirth, with long-term consequences that many never fully recover from. At the same time, institutional concerns like occupational segregation, biases in recruiting and promotion, and workplace cultures that do not favour diversity compound these problems. Encouragingly, younger generations and part-time workers have reduced pay inequalities, indicating progress in several areas. However, this is not sufficient. Women remain overrepresented in lower-paying, less productive industries, while their presence decreases in higher-paying, high-productivity areas. To achieve long-term transformation, structural constraints must be addressed. Closing the gender wage gap is both a moral duty and an economic opportunity. According to research, addressing gender gaps might greatly enhance the UK's GDP by allowing the workforce to reach its full potential. Achieving this acts, not just transparency. Employers must establish equal wage structures, promote professional advancement for women, and create flexible workspaces. Policymakers must tighten equal pay laws, provide cheap daycare, and promote shared parenting duties. The gender pay gap is a complex problem, but it is solvable. Businesses, governments, and society can work together to make equal pay a reality, rather than simply an ideal. Let this research serve as a call to action: tackle biases, combat preconceptions, and create workplaces that recognize and reward all employees equally. The benefits of bridging this gap go far beyond people; it improves families, boosts businesses, and propels a more equal and thriving economy for all.

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