

Undervaluing Women's Work

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Based on:

Undervaluing Women's Work

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Outline

1. What is undervaluation?

2. Valuing women's work

- a) Different perspectives - economics, sociology, industrial relations and management
- b) Different levels- labour market, occupation, organisation, workplace/job

3. Policy options

- a) Revaluing women's work
- a) Improving women's position within current value structure

4. Conclusions: need for gender mainstreaming and gender specific policies

What is undervaluation?

- Two features of undervaluation:
 - paid less for the same level of efficiency within the same job
 - employed in jobs or occupations that are themselves undervalued
- That is:
 - Undervaluation compared to men within the same job
 - Undervaluation due to the concentration of women in jobs associated with women's work
- Undervaluation has historical roots, but new forms of undervaluation emerge
- The consequence of undervaluation is that employers/society have access to a *higher quality of labour for a given wage*

Valuing women's work : different disciplinary approaches to understanding pay

Different **disciplinary approaches** to pay reflect its multiple roles and functions:

- *Economics: Pay as a market signal to allocate labour/ as a cost of production*
- *Sociology: Pay as a source of social status and living standards*
- *Industrial relations: Pay as a key element in the employment relationship*

These different perspectives provide different insights into the nature/causes of undervaluation of women's work.

Economics:

- Undervaluation when women receive **lower returns** to human capital investments and other productivity characteristics
- But economists tend to assume that undervaluation is uncommon and that any unexplained gender pay gap is likely to be caused by **unmeasured productivity differences**

Valuing women's work : different disciplinary approaches to understanding pay

Sociology: undervaluation associated with

- a) women's position in the family- as main carer or economic dependant
- b) skill as a social not a technical construct- e.g. undervaluation of care work
- c) exclusion from social networks/ professions

Industrial relations: undervaluation associated with

- a) Variations in trade union bargaining strength and segmented labour markets
- b) Gender bias in workplace grading systems and payment systems

Valuing women's work : problems at the Labour Market level

Undervaluation caused by

- a) women's position in pay hierarchy
- b) size of penalty for being low in pay hierarchy

Similar rank position for men and women can give rise to different pay gap

For example:

One society – median woman at 60th percentile, median man at 40th percentile: pay gap between 40th and 60th = 25%

Second society – median woman at 60th percentile, median man at 40th percentile: pay gap between 40th and 60th = 15%

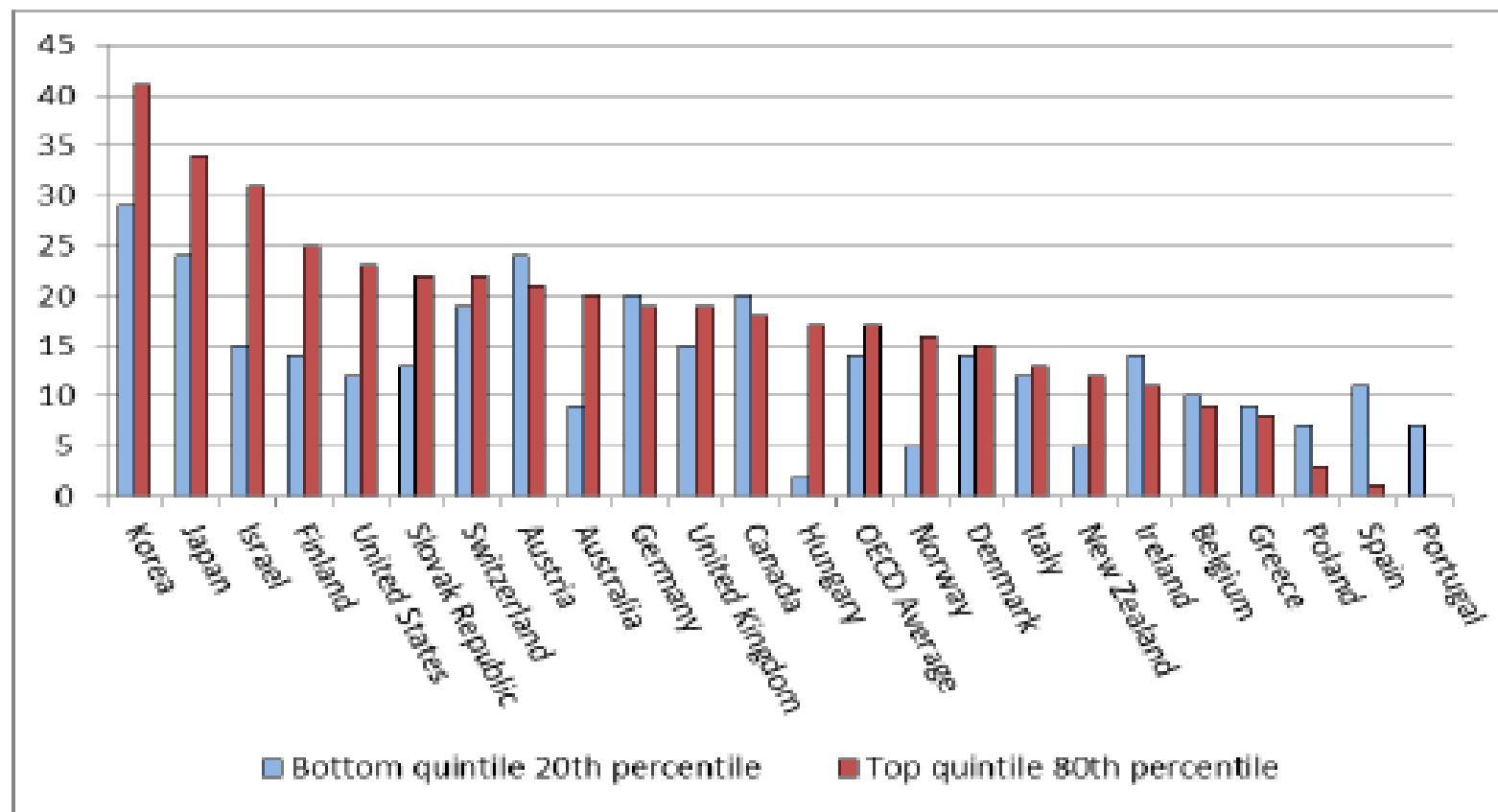
Valuing women's work : problems at the Labour Market level

Focus on education to increase human capital and move women up pay hierarchy (economics perspective)

But

- closing of that gap has coincided with **widening wage inequality**
- **increasing penalties** for being lower down pay hierarchy
- increasing **dispersion of pay** even among graduates
- **larger gender pay gap at top end** –i.e. for better educated

Chart LMF1.5.B: Gender gap in full-time earnings at the top and bottom of the earnings distribution¹, 2010



Countries are ranked in decreasing order of the gender wage gap for top earnings (80th percentile).

1) The gender wage gap is unadjusted and is calculated as the difference between top/bottom earnings of men and women relative to top/bottom earnings of men.

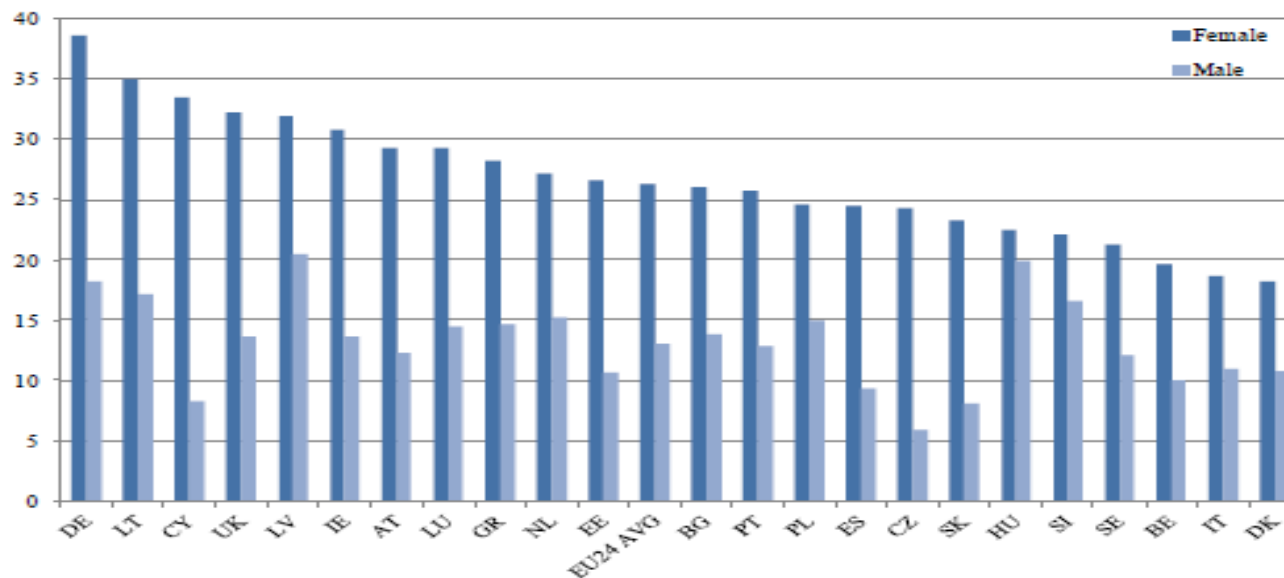
Source: OECD Employment Database, June 2013.

Valuing women's work : problems at the Labour Market level

Value of women's work also vulnerable to lack of strong and high minimum floor

- Incidence of low pay higher among women than men

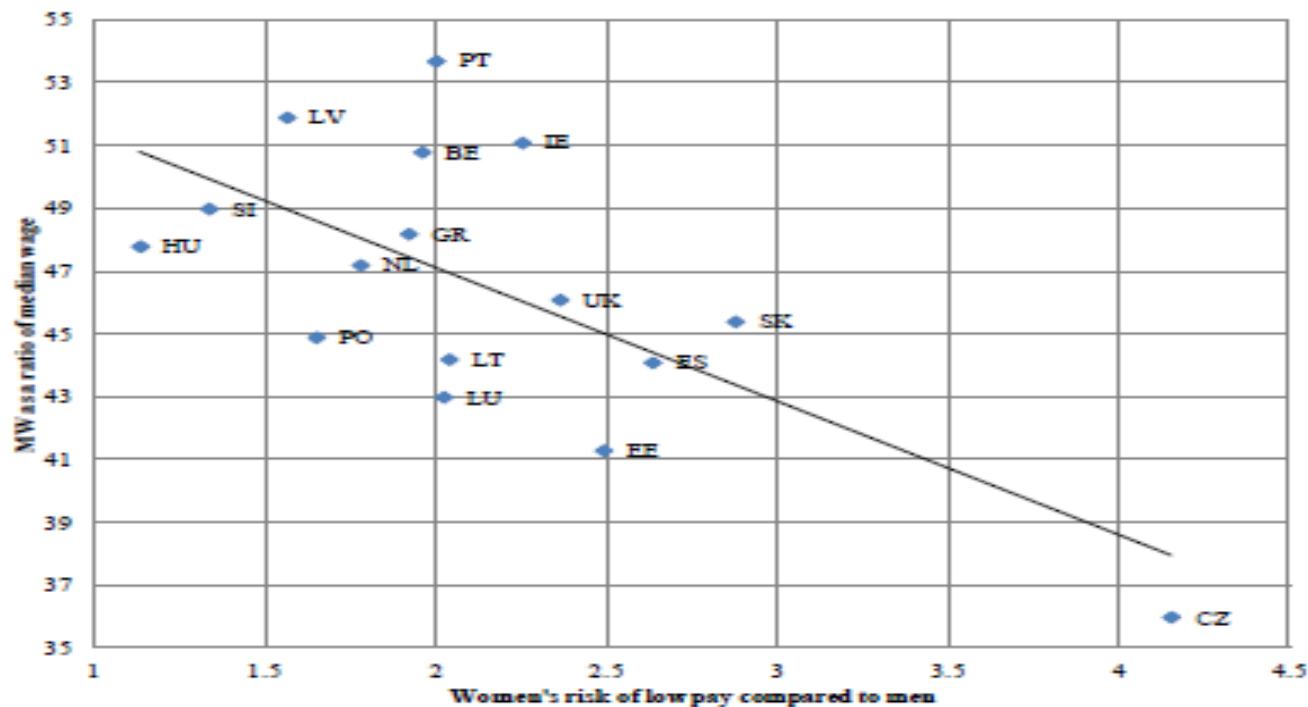
Figure 4.5. Incidence of low-wage employment by gender (full-time equivalent), 2008



Note: Low wage employment defined in the usual way as two thirds of median earnings. Average hourly full-time equivalent earnings data estimated from annual earnings corrected with monthly data on full-time and part-time employment status along with ELFS average working hours for full-timers and part-timers for each country. Weighted estimates. Source: EU-SILC (2008). Data compiled and provided by Anthony Rafferty, EWERC, Manchester Business School.

Incidence of low pay higher where minimum wage is low

Figure 4.6. The relationship between the Kaitz index and women's risk of low pay compared to men



Note: Estimated correlation measure is -0.677.

Source: EU-SILC (2008) for low wage incidence (provided by Anthony Rafferty, EWERC, Manchester Business School) and OECD minimum wage database 2009 data.

Valuing women's work : problems at the occupational/skill level

Problems with women's skills- the five Vs

1. **Visibility**
2. **Valuation**
3. **Vocation**
4. **Value added**
5. **Variance**

Undervaluing of women's skills:

1. Skills not recognised
2. Skills awarded low value
3. Skills not paid for because of altruism/job satisfaction
4. Skills not rewarded as firms have low ability to pay
5. Skills not rewarded as all non standard jobs paid at low rates

Valuing women's work : problems at the occupational/skill level

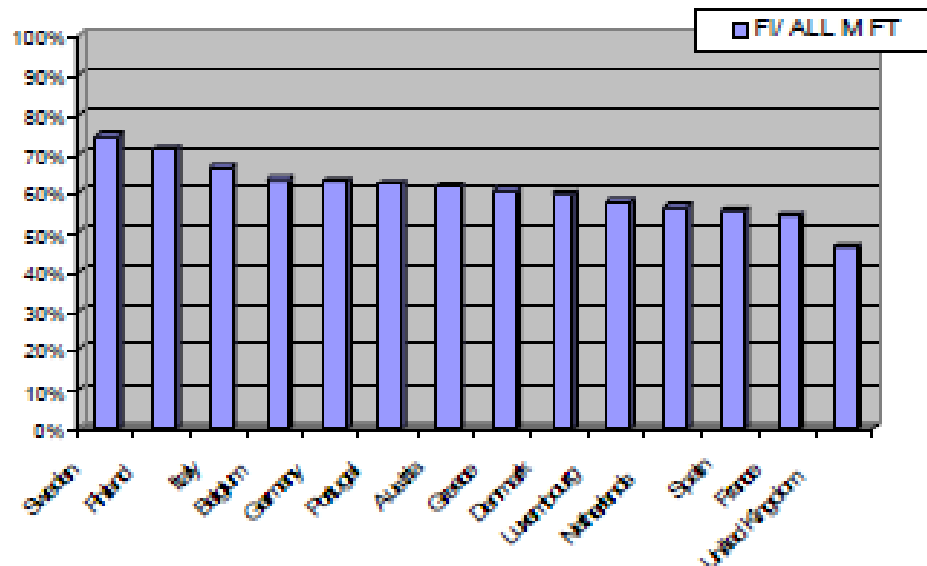
Gender segregation implicated in undervaluation

- Segregation allows **whole occupation/workplace** to be undervalued
- Segregation of part-time work allows **part-time** to be associated with **low pay** irrespective of skill
- But **no inevitable relationship with value**- matter of public policy/social choices- pay for jobs regarded as low skilled varies across countries

But also desegregation not always helpful

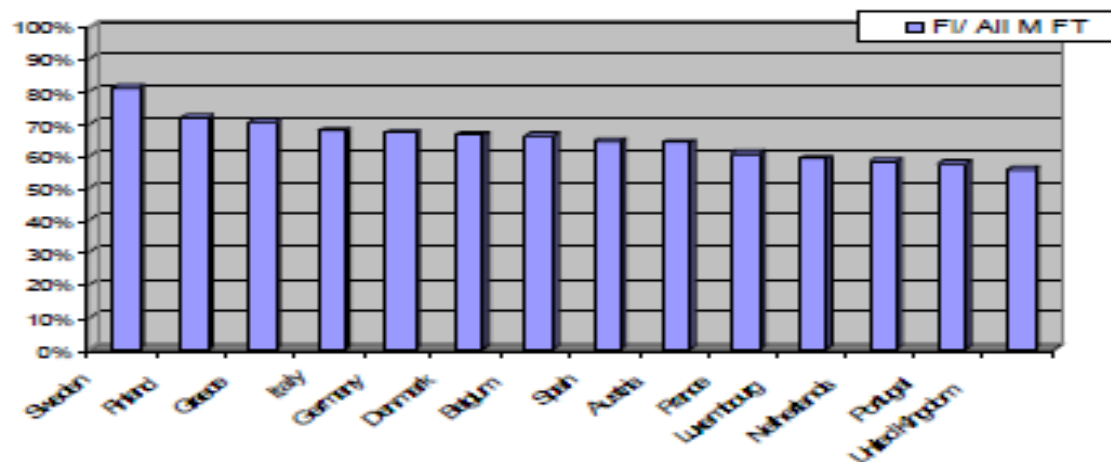
- For female-dominated jobs, men may enter either temporarily (students etc) or the **male minority may be soon overrepresented** in higher grades)
- For male-dominated jobs female entry may start a process of **resegregation** – with new division opening up within the organisation.

Figure 3.3 (c) Relative Level of Pay of Women in Selected Occupations - Models, Sales Persons and Demonstrators



Note: Relative level of pay is calculated as the ratio of female gross hourly earnings in ISCO 52 to average male full-time earnings in the whole economy; overtime excluded; no data for Ireland
 Source: Structure of Earnings 1995

Figure 3.3 (d) Relative Level of Pay of Women in Selected Occupations - Plant and Machine Operators and Assemblers



Note: Relative level of pay is calculated as the ratio of female gross hourly earnings in ISCO 8 to average male full-time earnings in the whole economy; overtime excluded; no data for Ireland
 Source: Structure of Earnings 1995

Valuing women's work : problems at the occupational/skill level

Changing sex typing of jobs

- Undervaluation may re-emerge in feminising occupations.
- US study of changing *job queues and gender queues*- women entering occupations as they slid down the hierarchy- or moved into new lower categories of the occupation.
- Our study of UK found 22 out of 159 occupations became disproportionately more feminised in the 1990s – (19 in the top 3 skill/status, 14 experienced above-average job growth)
- Mixed pay trends but most were occupations where pay for men relative to men's labour market average fell over the time period

Valuing women's work : problems at the organisational level

Low pay/value associated with employer characteristics:

- o Low ability to pay or low willingness to pay?

Employee power/wages	High	Low ability to pay Only a few key personnel high paid	High ability to pay e.g. Leading companies, high skill, male-dominated, unionised workplaces
	Low	Low ability to pay/ low need to pay e.g. SMEs /non unionised female-dominated workplaces	High ability, low willingness to pay e.g. - small establishments belonging to large chains / female workforce
		Weak	Strong
Employer product market power			

Segregation at workplace has impact on relative pay

Table 4.3 Marginal impact of gender, responsibility for children and gender segregation on pay

	<i>Private sector (%)</i>	<i>Public sector (%)</i>
<i>Reference: equality at workplace</i>		
Only men at workplace	+6	+7
Mainly men at workplace	+2	+7
Mainly women at workplace	-4	-4
Only women at workplace	-7	-9

Source: Forth and Millward, 2000.

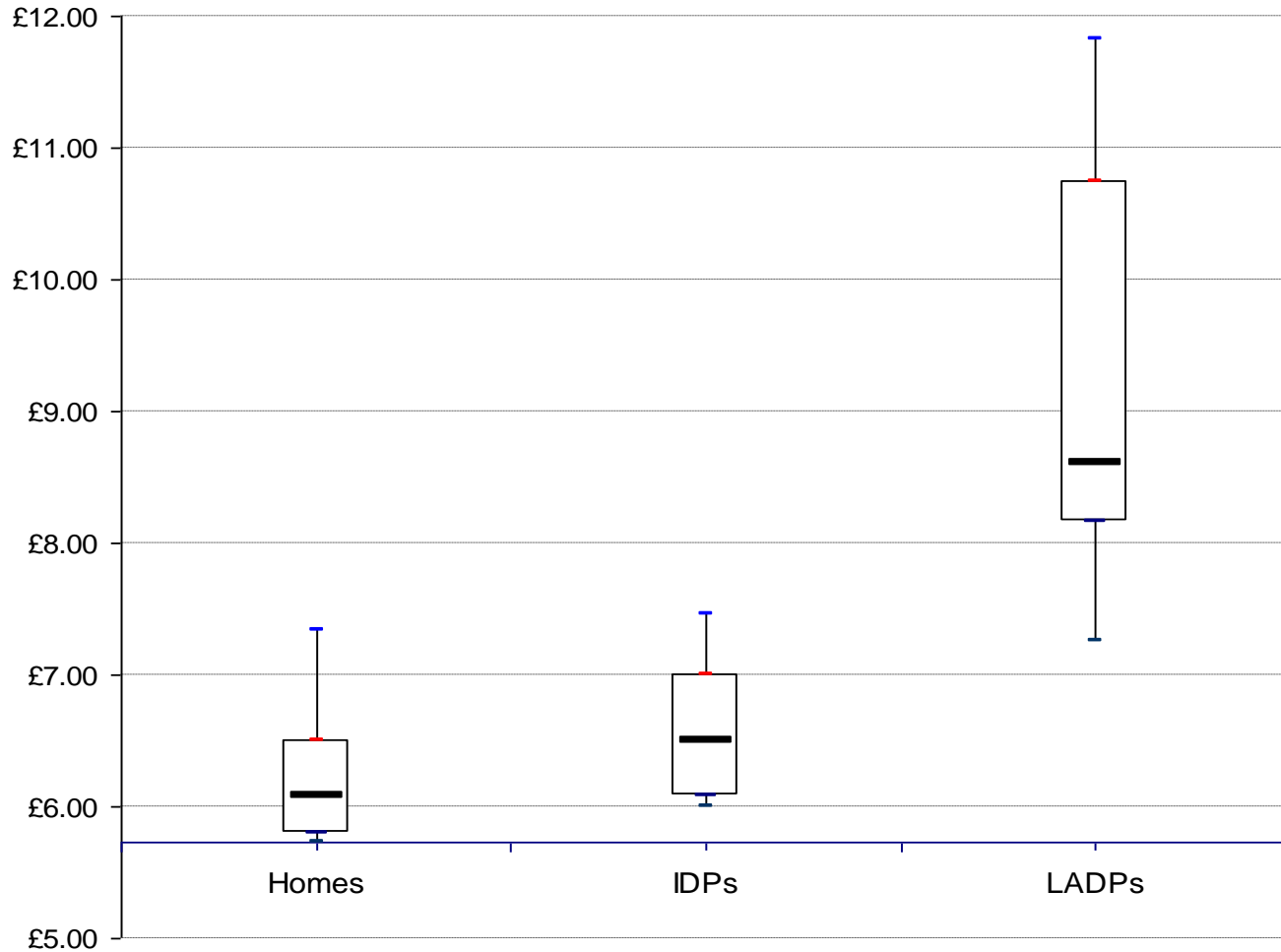
Valuing women's work : problems at the organisational level

Differences in pay policies /practices of employers underpin strategies to outsource women's jobs in weakly regulated labour markets such as the UK

- Example of outsourcing of social care in UK- in comparison in Sweden outsourcing has little impact on wages

Pay in the care sector:

hourly pay in private sector homes, private sector domiciliary care units (IDPs) and Local Authority domiciliary care units (LADPs).



Valuing women's work : problems at the workplace level

Systems of reward can generate or reinforce undervaluation

Starting pay and pay progression

- Women less likely to bargain (particularly when no transparency)
- Individualised pay allows managers discretion over starting pay

Job grading

- Equal pay law promotes use of gender sensitive job evaluation
- Even where utilised does not limit pay differentials between jobs judged not to be of equal value
- Broad banding reduces impact

Performance pay

- Less used where women work
- Increases managerial discretion

Reward and time

- Pay progression may depend on 'presenteeism'- long hours culture
- Flat pay structures for part-time work

Table 4.8 Organisations paying PRP or bonus to managers and professional/technical staff

	Percentage of organisations making payment:		
	<i>N</i>	PRP	Bonus
<i>Managers</i>			
Occupation is more than 60% male	158	38	51
Occupation is roughly equal male/female	71	39	41
Occupation is more than 60% female	20	15	20
<i>Professional/technical staff</i>			
Occupation is more than 60% male	144	31	37
Occupation is roughly equal male/female	50	29	37
Occupation is more than 60% female	20	0	14

Source: Neathey et al. (2003).

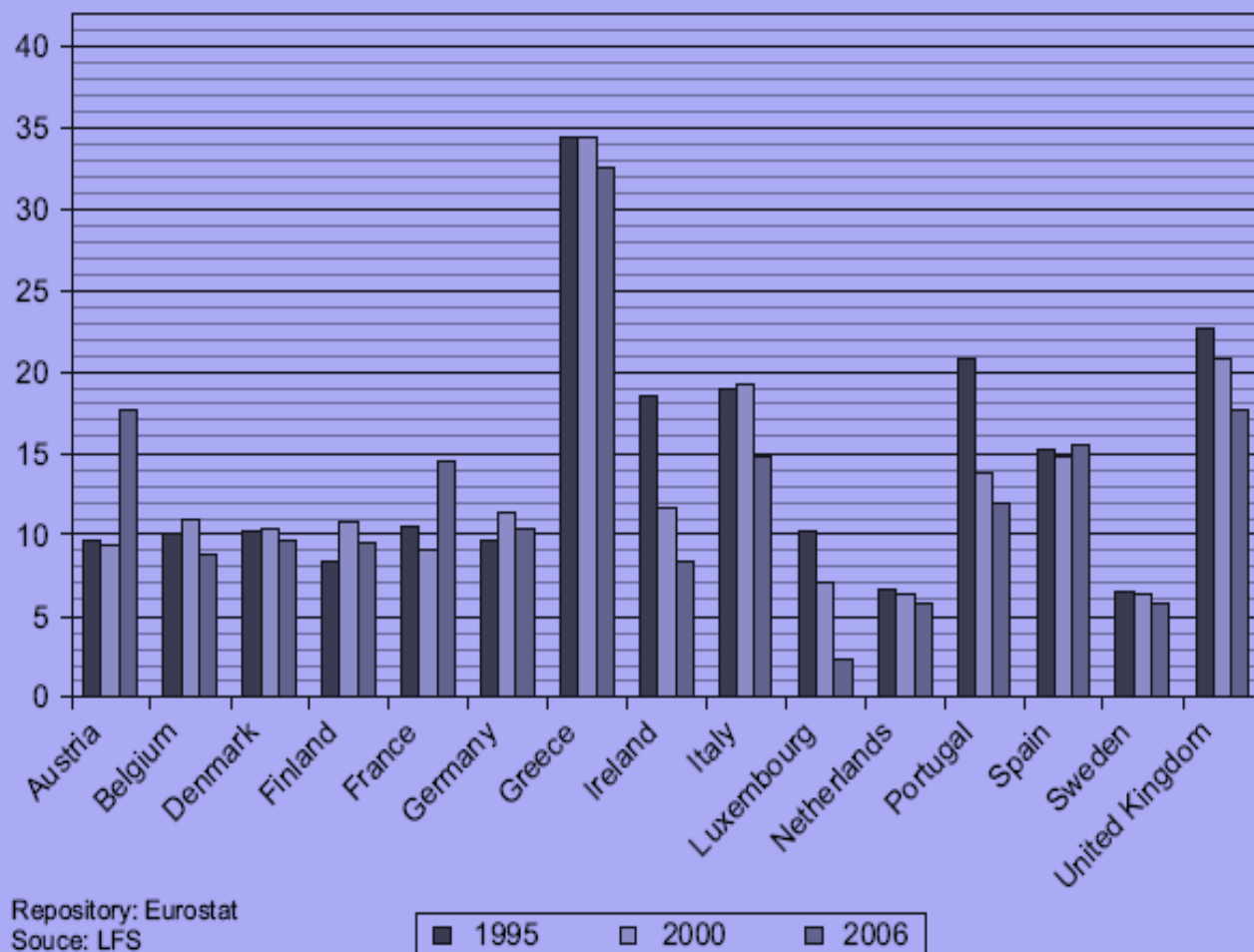
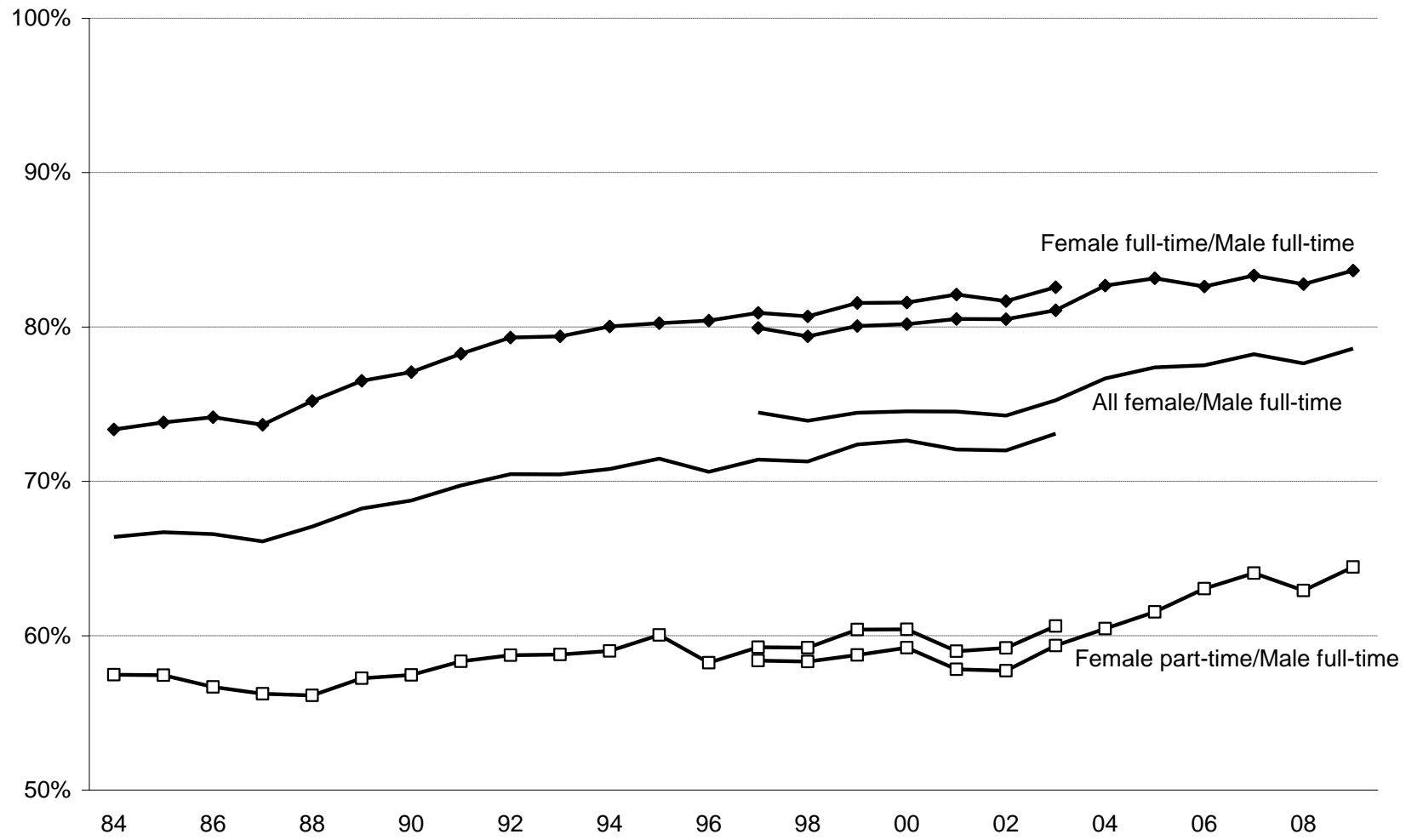


Fig. 7. Percentage of all workers with usual weekly hours of 48 or more, old EU-15

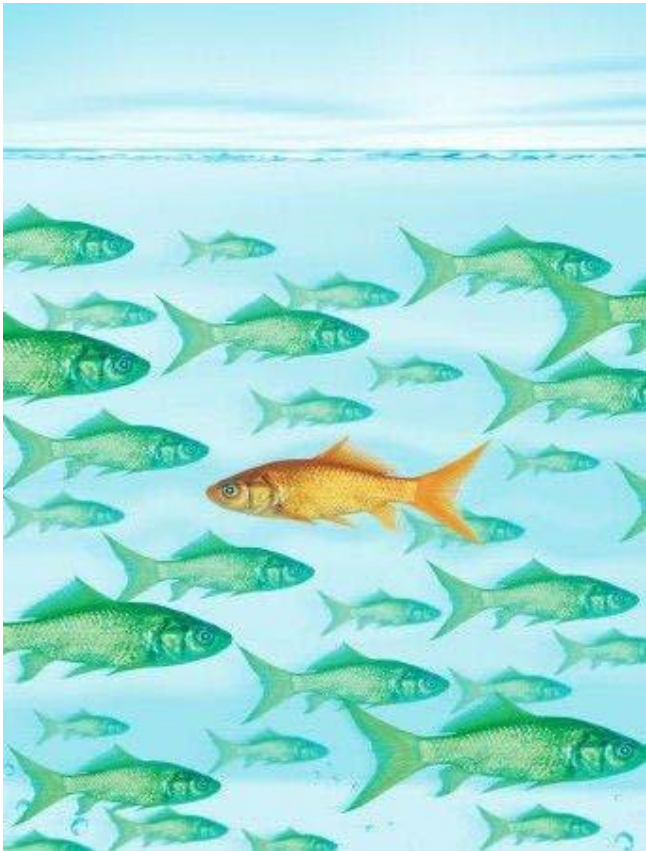
Pay gap between women's and men's median hourly earnings; UK 1984 to 2009



Undervaluation as a dynamic process

- Undervaluation is an ongoing process- not only or mainly a legacy of outdated discrimination and attitudes
- Some changes reinforce longstanding patterns of undervaluation; others generate new opportunities for undervaluation
- Need constant vigilance even just to protect gains as reverses possible as well as advances
- Policy is needed at all levels- from labour market to workplace
- Closing gender pay gap is an egalitarian policy- swimming against the tide of widening inequalities

**Swimming against the tide
is not enough**



**Need to start to turn the
tide**



Policy options to turn the tide/ reduce undervaluation

Policies need to address

- the status and pay attached to *work done by women*
- and *the position of women* within existing job and pay structures.

Both these elements need to be addressed at a number of different levels:

- *the labour market;*
- *the occupation;*
- *the organisation;*
- *the workplace or job level.*

Reducing undervaluation by improving the pay and status of work done by women

Reducing the pay penalties of low labour market status

This requires

a) Action on inequality in labour market

- Greater integration/coordination of pay between firms/sectors-
- Higher minimum wage levels
- Retaining/improving the pay and status of the public sector

b) Action to raise the general status of female-dominated occupations

- ***professionalising feminised occupations*** through greater awareness, emphasis on skills, coordinated training, development of career paths and improving pay and conditions.

Risks:

- reduces turnover and skill loss but need to protect against male entrants moving up the glass accelerator
- ensure lower educated women not excluded from jobs

Improving the pay and status of work done by women

c) Action to address organisations' ability to pay and the willingness to pay

Different causes of **low ability to pay** require different approaches

- address retailer power/ ensure fair distribution along supply chain;
- review social choices in fees paid for public sector contracts;
- introduce a higher minimum wage

Low willingness to pay

- Promote more equal sharing of rents by increasing transparency of pay practices and profits;
- promote trade union bargaining rights

d) Action at workplace to establish equal pay for work of equal value for all employees

- Make skills **visible** through transparency and gender sensitive assessment ;
- pay proportionate to **value** using a pay system appropriate for skills/work;
- ensure **vocation**/commitment is not used to justify low pay;
- ensure women have pathways to higher to higher **value added** jobs;
- review valuation of jobs to ensure not penalised for **variance**/non standard working careers

Reducing undervaluation through improving the position of women within the existing job and pay structure

a) Action to extend women's career choices

- Promote specific leave for fathers;
- provide compensation for reduced hours to ensure women retain economic independence;
- act on long hours culture to extend options to work full-time

b) Action to assist women to move into higher valued male occupations

- Ensure women not confined to lowest rungs or specific segment of profession;
- action to change dominant male culture to reduce quits

Reducing undervaluation through improving the position of women within the existing job and pay structure

c) Access to organisations able and willing to pay

- Action to provide protection against discrimination in initial hiring; outsourcing of women's job areas; long hours culture inhibiting continuous careers or promotion
- Organisations to report on equality issues

d) Action to promote equality in initial pay levels and in changes to pay over time

- Pay according to job demands, skills and performance not market value;
- reward performance at work not commitment to work;
- publish detailed information on pay /conduct pay audits

Conclusions

To reduce undervaluation need **gender mainstreaming** and **gender specific measures**

Gender mainstreaming- challenge general principles/ trends in labour market organisation-and take action against:

- inequality,
- long hours culture,
- low minimum wages (below living wage),
- unequal value across the supply chain,
- non transparency of pay

Gender specific

- Improving visibility and valuation of women's skills/ creating career pathways in female-dominated jobs
- Ensuring gender equality in starting pay and pay promotions
- Improving status/ normalising part-time working through job structure
- Improving support for working parents

Conclusions

Need to legitimate and underpin changes by debate on social norms/choices

For example:

- Whether full-time workers should earn at least a living wage?
- How other societies such as Sweden manage without the high and increasing returns to high grade workers?
- Why pay outcomes in UK are normally confidential and non transparent?
- How to value care work?