Directing Equal Pay in the UK ICT Labour Market

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INTRODUCTION

The UK labour market is dramatically changing, with rapid technological innovations alongside globalisation where organisations are required to place a premium on human and intellectual capital. The demand for labour is outstripping supply, and businesses are increasingly dependent on their ability to attract, invest in and develop their workforce (Kingsmill, 2003). However, a recent comparative report of the information technology (IT) workforce in Holland, Germany and the UK indicates that women are haemorrhaging out of the IT sector (Platman & Taylor, 2004). Given that presently there is an IT specialist's skills shortage of 18.4% (IER/IFF, 2003), and female IT managers represent a mere 15% of ICT managers, 30% of IT operations technicians and 11% of IT strategy planning professionals (EOC, 2004a), this suggests that the ICT industry is not equipped for equality and diversity at work.

Despite many years of egalitarian rhetoric and 3 decades after the UK Equal Pay Act (1970) was introduced, women still receive on average 18% less than that of their male counterparts working full-time and 41% less than men when working part-time hours. The ESF-funded DEPICT project seeks to identify pay discrimination experienced by women in ICT at a national level throughout England. An important aim is to highlight the impact of pay and reward discrimination has on the underrepresentation of women in the ICT labour market. From this study, we hope to more clearly understand the reasons for the gender pay gap, particularly in the ICT sector; and the impact this has on women's entry and retention to occupations where they are already severely underrepresented. Equal pay is an issue for all; it's unjust, unlawful and impacts on social justice, equality and economic performance (EOC, 2001b). Pay is a major factor affecting relationships at work; distribution and levels of pay and benefits affect efficiency of organisations, workforce morale and productivity. It is vital for organisations to develop pay systems that reward workers fairly for the work they perform (ACAS, 2005).

WHAT IS THE GENDER PAY GAP?

The Equal Pay Act was enacted in 1970 and came into force in 1975 in the UK At that time, the gender pay gap stood at 36%—today, 35 years later, the pay gap remains obstinately at 18%. For women who work part-time, the pay gap is even larger, at 40%, similar to 30 years ago. The gender pay gap compares the earnings of female and male employees, while the gender income gap compares the individual incomes of all women and men. The gender gap between women and men's mean[1] individual incomes in 2002-2003 was 46%, and the gender gap between women and men's median income was 47%. (EOC, 2005c)

Thus, the gender pay gap is the difference in average earnings between men and women and is usually measured by hourly rate or weekly wage. Previous to the Equal Pay Act (1970), evidently the main cause of the gender pay gap was direct sex discrimination, and historically, women received up

to half the pay of men even when performing the same job. After the introduction of the equal pay legislation, which prohibits employers from paying women less than men purely on the basis of their sex, the continuing gap was attributed to occupational segregation, indirect discrimination and human capital factors (for example, attainment of qualifications and experience).

ROOTS OF THE GENDER PAY GAP

The Equal Opportunities Commission (EOC) set up an Equal Pay Task Force in 1999 to explore the gender pay gap issue (EOC, 2001a). They reported three main contributors to the pay gap: occupational segregation, discrimination in pay systems and caring responsibilities.

*   **Occupational Segregation:** The UK labour market is highly segregated, both horizontally and vertically. Horizontal segregation has led to 60% of the female workforce working in only 10 broad occupation types. Vertical segregation has evolved through a cluster of women working in lower-level jobs, often low skilled and low paid. Occupational segregation remains one of the strongest influences on young people's choice of career. Girls are still moving into industry sectors such as nursing, teaching and childcare. Boys continue to enter engineering, building services or ICT. Individuals' "life choices" are seriously compromised by occupational segregation; there has been no significant increase of women entering the construction, engineering, plumbing or ICT industries during the past 10 years (EOC, 2004a).
*   **Caring Responsibilities:** In the UK women are still shouldering the main responsibility for childcare and increasingly taking the responsibility for the care of their elderly relatives. In these cases, women often have to work part-time, it is impossible for them to work long hours or they take time out of work. These factors contribute to the impact on women's earning power and promotion potential.
*   **Discrimination in Pay Systems:** Organisations assume that because they have the same rate of pay for men and women then

they have equal pay systems; however, pay systems are extremely complex (Neathey, Dench, & Thomson, 2003). Individualised pay is determined on value judgements and includes bonus schemes and performance-related pay. Women experience pay discrimination due to lower starting salaries, exclusion from bonus schemes, inability to qualify for long service awards and being awarded lower marks in performance assessments.

THE GENDER PAY GAP AND THE UK ICT LABOUR MARKET

On first inspection, ICT *gender pay gap* data gathered from the Office of National Statistics suggest a relatively small pay gap when comparing women's and men's hourly and weekly income (EOC, 2004a). For example, male ICT professionals earn on average £684.80 a week compared to the female ICT professional weekly wage of £619.80.

The figures shown in Table 1 portray the gender pay gap in the UK in a comparatively positive light. IT industry in a comparatively positive light; nevertheless, as most women are positioned at the lower end of the market, we assert that the *gender pay gap* is, in fact, greater than these statistics suggest and that *pay discrimination* is inherent in the ICT sector. There are limitations to statistical data on the "IT labour market"— research suggests that "working in IT" is an extremely difficult and complex sector to define (WINWIT, 2004). There are highly skilled women working in IT departments in many organisations and also in other industry sectors, such as the creative sector with design technologies and in new media industries. Taking this into consideration, we acknowledge that the IT sector is diverse and that much of women's engagement with IT may lay outside the traditional IT sector.

The ESF-funded DEPICT project seeks to investigate issues surrounding equal pay in the ICT sector as a result of the following factors:

*   Individualised pay packages are common in the ICT industry, which involves requiring strong individual negotiation skills and a high level of confidence. Women have reported being uncomfortable with this method of pay-and-re-

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