BEMM457 TOPICS IN BUSINESS ANALYTICS

**PARITY IN PROGRESS**

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

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**INTRODUCTION**

The difference between men's and women's median hourly wages, presented as a percentage of men's earnings, is known as the gender pay gap. Men get paid more per hour than women when the percentage is positive. By analysing the gender pay gap's present magnitude and investigating its primary causes, this briefing seeks to give a thorough overview of the issue in the UK. Pay differences are highlighted in the headline figure, but the underlying causes are intricate and multidimensional. Systemic biases in recruiting and promotion procedures, career disruptions, differences in working hours, and occupational segregation are all contributing issues. The impact of the Covid-19 epidemic necessitates careful interpretation of the 2020 and 2021 data. Earnings data were skewed by widespread furloughs with lower wages, and possible discrepancies in the numbers resulted from disruptions in employer reporting. As a result, comparisons between years and study of trends throughout this period may not fully reflect the underlying dynamics of the gender pay gap. Beyond the numbers, this briefing will take into account the larger social, economic, and cultural elements that contribute to and worsen gender wage gaps 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:**

One important indicator of salary disparity between men and women in the UK is still the gender pay gap. As of April 2024, the Office for National Statistics (ONS) reported that women's median hourly wage (not including overtime) for full-time workers was 7.0% less than men's. On the other hand, women who worked part-time made 3.0% more than men, which is consistent with the tendency that women in part-time positions often earn a little higher median salary.

Since the median is the middle of the earnings distribution and provides a more realistic picture of average pay than the mean, which might be skewed by extremely high or low earners, it is used to compute the gender pay gap.  
  
The gender pay gap becomes even more pronounced when taking into account all workers (full-time and part-time), with women making 13.1% less per hour on average than men. The greater number of women working part-time jobs, which typically pay less per hour than full-time jobs, is mostly to blame for this wider disparity.

**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.

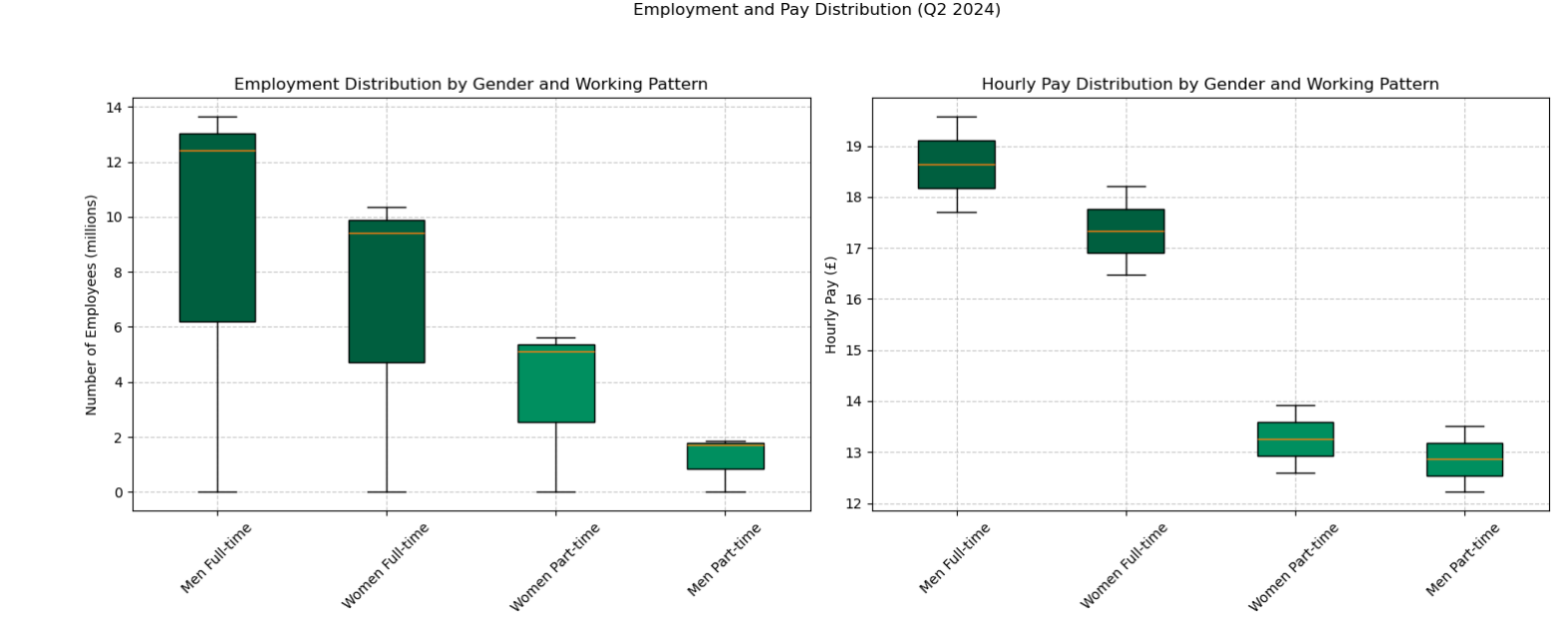
These statistics highlight both the progress made in closing the gender pay gap and the structural challenges that continue to perpetuate pay inequality between men and women in the UK workforce.

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**GENDER, HOURS & EARNINGS**

Women's median hourly salaries in April 2024 were 3.0% higher than men's for part-time workers and 7.0% lower than men's for full-time workers. However, women are overrepresented in part-time positions (35% of women vs. 12% of men in April–June 2024), which pay much less per hour (£13.26) than full-time positions (£18.64). This contributed to the overall gender pay gap for all employees, which was 13.1%. This structural disparity draws attention to systemic problems, such as the fact that women's access to full-time positions and career advancement prospects is restricted due to caregiving duties. Companies struggle to overcome these differences, especially the enduring 7.0% full-time wage disparity that represents obstacles to equal compensation and leadership. Companies could upskill part-time workers for promotions to higher-paying positions, provide flexible full-time employment options, and regularly analyse pay equity in order to address these problems. These actions can promote a more fair workforce and lessen the total pay gap.



**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 dramatically exacerbates gender pay gaps, with women's earnings falling sharply following the birth of a child and stabilizing at much lower levels, while men's earnings remain unchanged. Seven years after delivery, women's incomes plummet to less than half of men's, and by the age of 13, the economic difference has grown from 10% pre-birth to 30%. This discrepancy stems from reduced working hours, career interruptions, and limited opportunities for advancement, with lower-income women less likely to return to work (40%) compared to higher earners (70%), skewing post-birth earnings data. These "child penalties" pose issues for businesses in terms of workforce retention, career growth, and diversity. Companies could address this by implementing equal parental leave policies, flexible work arrangements, career reintegration programs, and frequent pay audits to assure fairness. Such efforts not only benefit moms, but they also improve workforce diversity, increase employee loyalty, and position firms as leaders in workplace equity and inclusion.

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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.

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**REGIONAL VARIATIONS IN THE GENDER PAY GAP**

**Full-time Gender Pay Gap:**  
Regional disparities range from 0.8% in Northern Ireland (attributed to public sector occupations with equitable pay) to 13.3% in the South East (related to high-paying, male-dominated industries such as finance and technology).  
Underlying Causes: Industry segregation, fewer women in high positions, and unequal caregiving obligations all have a substantial impact.

**Part-time Gender Pay Gap:**  
Women in part-time jobs typically earn more than men, most likely due to higher qualifications, specialty, or seniority. Men working part-time may be concentrated in lower-wage jobs.

**Policy Implications**:  
 Focus on regions with higher gaps (Southeast, London) by increasing women's presence in leadership, addressing unconscious prejudices, and providing flexible, career-friendly working arrangements.Learn from the negative gap and apply equitable approaches to full-time roles. To address women's unequal caregiving duties, promote shared parental leave and flexible working rules without career penalties.  
  
**Visualization insights:**  
A combined comparison of full-time and part-time wage gaps reveals geographical inequalities and actionable trends, allowing for targeted actions in high-gap areas. While part-time work is improving, systemic hurdles to full-time employment exist. A combination of regional, industry-specific, and policy-driven methods are required to alleviate these gaps and promote equitable compensation.

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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.

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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 enhance the UK's GDP by allowing the workforce to reach its full potential. Achieving this act, 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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