



Unite response to the Treasury Committee call for evidence on Women in the City

This response is submitted by Unite the Union. Unite is the UK's largest trade union with 2 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, financial services, print, media, construction, transport and local government, education, health and not for profit sectors.

Unite, is also the largest trade union in the finance sector representing some 180,000 workers in all grades and all occupations, not only in the major English and Scottish banks, but also in investment banks, the Bank of England, insurance companies, building societies, finance houses and business services companies.

Executive Summary

- It is necessary to look at the jobs women do to ensure that industry is getting the best from all workers and workers are able to deliver a fair days work for a fair days pay;**
- The long hours culture is a barrier to women's progression to the upper grades within the sector, where unpaid overtime is regarded as part of the job;**
- Employers should do more to promote flexible working opportunities throughout the organisation and in particular in more senior grades;**
- The distribution and awarding of bonuses are a significant factor behind the gender pay gap in the sector;**
- Employers appear less than willing to accept discrimination in pay systems exists which makes it difficult to address a fundamental barrier to women's progression;**
- Finance sector members work considerably longer than their contractual hours, reflecting the intensification of work within finance;**
- Good flexible working policies exist although there appears a chasm between policy and practical implication;**
- Tackling the gender pay gap is an essential component in delivering a successful and sustainable finance sector.**

Introduction

1. Unite welcomes the opportunity to contribute to this consultation on Women in the City as we represent a significant number of women workers within the finance sector. Unite believes it is important to utilise the skills of all workers; to fail to recognise the contribution a diverse workforce can make to a business is economic suicide and is tantamount to a failure of duty to provide shareholder value and will only limit productivity, reduce opportunity and do a disservice to the UK economy. It is therefore right to look at the jobs women do to ensure that industry is getting the best from all workers, and workers are able to deliver a fair days work for a fair days pay.
2. A position paper published by Close the Gap identified the relationship between gender equality and profit.¹ The research showed that by implementing positive diversity practices companies can increase their profitability by recruiting the best available talent from the widest talent pool and gender balance was shown to be crucial to good corporate governance.

“The performance enhancing potential of gender equality in the workforce, including equal pay, could prove to be of crucial importance for individual companies to stay competitive in these hard times.” *Close the Gap: Valuing diversity*

3. One of the barriers to women’s progression to the upper grades within the sector is the long hours culture, where unpaid overtime is regarded as part of the job. Many women continue to bear the brunt of the domestic responsibilities which creates a dichotomy for women – career or home. If women are not seen to work long hours then they are regarded as less committed.
4. While there are some excellent flexible work policies in place within the sector they appear to be poorly implemented in practice. Employers must ensure the commitment to deliver flexible working opportunities across the organisation applies to all workers (including men) and that the support for the policy is filtered down through the organisation. It is evident that some local managers have difficulty in delivering flexible work opportunities and in allowing flexible working in practice.
5. Employers should also do more to promote flexible working opportunities particularly in more senior grades. Research from the Equality and Human Rights Commission (EHRC) show that

“Employees in managerial jobs....are less likely to request reduced hours, and when they do, they are less likely to succeed”.²

¹ Close the Gap Valuing Diversity: The business case for gender equality during an economic downturn

² EHRC Flexible working policies: a comparative review

Where women work

6. Unite welcomes efforts to tackle occupational gender segregation however do not necessarily agree that women should be encouraged to take up so-called 'men's work' as the only means to tackle equal pay issues or to tackle gender inequality in the labour market. It is evident that the issue is much more complex, with women's work and the jobs women do undervalued in society also a significant factor.
7. Some of the issues around the pay gap can be attributed directly to the types of work women are found in. Women tend to be found in lower grade, lower status jobs within a workplace and in particular occupational areas for example, nursing and office work, caring roles as well as jobs associated with catering and cleaning. The Fawcett Society have aptly named it the 5 C's - caring, cleaning, catering, clerical work and cashiering.
8. This is clearly reflected in the finance sector where women members are more likely to work in clerical and secretarial occupations, whereas their male counterparts are more likely to work in managerial occupations. This is further evidenced from the undernoted tables which clearly show the occupational divide.

Northern Rock

	Total	% male	% female
Clerical	2342	29.3	70.6
Managerial	1513	35.4	64.5
Technical Manager	388	73.4	26.5
Ungraded *	306	59.1	40.8

Source: Northern Rock

**Assistant Directors, Senior Managers Operational Directors and Managing Directors*

Legal and General

	Total	% male	% female
Staff	5501	44	56
Professional	1217	59	41
Manager	594	66	34
Senior Manager	451	78	22

Source: Legal and General

Royal Bank of Scotland

	Total	% male	% female
Clerical	55388	29	71
Appointed	30491	47	53
Manager	16095	71	29
Senior Manager	2880	80	20
Executive	242	88	12

Source: Royal Bank of Scotland

Flexible Working

9. While the statutory right exists for those with caring responsibilities to request flexible working, most policies which exist in the finance sector extend to cover all workers employed with the company for over 26 weeks. The availability of flexible working is evident throughout the finance sector although the provision of what constitutes flexible working varies.
10. Aviva and Legal and General provide flexible working but do not define what types of flexible working are available. Royal Bank of Scotland (RBS) while offering flexible working policies have identified core and non-core policies. Core policies include part time working, job share, maternity or adoption and variable hours, while non-core includes compressed hours, homeworking and term time. RBS has identified that some job roles are outwith the scope for granting non-core flexible working. This differentiation between core and non-core is not evident across the sector.
11. Barclays flexible working policy on the other hand specifies those areas which are identified previously as core and non core are all compatible with flexible working within their policy.
12. It is clear that while policies are in place within the sector employers could do more to promote service level part time opportunities and requests for flexible working particularly at senior and managerial levels where requests are often refused on business grounds.
13. The survey of Unite members in the finance sector carried out in Spring 2008 found that no fewer than 574 (35.4 per cent of female respondents) had taken maternity leave while working for their current employer. Of this cohort 360 (62.7 per cent) returned to work on a part-time basis. Exactly 85 per cent of the cohort returned to work in the same job, 76 members (13.2 per cent) returned to a lower graded job and 10 members (1.7 per cent) returned to a higher graded job. It is therefore evident that women are more likely to return to work on a part time basis following a period of maternity leave, with opportunities to work part time decreasing the higher up the organisation you go.
14. There is also an unfounded perception that women show a lack of commitment to the organisation when they work part time. This is backed by trade union representatives and Officers which have anecdotal evidence from within the finance sector which reinforces that this preconception exists.

Pay

15. The 2008 Unite survey of Unite finance sector members also found that women are markedly lower paid than their male counterparts. 22.8 per cent of women earn less than £11,774 whereas only 2.8 per cent of men fall within this category. Conversely, men are more frequently found in the upper reaches of the earnings distribution.

The survey also found:-

- dissatisfaction about pay and pay systems, although the extent of this varies between different employee groups.
- Many members, irrespective of gender or hours of employment, are dissatisfied with their pay. However, women in particular feel that they are under-paid and discriminated against. 54% of respondents did not think that their pay was reasonable. 50% of women said that their pay was reasonable compared to 59% of men.
- 46% of members said that their pay system discriminated against them. 48% of women said that this was the case, compared to 44% of men.

In respect of pay discrimination the union is calling for:-

- Mandatory pay audits in the private sector.
- Reporting on equality issues in company reports including equal pay.
- Statutory rights for equality reps.
- The right for union's to take representative actions.
- More transparent pay systems.

Barriers to equal pay and women's progression in the finance sector

Unite negotiators and representatives have cited the below as barriers to equal pay and women's progression in the finance sector:

- The long hours' culture.
- Opaque pay systems – performance/market related pay, bonuses, wide pay bands, anomalies in starting pay and managerial pay.
- A reluctance to consider managerial roles on a part-time or job-share basis.
- Attitudes to working women. The view that women are less committed to work once they have children is commonly held.
- Lack of access/encouragement to career development and training.
- Male managers recruiting and promoting in their own image.
- The location of work – women may not be able to travel further because of caring responsibilities.
- "The old boy's network".

There are three key areas that need to be addressed to improve women's progression within organisations:-

- Recruitment and promotion.
- Training (both on equality and better access to training for women).
- Work-Life balance.

16. Unite is therefore disappointed but not surprised by the recently published EHRIC Inquiry into sex discrimination in the finance sector.³ The findings

³ http://www.equalityhumanrights.com/uploaded_files/financial_services_inquiry_report.pdf

show that the distribution and awarding of bonuses are significant factors behind the gender pay gap in the sector where stereotyping of women and sexist and exclusionary practices sometimes creates a climate in which women feel undervalued and lack confidence.

17. Unite has campaigned on the issue of gender pay and the lack of transparency in bonus payments for many years however some employers appear less than willing to accept discrimination in pay systems exists which makes it difficult to address a fundamental barrier to women's progression in the sector.
18. This report is however helpful and will hopefully provide the opportunity during a time when the public focus is on pay and bonus systems in the finance sector to lend weight to those who are campaigning to end the inequity and veil of secrecy that surrounds performance based pay and bonuses in the finance sector.

Unpaid overtime

19. The Unite survey found that members tend to work considerably longer than their contracted hours. This is particularly the case for those contracted to work more than 20 hours. Over 60 per cent of all members work some hours of unpaid overtime.
20. Across the hours' distribution, however, finance sector members work considerably longer than their contractual hours, reflecting the intensification of work within finance. This pattern of hours is reproduced for both men and women. It is noteworthy, however, that members contracted to work 20 or fewer hours are better able to control their total hours than their counterparts contracted to work longer hours.

Skills and training

21. The Unite 2008 finance sector members survey found that just over 58 per cent of all members reported that they had received some training days during 2007 and 50.8 per cent of all members that responded to the question reported being in receipt of training days to comply with FSA regulations. In banking 57.7 per cent of members indicated that they had received some training and 48.4 were in receipt of training days to comply with FSA regulations. The corresponding figures for insurance were 59.3 per cent and 59.8 per cent. Although members employed in insurance were more likely to have undertaken training during 2007 there were relatively few differences in the strength of feeling between members in banking and insurance on the provision of training.
22. The Financial Services Skills Council (FSSC) is the Sector Skill Council tasked with providing strategic leadership for education, training and skills development for financial services.
23. At the behest of trade unions the FSSC Action Plan includes reference to equality and diversity. The trade union action plan which is incorporated as an appendix into the Sector Skills Agreement calls on the FSSC to

work with trade unions to ensure that all employers within the footprint are aware of the equality issues associated with training and learning.

24. Despite the trade union's asking for a report detailing the key objectives for equality and diversity, the FSSC has as yet failed to respond and Unite are disappointed that the FSSC has yet to come up with a strategy or indeed priorities on equality and diversity of their own volition. Interestingly the FSSC is in the throws of the re-licensing process and Unite would very much encourage the FSSC to be mindful of the gender distribution within the sector and to treat the equality and diversity agenda as a priority area.
25. There is certainly scope for considerable improvements in the level of training delivered within the sector and the FSSC must be prepared to fulfil their obligations as well as raising their aspirations for women workers in the sector.
26. Moreover, a review from the Women and Work Commission Report: Shaping a Fairer Future: Three years on, recommended that equality must be an explicit part of the Sector Skills Council re-licensing process. The report also recommends that the Department for Business, Innovation and Skills (BIS) need to establish a "robust process for measuring and monitoring the extent to which SSC's are considering gender segregation issues, and the impact of actions they take".⁴

Sexual harassment issues

27. Unite has been involved in a number of sexual harassment cases in the past 12 months. Cases include inappropriate advances and behaviour towards a junior colleague where recommendations included a final written warning and Dignity at Work training. In another case the individual was dismissed for inappropriate behaviours. Another example is where members who worked in the City of London as traders left the organisation under the terms of a compromise agreement citing a culture of unfair treatment and sex discrimination, including sexual harassment and a lack of promotion opportunities.

Cleaners in the City

28. Women cleaners are the hidden workforce in major financial institutions in the City. They are mainly migrant workers and have been organised into Unite the union. Unite's Justice for Cleaners campaign has been successful in negotiating and tackling low wages, lack of sick pay and holidays, health and safety, bullying and harassment, housing, transport, immigration issues and unfair deductions from pay.
29. Nearly half of cleaners in the City of London are covered by a recognition agreement with UNITE and get a living wage and conditions. For example Barclays pays all its cleaners in the City of London and Canary Wharf £7.50 per hour

⁴ http://www.equalities.gov.uk/pdf/297158_WWC_Report_acc.pdf (p21)

“...UNITE the union has really worked here. Before we were not treated with respect, but now we get £7.30ph, sick pay, access to a pension scheme and 28 days’ holidays....” *a cleaner at Merrill Lynch in the City*

Conclusion

30. Unite is calling on the Government and employers to do more to help promote and implement fully, flexible work opportunities across the sector. While good policies exist there is an apparent chasm in some organisation between policy and practical implementation. Having written policies in place which are not implemented fully will not help address the barriers to women’s progression. However, good policies implemented well may allow the glass ceiling to be pushed upwards or even broken through.
31. Tackling the gender pay gap to deliver a fair days pay for a fair days work for all workers is an essential component in delivering a successful and sustainable finance sector able to utilise, without prejudice, the skills, knowledge and experience of the whole workforce. The sector must address all barriers which discourage economic success. Gender pay differentials being one. Paying women workers less than their male colleagues will not encourage women to consider a career in finance nor will it raise the aspirations of women working in a sector which discriminates against them. Unite welcomes the publication of the EHRC Report and the Women and Work Commission Report, however while much has been written on this issue the time has come to deliver.

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