

Gender Pay Gap

McKinsey & Company

Institute of Fiscal Studies report into pay gap (source of data showing apparent wage penalty for taking time out of paid work is greater for more highly educated women, at 4% for each year out of paid work):

<https://www.ifs.org.uk/publications/8429>

Academic scrutiny of Power of Parity UK modelling and analysis

Richard N. Cooper, Maurits C. Boas Professor of International Economics at Harvard University

Laura Tyson, Professor of Business Administration and Economics, and Director of the Institute for Business and Social Impact, Haas Business and Public Policy Group, University of California at Berkeley

This work also benefited from the expertise of a number of academics, including Peter Allen, Kate Glazebrook, Anne Laure Humbert, Elisabeth Kelan, Diane Perrons, Ania Plomien, and Ruth Sealy.

No academic criticism has been received beyond that which we have solicited ourselves from this group

Case examples of good practice in private and public sector organisations

People analytics is a critical tool for managing talent pipelines; it draws on advanced human resources data to make better and fairer hiring, promotion, talent management, and retention decisions. It also helps companies make decisions based on their specific context and challenges. For example, Thomson Reuters used people analytics to discover that its biggest problem was midcareer retention rather than recruitment of female professionals. As a result, it has improved diversity at every level of the organisation.¹ Arts Council England pledged in 2015 to publish a report based on detailed data analysis of its workforce, audiences and organisations so that the council understands where its greatest diversity challenges lie, including how women are represented across seniority levels.²

Digital technologies can be used to create new **flexible working models** that are an accepted choice for all employees, and companies can reap real business benefits. For example, virtual call centres—such as those used by the AA, The Co-operative Travel, and English Heritage—let employees work from home wherever possible and offer multiple benefits. In addition to providing advantages such as reduced running costs for employers, they were found to reduce employee churn (which can be up to 40 percent in traditional centres), reduce employee travel time by 15 percent,

¹ Christine Ashton, *How Thomson Reuters uses data to boost gender diversity in IT*, www.computing.co.uk, July 13, 2016

² "Equality and diversity data", Arts Council England, www.artscouncil.org.uk/diversity-data

McKinsey & Company

increase satisfaction, and facilitate the attraction of higher-quality talent from a wider geographic pool.³ Creating collaboration across industries and sectors to share agile working strategies, the Agile Future Forum encourages connections between businesses to allow members to enjoy benefits equivalent to 3 to 13 percent of workforce costs, with the potential to increase that by a further 3 to 7 percent, and in some instances to see a sales uplift of 11 percent.⁴ BT, Eversheds, Ford, KPMG, Tesco, and TSB are among the UK companies generating a business benefit through the encouragement of agile working.⁵

One solution growing in prevalence is the “**returnship**” for women rejoining the workforce after a prolonged absence. Companies in the financial services sector piloted the concept in 2008, and many companies have since followed suit, offering return-to-work programmes as part of recruiting talented women.⁶ KPMG’s programme recruits externally by offering coaching, client-facing work, and networking,⁷ while HitReturn offers cross-company returnships in partnership with Centrica, Mars, Vodafone, and Women Returners. PwC’s “Back to Business” programme resulted in 75 percent of the first cohort taking on permanent roles.⁸ In addition to individual organisations that offer return-to-work options, others have stepped in to further support women returners with information and networking opportunities. Reed hosts free Career Break CV templates on its job-search website, with advice and tips for women to present their skill set and position it at its best.⁹ The consultancy Women Returners offers a free networking service for women on maternity leave or career breaks to exchange advice and tips with others, as well as supporting businesses that want to build stronger return-to-work programmes internally.¹⁰ Mumsnet has spawned multiple campaigns and initiatives aimed at creating better opportunities, and its job pages for women on career breaks are frequently used by companies such as Barclays, PwC and Tesco.¹¹ Collaboration across STEM organisations is also attracting increasing numbers of women, with Equate Scotland, Prospect (the trade union for engineers), and Skills Development Scotland pioneering career clinics in person and online to help reintroduce men as well as women following career breaks.¹²

³ “Future travel virtual call centre”, www.flexibility.co.uk

⁴ “The launch of the Agile Future Forum”, Norman Broadbent, June 23, 2013; Understanding the economic benefits of workforce agility, Agile Future Forum, June 2013

⁵ “Flexible working report: Key points”, The Telegraph, June 23, 2013.

⁶ For details of returnships offered in the United Kingdom, see <http://wrpn.womenreturners.com/returnships/>

⁷ Women’s initiatives at KPMG LLP, KPMG, 2014; www.hitreturn.co.uk.

⁸ “PwC expands return to work scheme to bring more talented women back into the workplace”, press release, PwC, July 18, 2016

⁹ Michael Cheary, “Career break cover letter template”, reed.co.uk

¹⁰ <http://wrpn.womenreturners.com/>

¹¹ Mumsnet is a UK parents’ network that now has over 90 million page views and 19 million visits a month. “Mumsnet launches new flexible working job site”, Recruitment Grapevine, May 18, 2015; www.mumsnet.com/campaigns

¹² “Pioneering project helps women return to STEM careers”, Our Skillsforce, April 29, 2016

McKinsey & Company

Many companies with UK arms have successfully implemented **unconscious bias training**, including Airbnb, Facebook, Pinterest and Slack.¹³ Making individuals accountable for calling out bias is a sustainable way to temper the effects of unconscious prejudice on HR outcomes in the workplace over time.¹⁴ A good example is Google, where employees are encouraged through “Unconscious Bias @ Work” programmes to recognise and call out discrimination.¹⁵ For senior appointments, encouraging evaluators to discuss a checklist of the leadership skills they are looking for in advance, and reviewing candidates’ CVs next to those of individuals who previously held the position (rather than in isolation), can help to highlight the attributes that are genuinely relevant for the role as opposed to biases resulting from “confirmation” or “availability” heuristics.¹⁶

In the United Kingdom, **women with sponsors** are 58 percent less likely to say they plan on quitting their jobs within a year, yet men are 46 percent more likely than women to have a sponsor.¹⁷ Schemes such as EY’s “Career Watch”, Cisco’s “Inclusive Advocacy”, and PepsiCo’s “Power Pairs”, as well as the English National Ballet’s “She Said” programme create supported opportunities for women and other diverse groups to find inspiring sponsors from a variety of backgrounds and make the most of their relationships.¹⁸

Financial institutions including Barclays, HSBC, Lloyd’s, and RBS have signed up for the voluntary Gadhia review—spearheaded by the chair of Virgin Money and driven through the government—which links **transparent progress** on gender diversity to City bonuses.¹⁹ Following the recommendations of the 2011 Lord Davies review and 2014 independent Sweeney review, the business secretary announced in 2014 a new code of conduct for executive search firms to pledge to support organisations in reaching gender diversity targets.²⁰ The Bloomberg Financial Services Gender-Equality Index uses gender diversity metrics to inform investor decisions, offering public access to statistics for multiple companies. Bloomberg found that investing in the firms that have performed best for gender diversity over the past ten years would have generated a total return of 238 percent, outperforming the S&P 500 average by 141 percent.²¹

¹³ Polina Marinova, “Unconscious bias training”, Not a silver bullet”, Fortune, October 12, 2015

¹⁴ Ibid. Polina Marinova, “Unconscious bias training: October 12, 2015

¹⁵ Brian Welle, “Watch unconscious bias @ work”, re:Work, <http://rework.withgoogle.com/guides/unbiasing-raise-awareness/steps/watch-unconscious-bias-at-work/>.

¹⁶ Ibid. Iris Bohnet et al., *When performance trumps gender bias*, March 2012; Iris Bohnet, *What works: Gender equality by design*, Harvard University Press, 2016; Daniel Kahneman, *Thinking, Fast and Slow*, Farrar, Straus and Giroux, 2011.

¹⁷ Ibid. *The sponsor effect: Breaking through the last glass ceiling*, Center for Work-Life Policy, December 2010

¹⁸ About us: A diverse and inclusive workforce”, EY; “Inclusive Advocacy Program”, Cisco, 2010; “Pepsico Inc.—women of color multicultural alliance”, Catalyst, January 2007; “What’s on: She Said”, English National Ballet, 2016.

¹⁹ HM Treasury and Harriett Baldwin, *72 firms sign up to new charter to link City bonuses to the appointment of senior women*, July 11, 2016.

²⁰ The enhanced voluntary code of conduct for executive search firms: Davies review accreditation, Department for Business, Innovation and Skills, 2014

²¹ Vignesh R S and Constantin Cosereanu, “A gender-focused strategy beat the S&P 500 by 141 percent”, Bloomberg, June 16, 2016

McKinsey & Company

STEM Learning and Northern Ireland Curriculum offer web-based resources for teachers as well as school and college leaders to **make STEM fields exciting** and provide clear, attractive career paths within the bounds of the national curriculum.²² Universities could look to participate in schemes such as OpenCourseWare for STEM, in which international universities are encouraging more women and diverse groups to take online qualifications in STEM and use Internet resources as a way in.²³ Partnerships such as Project ENTHUSE bring together organisations across sectors to participate in funded development programmes for teachers to improve the quality of STEM teaching in schools.²⁴ Individual organisations are helping to address this issue by recruiting 30,000 volunteer “STEM Ambassadors”, drawn from a wide range of careers and companies, to help schools and other young people’s facilities make STEM subjects more exciting and the possibilities they create more tangible.²⁵ Similarly, third-sector initiatives such as Dr Marily Nika’s Women in Computing group’s community hackathons, the London Geekettes hub for raising female interest in technology, and groups such as Women 2.0, Code First: Girls Stemettes, and Geek Girl Meetup are working to encourage more young women to take part in innovative STEM activities such as coding competitions and hackathons in a fun setting.²⁶

In the private sector, organisations such as General Electric and National Grid offer career advice, focussing their messages around cutting-edge renewable energy and robotics, and adapting their publicity to demonstrate a **more inclusive version of STEM** to help inspire girls. Encouraging these activities to take place in a coordinated way across sectors will help drive more deep-seated change to show that STEM “isn’t just about men in hard hats”, in the words of the chief executive of EngineeringUK.²⁷ Collaboration across organisations and stakeholder groups can also increase the effectiveness of efforts to recruit women into STEM. Jaguar LandRover has offered sponsorship and outreach opportunities in conjunction with WISE, Women in Engineering, and others in order to bring more young women into the sector, and a number of mobile phone and telephony companies including BT, Ericsson, O2, and Vodafone have launched a networking programme called “Step into STEM”.²⁸

²² “STEM works,” Northern Ireland curriculum, Council for the Curriculum, Examinations and Assessment; www.opencourseware.eu/STEM; “Project ENTHUSE”, STEM Learning; “STEM ambassadors”, STEM Learning; “Dr Marily Nika: Winner of the WISE Influence Award 2015”, WISE, November 12, 2015; www.geekettes.io; www.women2.com; www.codefirstgirls.org.uk; www.stemettes.org; www.geekgirlmeetup.co.uk.

²³ www.opencourseware.eu/STEM.

²⁴ www.stem.org.uk/project-enthuse.

²⁵ www.stemnet.org.uk/ambassadors.

²⁶ www.wisecampaign.org.uk/inspiration/2015/11/dr-marily-nika, 2015; www.geekettes.io; www.women2.com; www.codefirstgirls.co.uk; www.geekgirlmeetup.co.uk; www.stemettes.org.

²⁷ *Evaluation of Tomorrow’s Engineers core funded activities 2015: key findings*, EngineeringUK, May 2016; Bernadette Ballantyne, “Tomorrow’s Engineers week: Engineering isn’t just about men in hard hats”, Infrastructure Intelligence, November 2, 2015.

²⁸ “Best practice case study project: Jaguar Land Rover”, The Royal Society; Alex Scroton, “Telecoms firms launch Stem mentoring scheme for girls”, Computer Weekly, March 3, 2016.

McKinsey & Company

Employers that have taken effective action to **retain women in STEM** include Bechtel, which reduced female resignations from 20 percent in 2013 to 9 percent in 2015; it achieved a 13 percent rise in the female graduate population in 12 months by conducting a detailed Six Sigma analysis of gender data, introducing speed mentoring whereby women were offered frequent opportunities to find senior supporters, and establishing family focus groups to concentrate attention on areas for improvement. The number of women engineers Bechtel now employs is twice the national average, and almost 40 percent of its engineers working on CrossRail are women.²⁹ The Royal Air Force has also made progress by extending the time during which women are protected from deployment after giving birth, providing support during career breaks, and introducing a new mentoring programme in partnership with Airbus, the Royal Aeronautical Society, and the University of the West of England. Women now fill over 35 percent of the organisation's senior management courses, 16 percent of officers are women, and 14 percent of the entire workforce is female.³⁰

Public administration, education, and health is the only sector in the UK economy in which women hold more managerial positions than men. Although men are concentrated at the most senior levels within health care, the sector has higher representation of women throughout all leadership levels than many others.³¹ Women make up 47 percent of the executive directors of **National Health Service** (NHS) trusts, which is far ahead of other sectors, and hold 38 percent of non-executive NHS roles.³² In December 2015 women accounted for 90 percent of nurses, 57 percent of medical students, 67 percent of GP registrars, 70 percent of salaried GPs, and 41 percent of GP partners.³³ The health-care pipeline is strong—women have represented over 50 percent of medical school entrants since 1992—and is sustained by working practices that enable women to have children and remain in their careers whether in the public or the private sector.³⁴ In the public sector, hospitals across the country have flexible working options that both men and women use. The NHS provides extensive childcare offerings, with crèches and nurseries at a number of hospital sites.³⁵ The NHS Leadership Academy offers an internal mentoring and support programme for employees returning from breaks in a way that frames the issue as one of supporting parents rather than just mothers.³⁶ Across organisations, Disruptive Women in Health Care UK connects leaders from the health-care world with innovators in technology, business, and politics to share

²⁹ www.wisecampaign.org.uk/inspiration/2015/11/bechtel.

³⁰ www.workingfamilies.org.uk/employers/case-studies/shared-parental-leave/royal-air-force

³¹ Michael West et al., *Making the difference: Diversity and inclusion in the NHS*, The King's Fund, December 2015.

³² Action not words—making NHS boards more representative, UK National Health Service, 2016; NHS accused of disgraceful failures in progressing women and ethnic minorities, CIPD, 22 August, 2016; Under-representation of BME community in NHS disgraceful, Guradian, 21 August 2016.

³³ *A workforce in crisis? The UK nursing labour market review 2015*, Royal College of Nursing, 2015

³⁴ Action not words—making NHS boards more representative, UK National Health Service, 2016; NHS accused of disgraceful failures in progressing women and ethnic minorities, CIPD, 22 August, 2016; Under-representation of BME community in NHS disgraceful, Guradian, 21 August 2016.

³⁵ "Childcare in the NHS", NHS Employers, September 17, 2015

³⁶ www.leadershipacademy.nhs.uk.

McKinsey & Company

experiences, discuss issues such as pay and policy, and provide opportunities for networking and debate.³⁷

Carers UK is calling for a mandatory period of **paid care leave** of five to ten days for adult care, and in 2016 Deloitte announced 16 weeks of fully paid “family leave time”, which can be used to avoid caregiving responsibilities interrupting employees’ careers.³⁸ Santander also introduced an early extension of shared parental leave to grandparents to create additional working flexibility for parents, an arrangement that is believed to be the first of its kind in the United Kingdom.³⁹

At present, employers can provide **tax-deductible on-site crèches**, which can give employees with small children flexibility and help build employee loyalty, engagement and efficiency.⁴⁰ The taxi company Addison Lee found that implementing a “babies in the office” initiative providing on-site childcare for infants under age one had the effect of increasing employee loyalty.⁴¹

Unilever’s #UNSTEREOTYPE initiative aims to eliminate restrictive **gender stereotyping** in advertising across all of its brands, portraying women in roles that show aspiration and achievement, with three-dimensional personalities, and treating their appearance positively and uncritically.⁴² The Always brand tackled limiting gender stereotypes in its 2014 “Like a Girl” campaign,⁴³ and Sports England’s “This Girl Can” campaign to encourage more women in sport ran in the months leading up to the 2016 Olympics—2.8 million 14- to 40-year-old women reported having participated in some sport as a result.⁴⁴

Diversity Matters:

<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

Women Matter:

<http://www.mckinsey.com/global-themes/women-matter/reinventing-the-workplace-for-greater-gender-diversity>

³⁷ www.disruptivewomen.net/uk.

³⁸ www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-announces-sixteen-weeks-of-fully-paid-family-leave-time-for-caregiving.htm

³⁹ “Santander: The Centrica best for modern families award 2016 finalist”, Top Employers for Working Families

⁴⁰ www.brighthorizons.co.uk/solutionsatwork/workplace-nurseries/investing-in-a-workplace-nursery.

⁴¹ *Babies in the office*, Working Mums, February 3, 2014.

⁴² How #UNSTEREOTYPE aims to change the way we see gender”, Unilever, June 23, 2016.

⁴³ Emma Muckersie, “Brands with purpose: The role of insight in creating campaigns we really care about”, Freshminds, April 29, 2016.

⁴⁴ *This Girl Can delivers results one year on*, Sport England, January 12, 2016