

Government launches pay transparency pilot to break down barriers for women

- Minister for Women, Baroness Stedman-Scott, launches initiatives to level up employment opportunities for women
- Participating employers will run pilots aimed at closing salary gaps by publishing salaries on all job adverts
- New 'returners' programme to support women into STEM roles after taking time out to care for loved ones

Minister for Women, Baroness Stedman-Scott, is today (8 March) launching two new initiatives to level up employment opportunities for women as the country recovers from the COVID-19 pandemic.

Announced on International Women's Day, a new initiative will seek to improve pay transparency in the job application process and help businesses who want to go even further in attracting women to their positions. Evidence shows listing a salary range on a job advert and not asking applicants to disclose salary history provides a firm footing for women to negotiate pay on a fairer basis. This could have a significant impact in closing salary gaps and tackling pay inequality.

The government is therefore leading the way with a pilot scheme, where participating employers list salary details on job adverts and stop asking about salary history during recruitment.

Alongside this, the Government will launch a new returners programme to help women back into STEM (science, technology, engineering & maths) careers. Research and employee feedback shows that returning to STEM roles after taking time out to care for loved ones can present significant challenges. This new programme will help organisations to recruit and retain talented staff who are often overlooked because of a gap on their CV, by providing training, development and employment support to those who have taken time out for caring.

Minister for Women, Baroness Stedman-Scott, said:

"The UK can only grasp its full potential by championing its brightest and best, and ensuring everyone, regardless of their background, has the opportunity to succeed.

"We believe that increased pay transparency will build on positive evidence of the role information can play when it comes to empowering women in the workplace. It is essential that we keep women at the forefront of the levelling up agenda as we recover from the pandemic and rebuild together.

"Our second announcement, supporting skilled women to return to STEM careers after care leave, will keep talented minds in STEM and improve the representation of women and marginalised communities in those incredibly

important roles.”

International data also shows that job seekers place a strong emphasis on salary when looking for their next career move. In a Glassdoor survey 68% of people say that a salary was the most important factor of a job advert, showing that, where possible, it makes good business sense to share salary details at the very beginning of the application process.

Additionally, a study from the Fawcett Society shows that a requirement to provide salary history makes everyone less confident when negotiating their pay. It has a particularly negative impact on women’s confidence, with 58% of women saying that they felt they had received a lower salary offer than they would have if the question had not been asked during the application process.

However, the Government recognises that many employers do not have agreed pay scales, and that ambiguous pay policies and historic pay decisions may make it challenging for them to include pay information on job adverts. That is why the forthcoming pilot will see the Government work with employers to develop and pilot a methodology which others can adopt, so that all organisations can provide pay information at the recruitment stage and remove their reliance on questions about pay history if they choose.

Jemima Olchawski, Fawcett Society, Chief Executive:

“We are pleased that the government is encouraging employers to remove embedded bias from recruitment practices and supporting our call to End Salary History. Asking salary history questions keeps women on lower salaries and contributes to the UK’s gender pay gap – and can mean that past pay discrimination follows women and other groups throughout their career.

“Evidence from US states which have banned asking about past salary shows that is a simple, evidence-led way to improve pay equality for women, people of colour and disabled people. This is an important first step. We hope more employers will answer this call, and sign Fawcett’s pledge, as part of other actions to tackle their pay gaps.”

The Government has already run 25 returner programmes across the private and public sector and will use learning from these initiatives to design the new STEM programme.

Unpaid care work, including childcare and informal adult care, is disproportionately performed by women. This can have a big impact on pay and progression, with research showing that returners with degrees are, on average, paid 70% of the hourly wage of an equivalent colleague who has not taken time away from work.

By launching the new returners programme, the government is hoping to support those who are looking to step back into work, particularly in STEM sectors. The 2021 STEM Returners index survey revealed that 61% of returners found the process of returning to the industry difficult or very difficult. Those who did return commented on being overqualified for their role and had entered at levels below where they were prior to their break.

In line with the Government's commitment to level up opportunities, the new programme will support returners across the UK – giving them the opportunity to refresh and grow their skills in sectors where their talents are most needed. It will run for a minimum of two years, and the evidence gathered will enable and provide a base for organisations to provide their own returner programmes.