

IES Annual Conference 2023

27 April 2023 - hybrid event - 9:30-15:00

Shaping a fairer world of work



Agenda for the day

9.40 Opening Chair Remarks

9.45 *Keynote: Tony Wilson, Director, IES*

10.15 *Fair Pay: How is the pay transparency and pay equity agenda affecting pay gaps, and what works in closing them? Dr Duncan Brown, IES Principal Associate*

10.45 Coffee

11.00 *Enabling employee voice to create a climate of fairness. Nita Clarke OBE, Director IPA*

11.45 *Future of Inclusion. Heledd Straker, People Evolution Consultant, And Digital*

12.30 Lunch

1.30 *Designing flexible working that removes barriers to progress. Nicola Smith, Interim CEO, Timewise*

2.15 *Keynote: Paul Drechsler CBE, Chair International Chamber of Commerce*

2.45 Panel Discussion

3.00 Chair Closing remarks

3.05 Close

**HELP
WANTED**

Shaping a fairer world of work

Tony Wilson, Institute Director

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IT'S NOT FAIR!



Making work fairer

Six things I'll cover:

- Near-constant change (and disruption) over last three years
- Longer-running inequalities in accessing work
- Inequalities in the jobs that we do
- Unequal impacts of rising living costs
- Changing attitudes and expectations
- Why this matters/ what we do about it

Redundancies

There are Britain's unemployment rate is forecast to hit 8% in April

Thousands of ret...
to year



City AM

+ Follow

Nearly every UK business struggling to fill roles amid
worker exodus

Story by Jack Barnett • Yesterday 07:00

... of 2023, according to the

PI

@
Wed
GMT

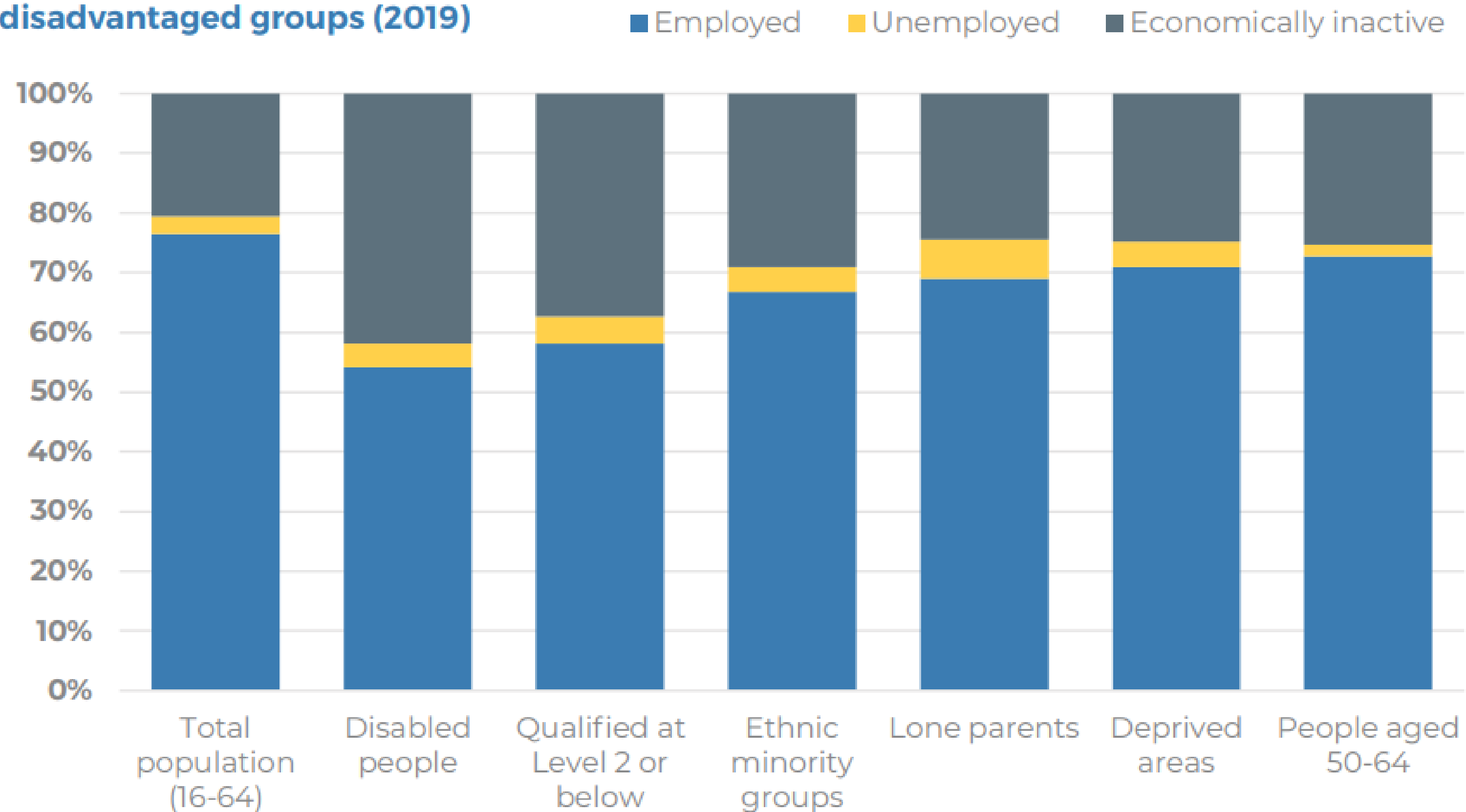
The number of UK workers on payroll has fallen

WANTED

2. Bigger picture, long-running inequalities

Especially for disabled people, but gaps widening post-pandemic for many

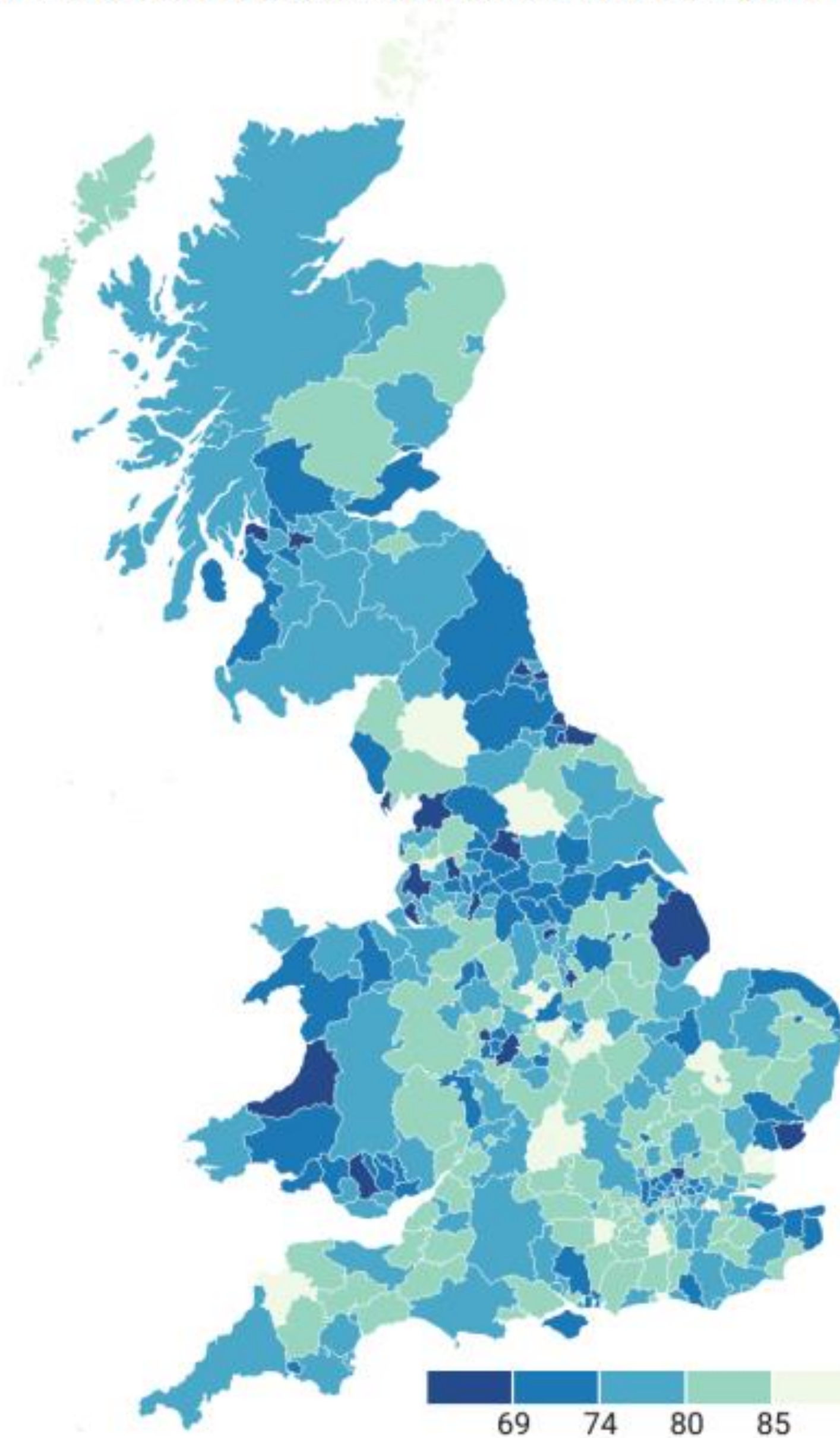
Figure 2.1: Employment, unemployment and economic inactivity for selected disadvantaged groups (2019)



Source: IES analysis of LFS, Annual Population Survey (APS) and Index of Multiple Deprivation (IMD). All gaps use LFS Oct-Dec 2019, except for 'most deprived areas' which uses APS data for Jan-Dec 2019. Deprived areas are defined as the bottom quintile of local authorities on IMD income deprivation measure

‘Place’ matters too (more?)

- Wide disparities in employment between areas
- Ex industrial, coastal and urban areas outside of London/ South East often fare worse
- Many areas also have more people disadvantaged due to their health or age, or by being disabled or from an ethnic minority group
- Range of research showing that people want decent, secure, rewarding and local work
- (Not just ‘levelling up’ to attract new workers for new jobs...)

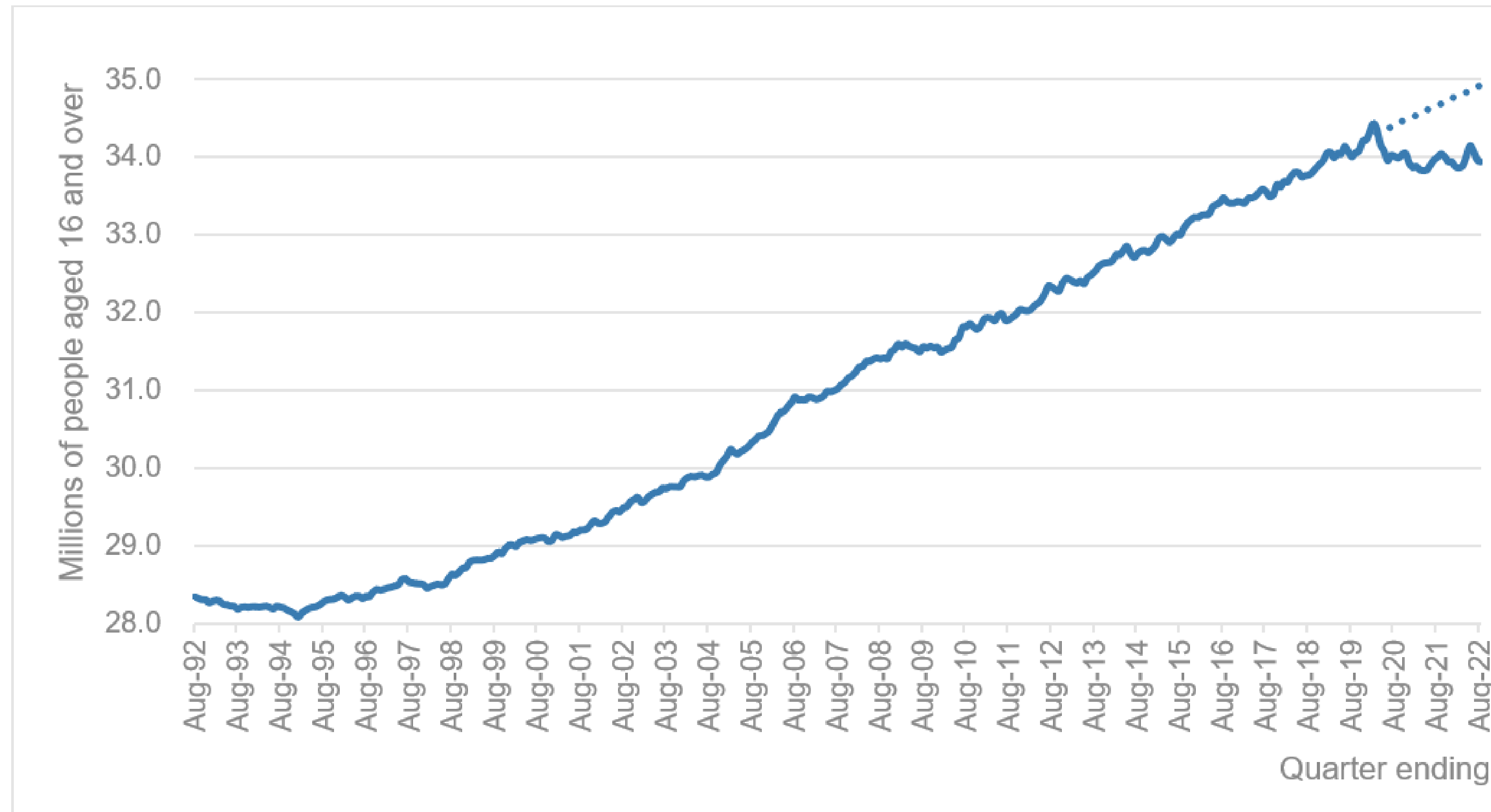


Source: Annual Population Survey. Data for Northern Ireland local authorities not currently available. Map data © Crown copyright and database right 2021. Created with [Datawrapper](#).

Post pandemic, a 'missing million'

For thirty years, through thick and thin, labour supply has grown (until now)

Size of labour force (employed plus unemployed): pre-crisis trend and outturn



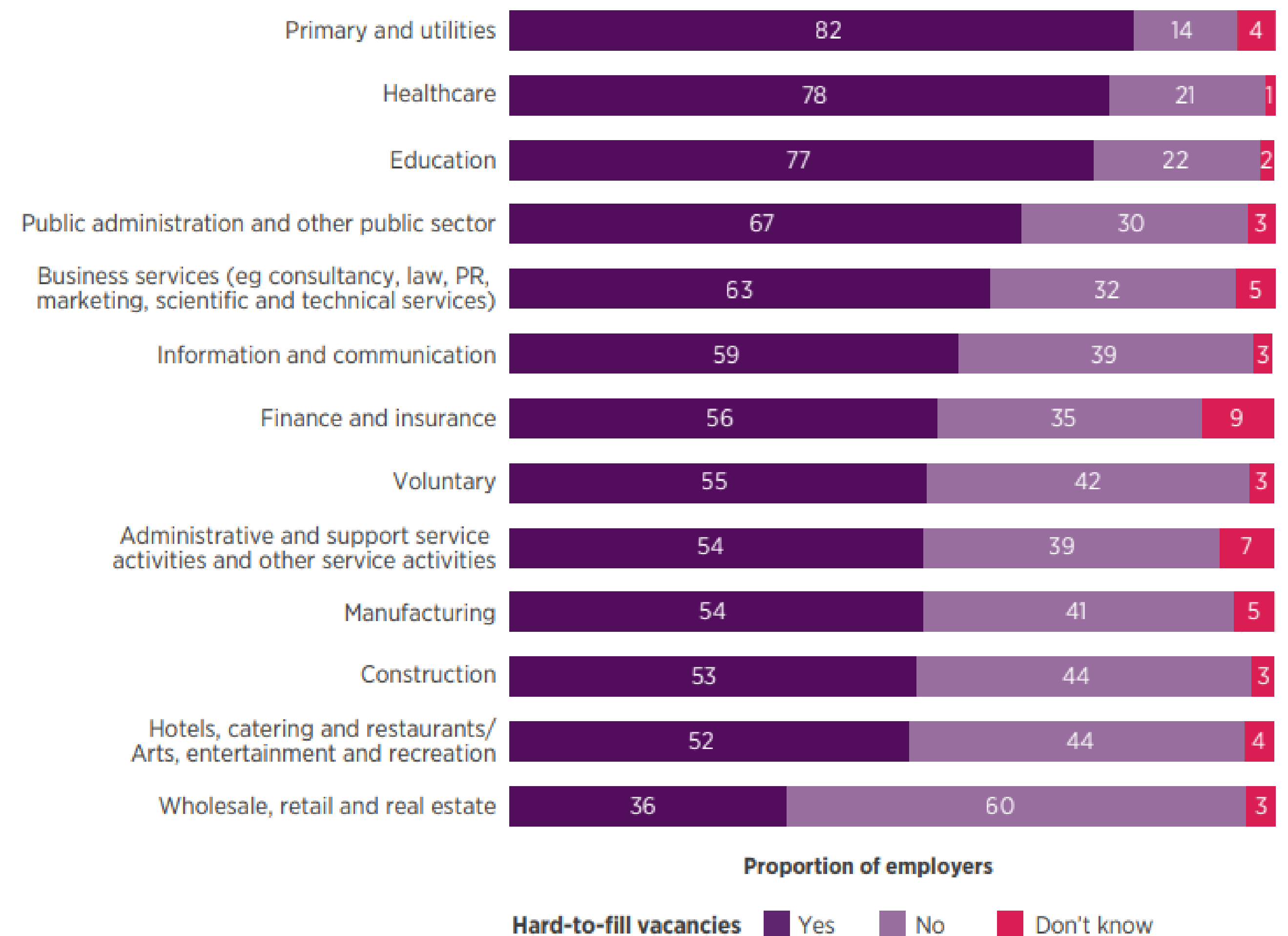
Source: Labour Force Survey and IES estimates

Contributing to picture of chronic shortages

CIPD Employment Outlook (winter 2022/23) finds issues across economy

- One third of firms (29%) anticipate significant problems in next six months
- Two fifths to four fifths of vacancies are hard to fill wholly or partly due to lack of skills
- Three quarters require degree level skills or higher
- One fifth are hard to fill due to lack of candidates
- Just one in seven (14%) of firms report no difficulties

Figure 7: Employers with hard-to-fill vacancies, by industry (%)



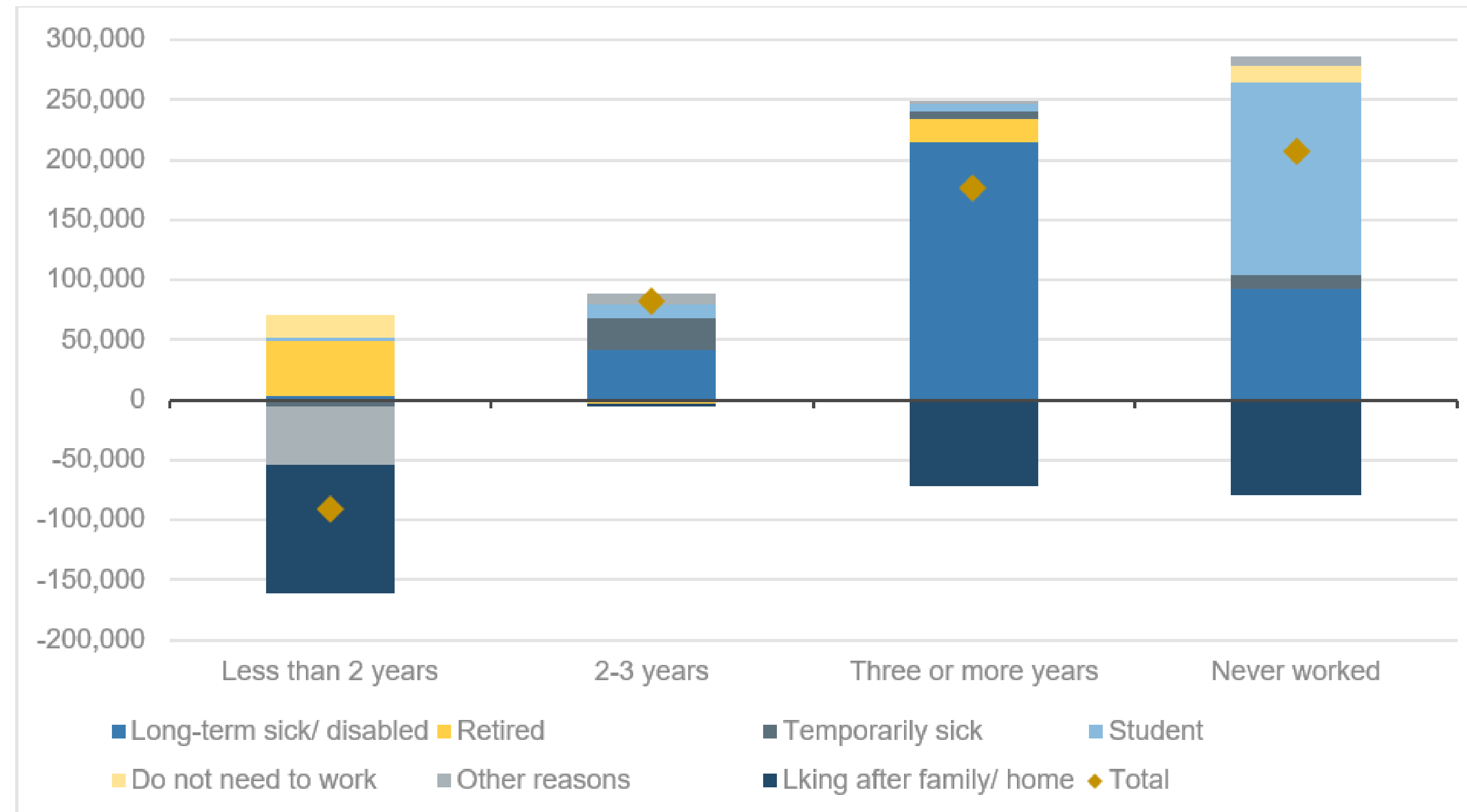
Four big drivers since 2020

- Public debate has all been focused on who's *left* the labour market – where have the workers gone?
- But the real story is that people *aren't joining it*
 - Fewer young people – smaller population plus more students means the youth labour force has fallen from 4.7m to 4.2m in just ten years
 - Lower migration – added 220k/ year for the decade before Brexit, adding just 130k/ year since 2016
 - More older people – in general, and out of work
 - More people with long-term health conditions, staying out of work longer
- Pandemic may be a catalyst for *some* of these, but **all are permanent, structural changes**

Changes in inactivity by time since last worked **ies** institute for employment studies

Virtually all among those who last worked 3+ years ago or never worked

Change in economic inactivity by duration and reason given, 2019 to Q2 2022

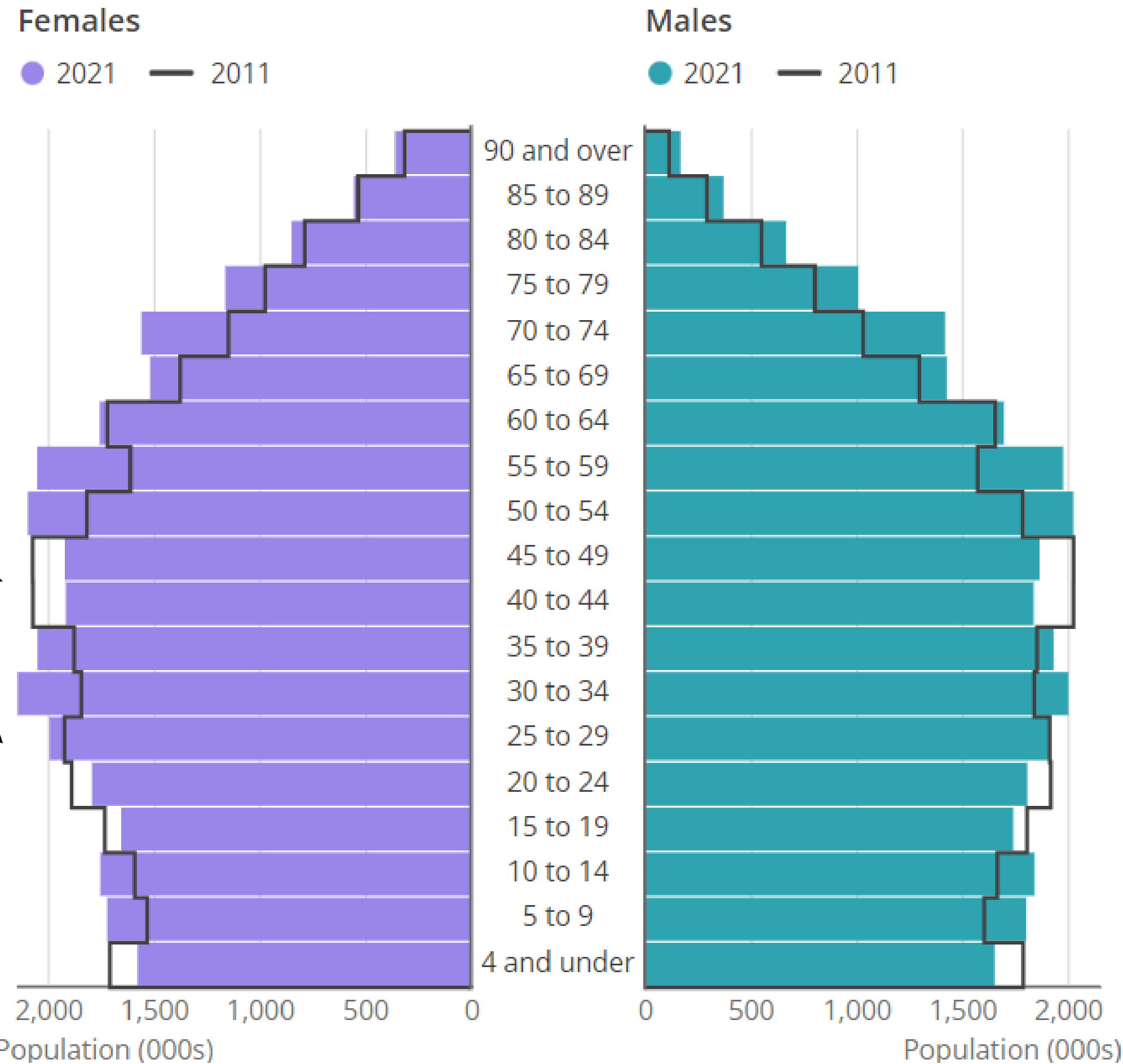


Source: IES analysis of Labour Force Survey. Data is for any reason given by respondents, not just the main reason, so total changes in reasons will be greater than changes in number of people.

Longer term, we won't have enough workers

Ageing workforce (and shortages?) will be defining issue for next Parliament

Age and sex of the population, 2011 to 2021, England and Wales



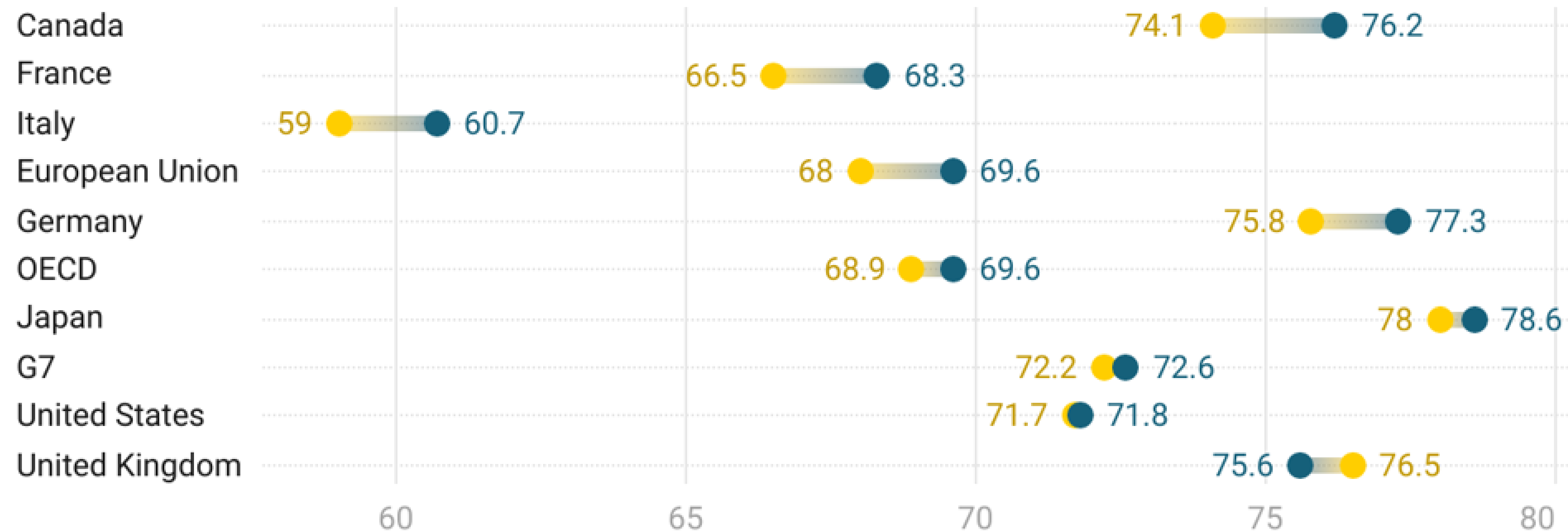
A million more people in their fifties than in their forties or twenties...

Source: Office for National Statistics - Census 2021
Source: Office for National Statistics - Census 2021

This just isn't happening in other countries

Only major economy with lower employment than pre-pandemic

Employment rates (15-64) in Q4 2019 (yellow) and latest (blue)



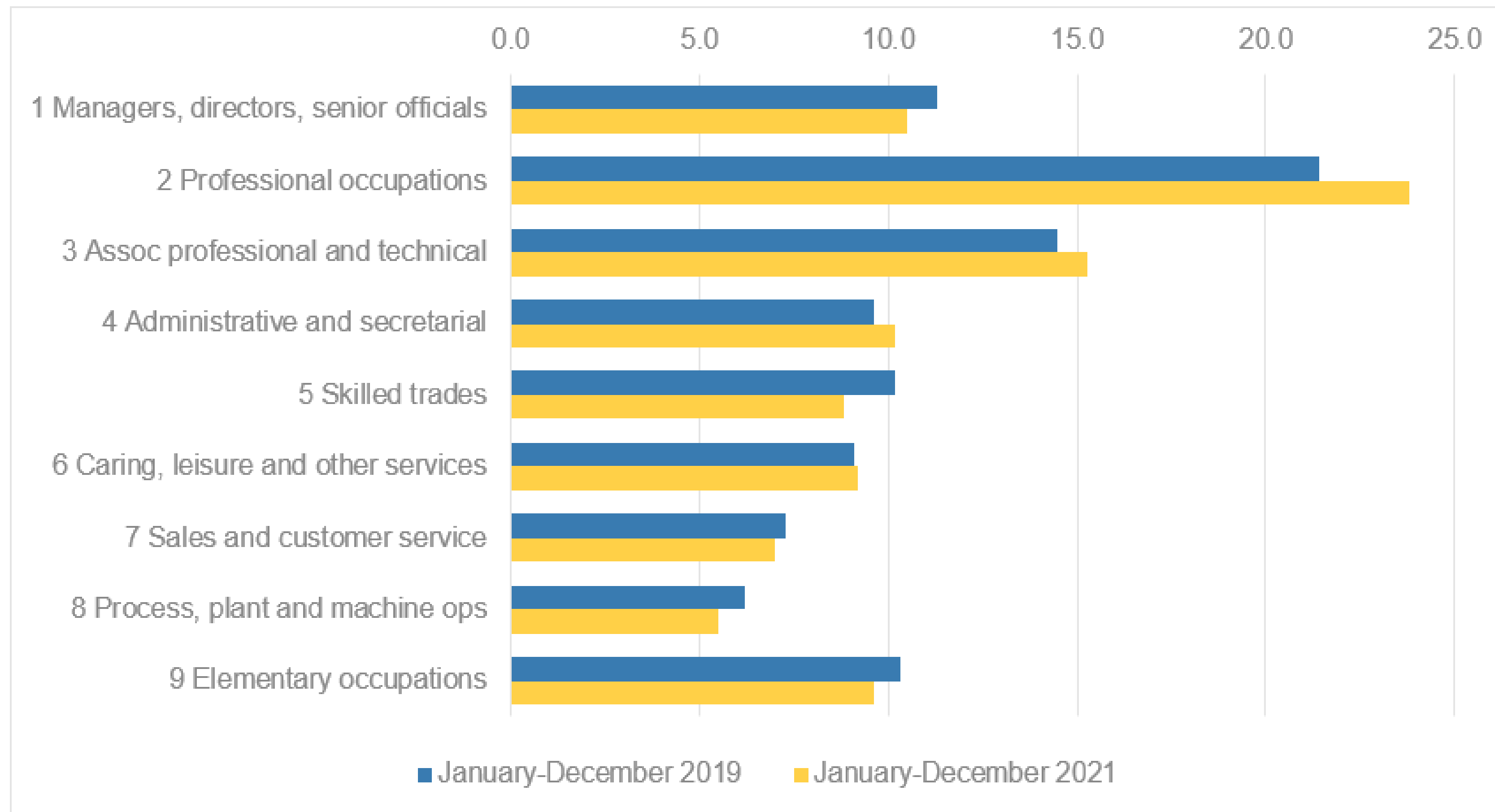
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Source: OECD Stat. Data for Canada and United States is Q1 2023; all other data is Q4 2022

3. Inequalities in the jobs that we do

Half of all jobs now 'high skilled', one in five 'low skilled'

Proportion of all those in work employed by broad occupation group, 2019 and 2021

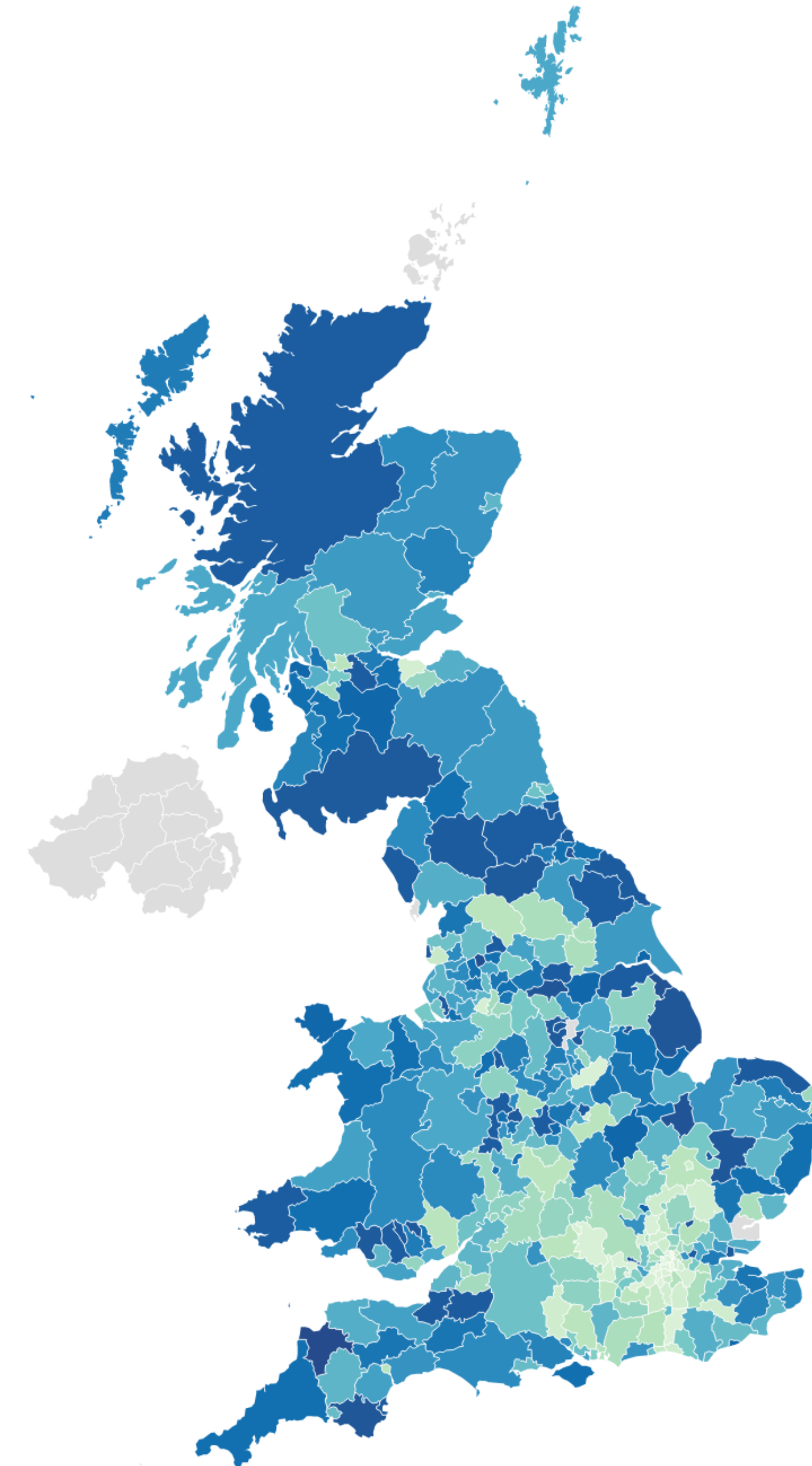


Source: Annual Population Survey



Again, big spatial differences

- Roughly three fifths of all employment in London and the South East is in 'high skilled' occupations
- Below two fifths in many coastal, ex industrial and urban areas (outside of London)
- One third of all 'high skilled' employment is in London and the South East
- But to reiterate – we need to make all work better, more secure and rewarding, not just focus on 'high skills'



4. Unequal impacts of rising living costs

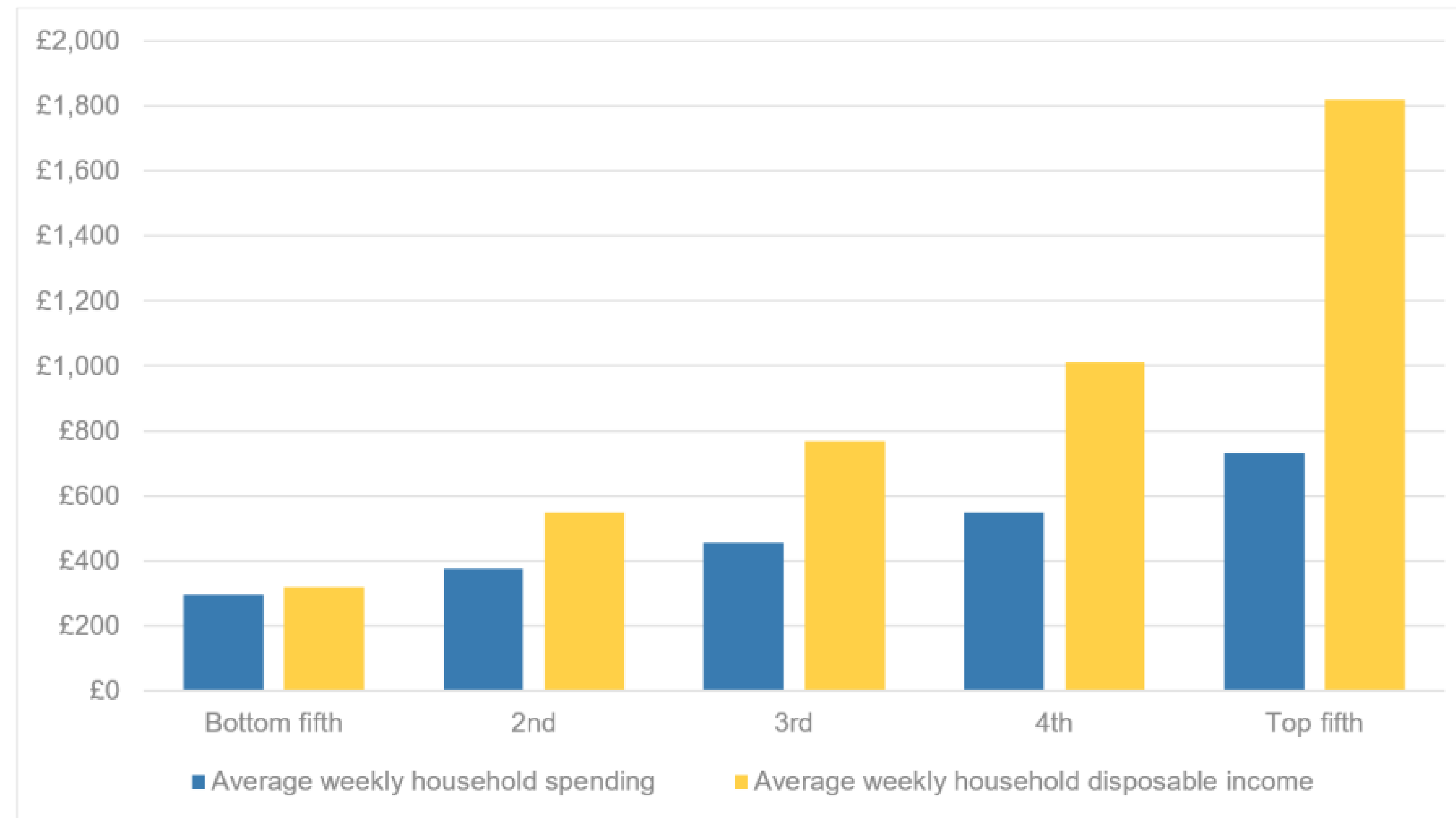
Inflation is hurting everyone, but some are less able to deal with it

- Some people and groups far more likely to be poor than others:
 - Three fifths of households with no-one in work are in poverty, compared with one in ten households where all adults work
 - Nearly half of families with three or more children are in poverty
 - Disabled people about one third more likely to be in poverty
- While the impact of large rises in food and energy costs means that larger families and disabled people are particularly hard hit

No breathing space for those on low incomes

Virtually no difference between spending and income for the poorest

Figure 2.3: Average household spending and disposable income by income quintile, 2020/21



Source: Office for National Statistics – Living Costs and Food Survey

4. Changing attitudes and expectations

Figure 1
Workers want it all
Employee expectations extend well beyond compensation.



Q: What organizational attributes do you think are most important for an employer to engage employees?

UK employers seeing significant changes in what employees expect at work: Aon Benefits and Trends Survey 2022

- 93 percent of employers believe their employees' expectations at work are changing
- The number of employers that think their employees expect better handling of mental health has risen by 44 percentage points in a year
- ESG a "board-level issue" as employers recognise changing expectations around environmental issues
- Higher expectations around employer approach to DEI

AON Benefits and Trends Survey 2022

"Workers are more willing to change jobs if they have remote work preferences that exceed those they perceive their employers to have," 30% of workers had work from home preferences that exceeded what they expected their employers to offer." European Central Bank Research

ECB Economic Bulletin Issue 01/23



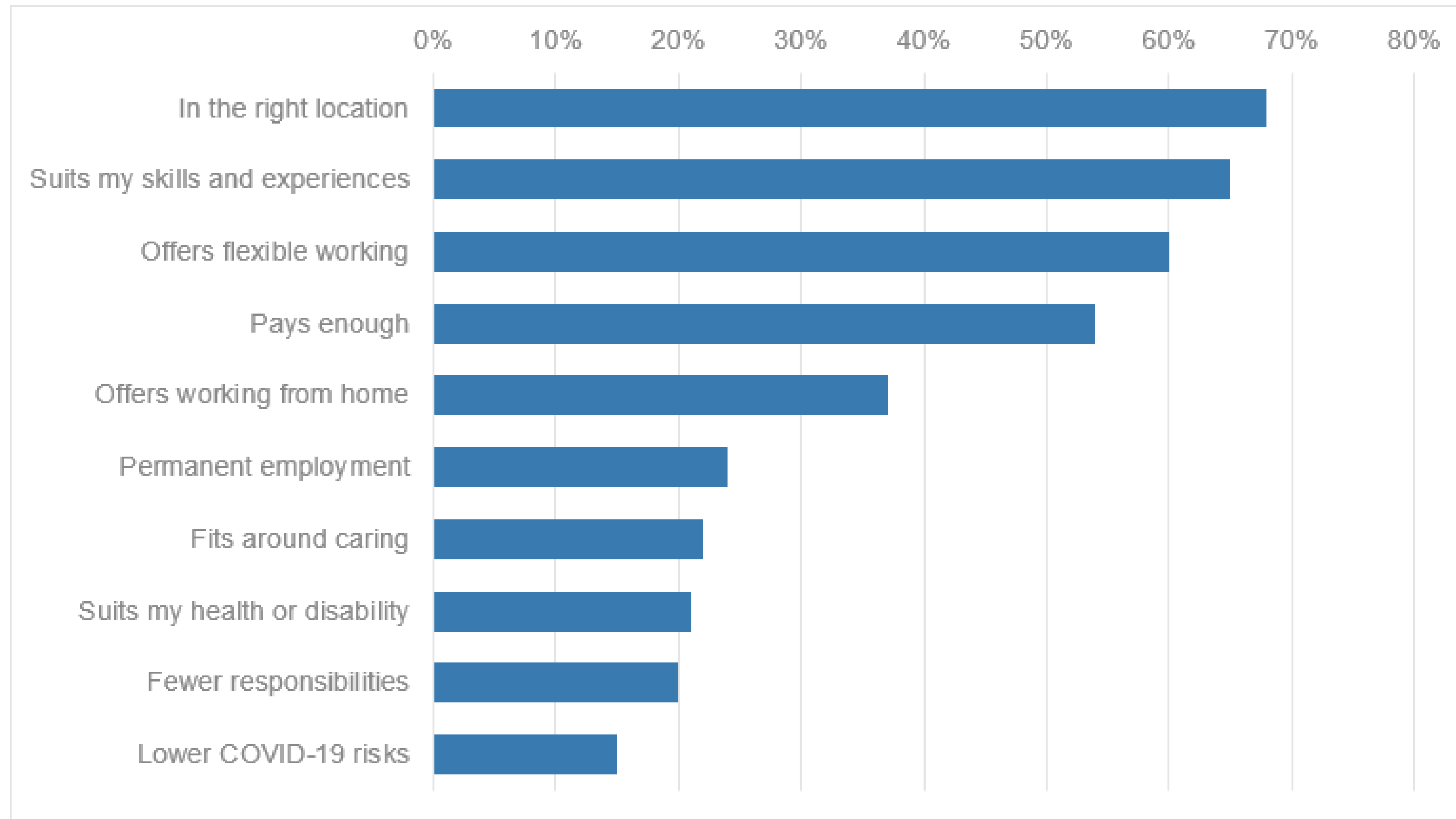
68% of public support employers allowing employees to have a phased return to work from sickness – an increase of 14% since 2019

British Social Attitudes 38 Work and Health

We see this too in what people out of work want **ies** institute for employment studies

This is specifically from over-50s who left during the pandemic, but likely applies more broadly – flexibility and ‘fit’ are key

What’s important for those in their 50s who have left work and would consider returning



Source: ONS Over-50s Lifestyle Survey, Wave 2 (10-29 August 2022)

6. So what do we do about it?!

Public policy – five key priorities

- **More support for those out of work who may want to work**
 - Budget was a start, but too reliant on DWP commissioning and on JCP work coaches, with too much focus on conditions
 - Need to reach people through the services that they use in the way that they want with support that they will trust – and at scale
- **Addressing the costs of work**
 - Budget was good on childcare, but huge implementation challenges – and silent on much else (transport, flexibility, transitions etc)
- **Meeting skills as well as labour needs**
 - The ‘Goldilocks’ problem – you can have any training you want as long as it’s an Apprenticeship or a Sector Based Work Academy...
- **Focus on health and work**
 - Budget continues a theme of piloting and testing – we need a new approach, on making work more protective of health, supporting people when they’re ill, and helping those out of work to get back in
- **Employers – rights and responsibilities**
 - Support to make work better – through intermediaries/ partners, and joined up
 - Expectations and requirements too – Employment Bill protections (as a start)

So what do we do about it?!

And for employers

- **Know our workforces**
 - Job satisfaction, flexibility are golden threads for keeping people in work and helping those out of work
 - Changing attitudes and expectations – identity, relationships, proximity, fairness
 - Eradicate biases – e.g. on progression for part-time, disabled, older and lower paid staff
 - **Audit and address the drivers of decent work**
 - Security, relationships, control, fit with skills, workplace support
 - **Inclusive recruitment**
 - Making work accessible – costs, flex, induction and training, health support
 - The processes – clear language, simple processes, pace, diversity, unconscious as well as conscious biases
 - **Use data better and differently**
 - To do all of the above – where are the issues now, who is leaving, why, what jobs are hard to fill
 - What is going well, not just badly – why do people stay, who progresses
- Leadership matters** – this is a business imperative, not just a social one

**HELP
WANTED**

Shaping a fairer world of work

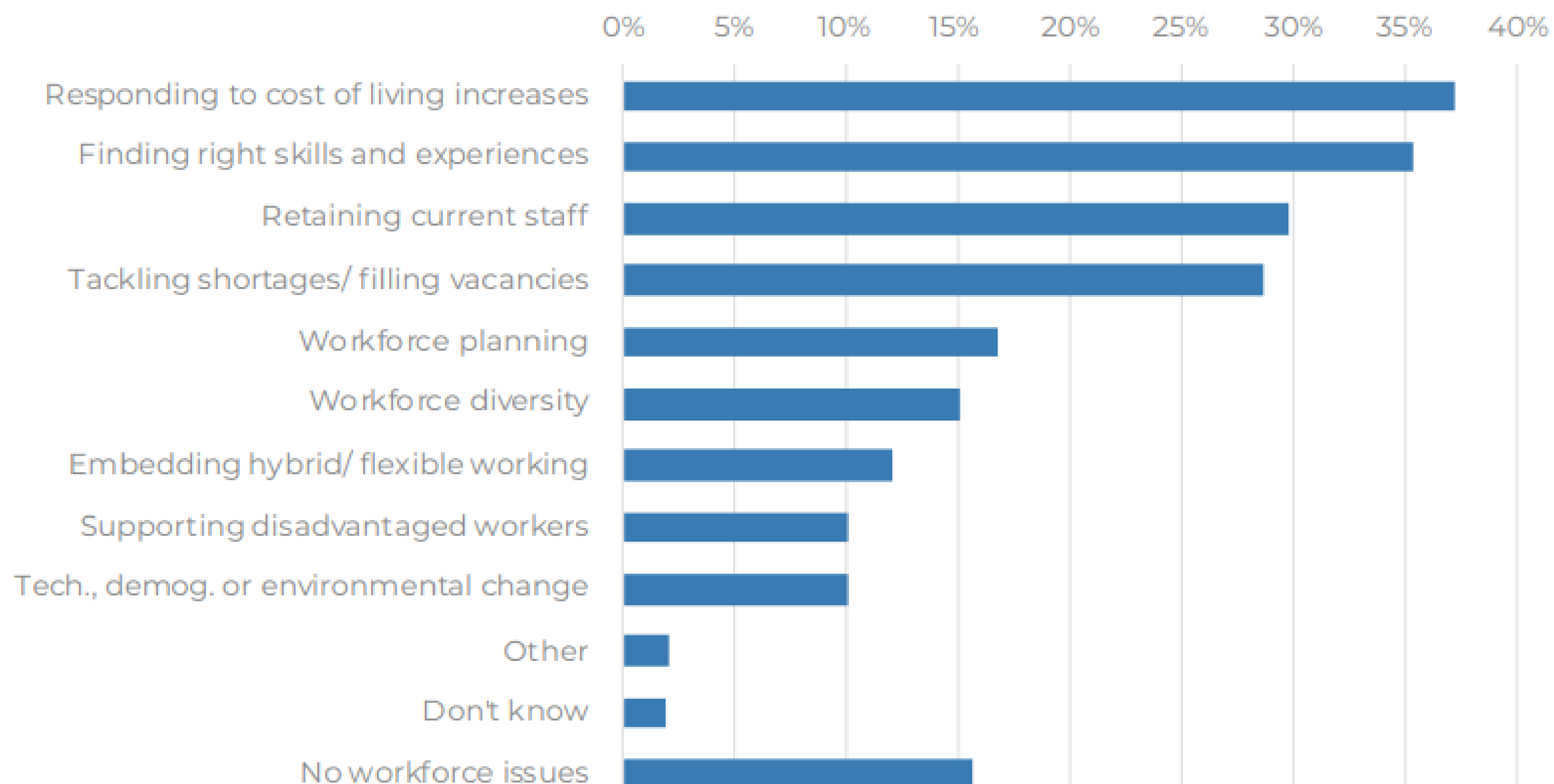
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Where is closing pay gaps in your priority list?

Figure 3.10: Top workforce issues that firms want help with



Source: YouGov polling for Commission on the Future of Employment Support, 22-29 September 2022. Respondents could list up to three issues. Base: 537 respondents.

Our agenda this morn

- What is fair pay?
- Where we are on pay gaps
- What works?
- Pay transparency progress
- Action planning

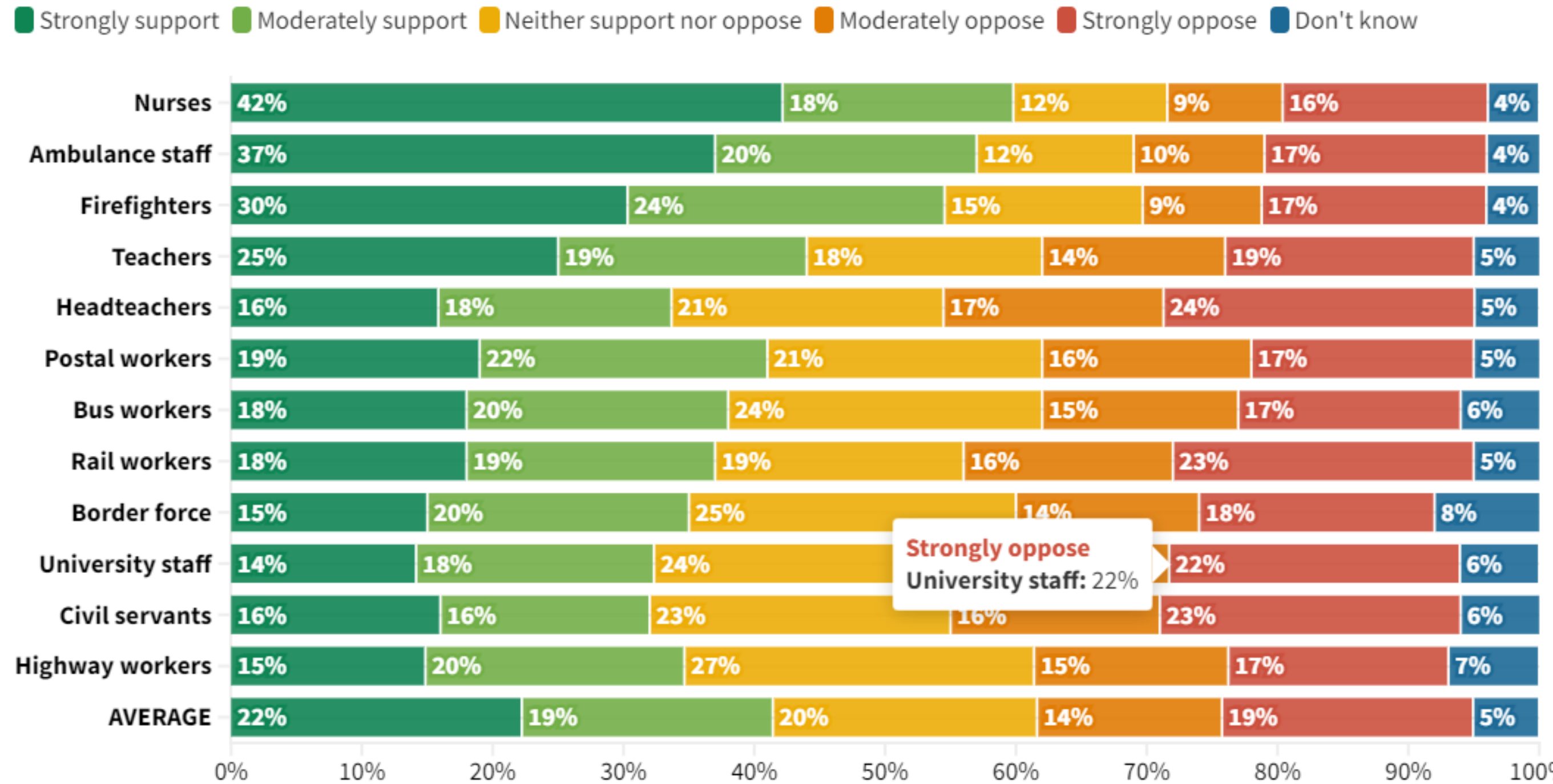
Is fair pay
possible? A
few
perspectives

- Strikers' pay: who is the most deserving?
- Non-striking worker's pay: Social workers
- Are pay awards too high?
- Equal pay for all?
 - The parable of the Vineyard
 - The philosophy of John Rawls
-And then pay gaps!

Who deserves higher pay and why?

Do you support or oppose current or potential strike action over pay or working conditions by the following groups of workers?

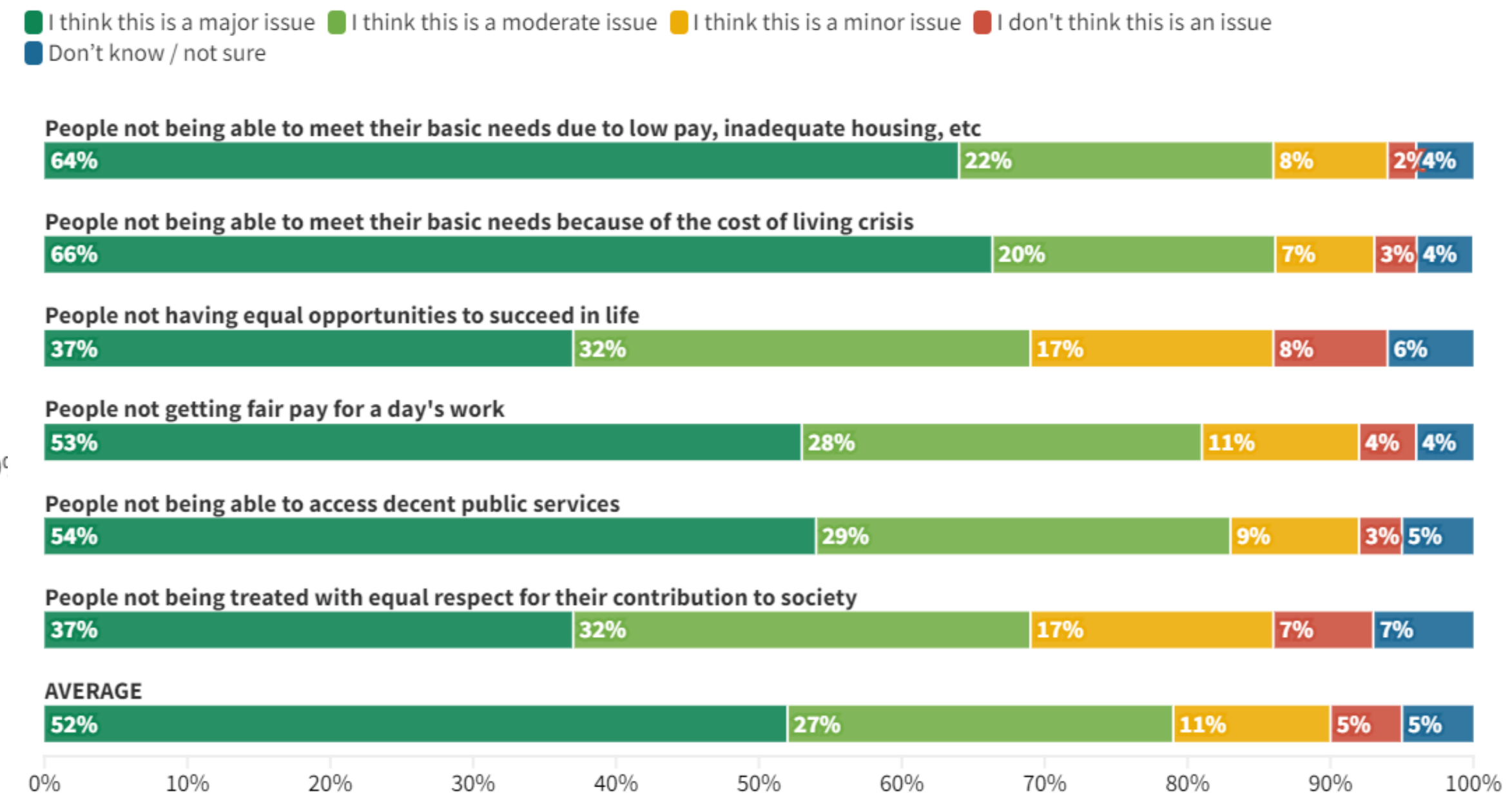
FILTER BY VOTING HISTORY (2019) OR INTENTION (2023) **All**



Source: Opinium • Based on nationally representative survey of 2,000 GB adults conducted on Jan 18-20 2023

In your view, do you feel that any of the following are issues in the UK today?

FILTER BY VOTING HISTORY (2019) OR INTENTION (2023) **All**



Source: The Fairness Foundation, 2023 <https://fairnessfoundation.com/striking-a-nerve#block-6c6c31bbe4e74b54af76ba65cf255b7d>

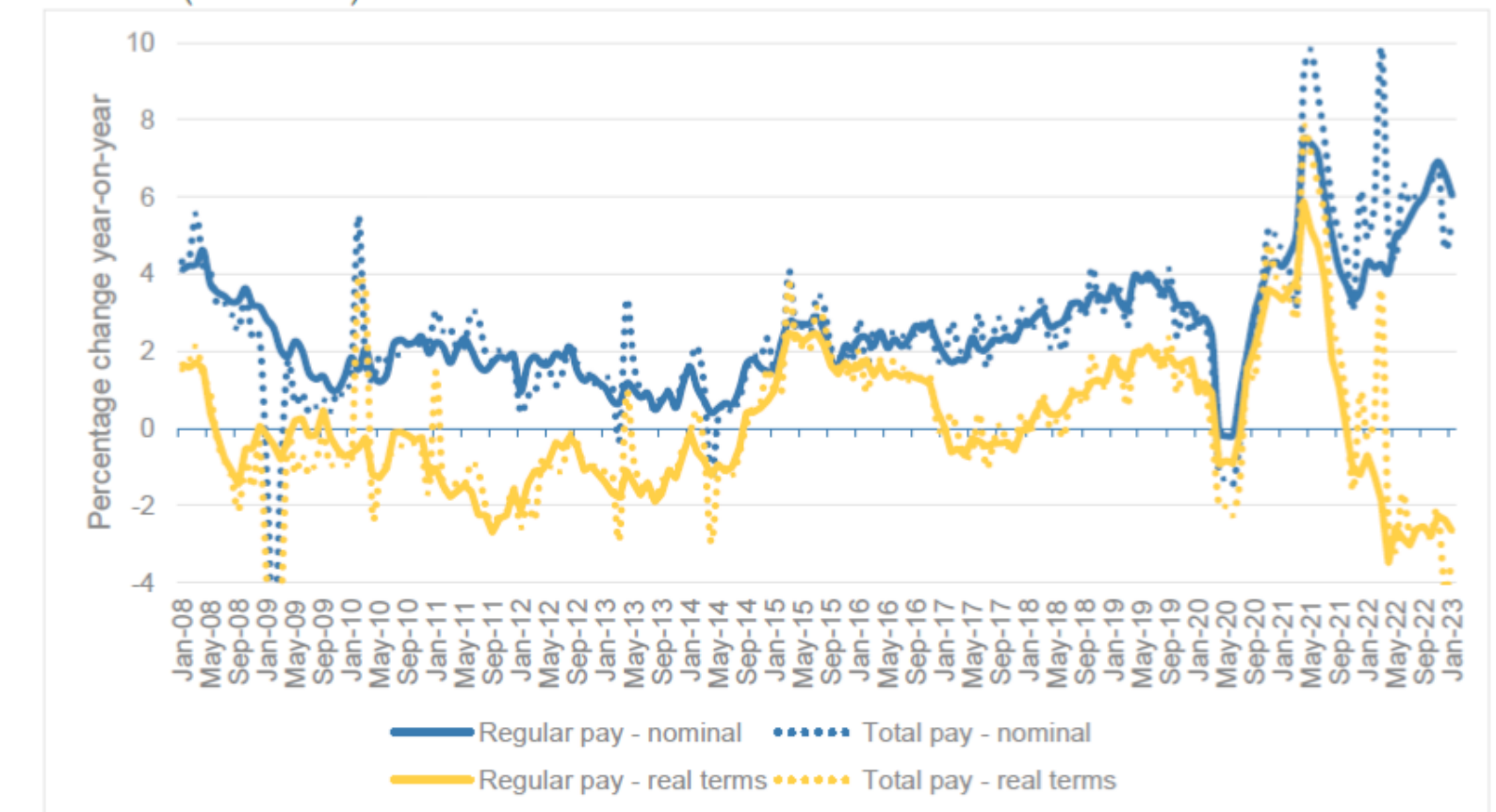
Are pay awards too high/ unaffordable?

- All employers face responsibilities – ‘clear duty’ Macmillan.
- Half employers believe it’s a workplace responsibility to improve financial wellbeing beyond legal obligations (CIPD) .
- How far to redress impact?
 - Stagflationary effect vs suffering of low/medium paid?
 - Who pays?
- Raising **key questions**:
 1. Whether or not to respond?
 2. How to respond?
 3. Is pay really too high and driving inflation?

Is pay too high..... or too low?

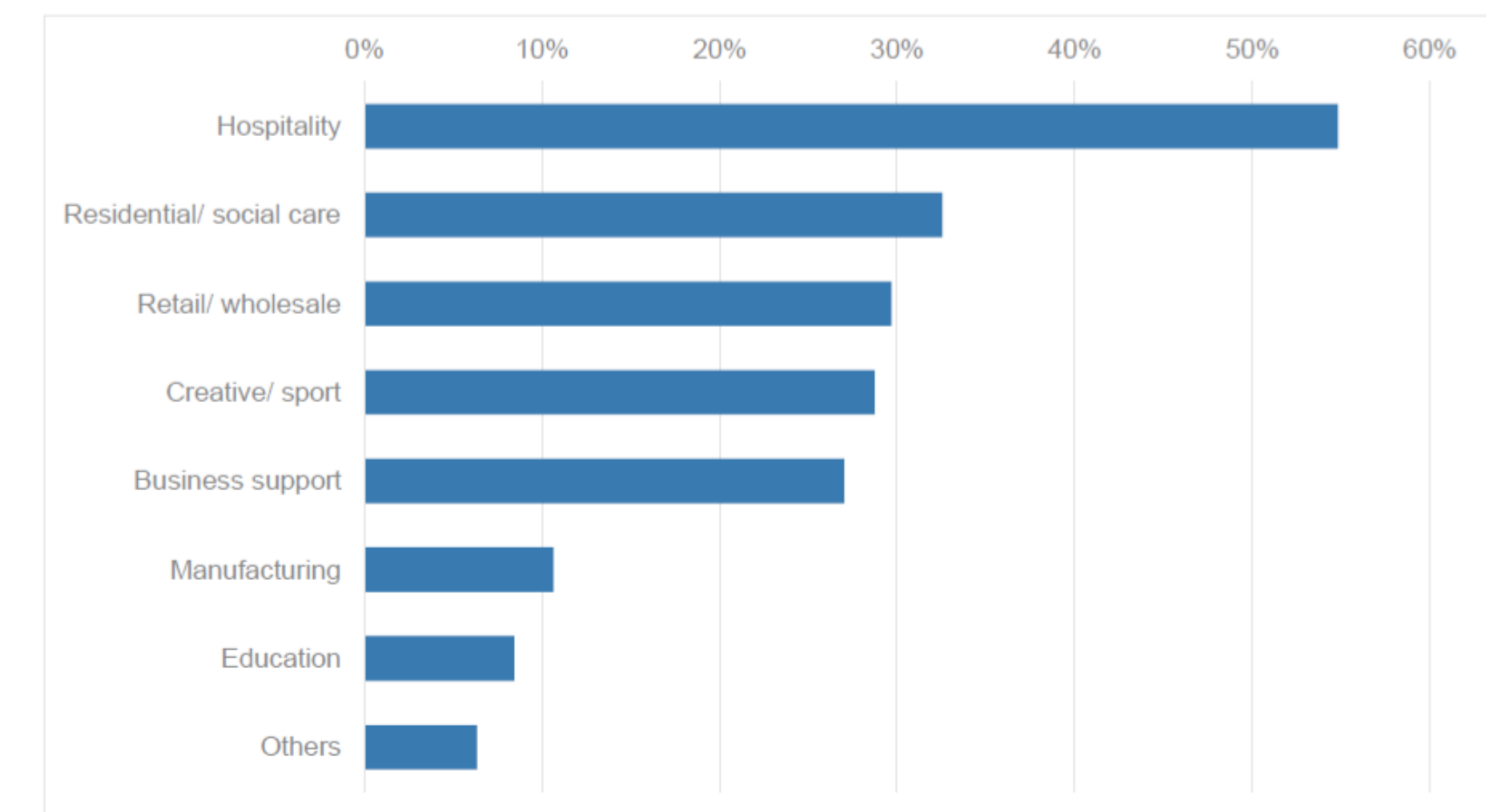
- Nominal pay growth is significantly higher than the long-run trend, regular pay 6.1% higher January 2023 than Jan 2022; but very high inflation keeps real-terms pay negative – down by 3.0% year-on-year for regular pay in February
- Over 4 million not paid enough to live
- Is pay really driving inflation?

Figure 14: Year-on-year change in regular and total pay – nominal terms and adjusted for inflation (real terms)



Source: ONS Monthly Wages and Salaries Survey. Regular pay excludes bonuses and arrears; measure shown is year-on-year change in single month estimate.

Figure 2.8: Proportion of employees that are low paid (below two thirds median hourly pay)



Source: Supporting progression out of low pay: a call to action, DWP, 2021

'All in this together'? Covid

*'All over our planet, we are all pulling together in a massive way to beat the health threat that has turned our world upside down'.
Bernard Looney, CEO, BP, 23.4.20*



- 36 FTSE 100 firms made temporary executive pay cuts – typically 20% - in 2020
- Almost all of these pay cuts had been restored by 2021
- 11 firms cancelled bonuses for executives, though only one scrapped a bonus scheme.
- Almost no action on LTIPs, bar delay in grants – this is driving current escalation
- Particular controversy where firms received government help.
- 19 companies in the FTSE 100 used JRS/furlough and/or the CCFF. Mean CEO total pay £3.23m.
- Some firms repaid furlough money eg Bunzl.
- But some did not: Foxtons annual CEO bonus of almost £400,000 to “reward hard work” in 2020 (£4.4m in furlough aid, £2.5m in business rates relief).
- If a wage redistribution policy targeted the top 1% of earners, then 9 million of low and middle income workers could have their wages boosted (High Pay Centre)

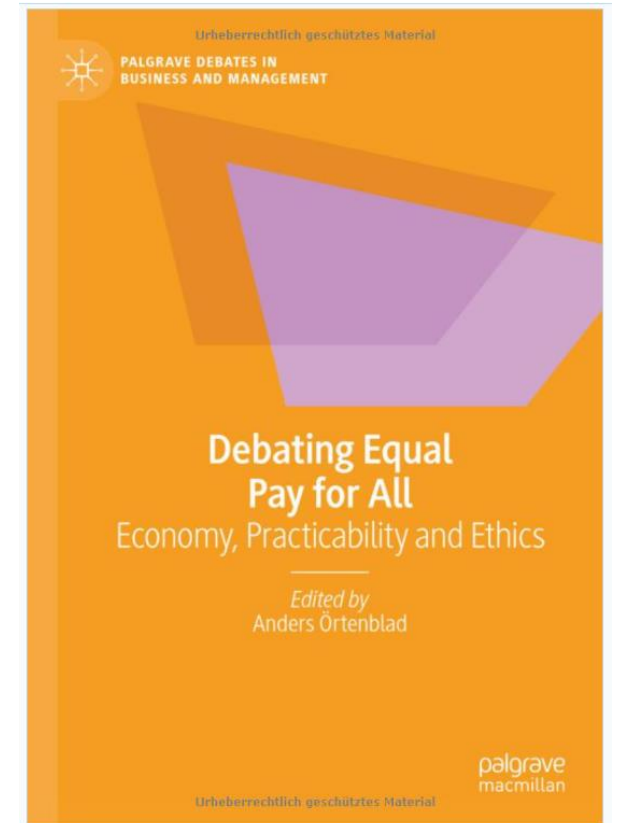
'All in this together'? The recovery... for some

- After investor guidance, over 90% 2023 salary increases for CEOs have been below average of their workforce - 3.5% to date, versus median workforce salary increase of 6%.
- Median FTSE 100 CEO package up by 12% last year – £3.72m in 2021 to £4.15m in 2022.
- CEO annual bonuses remained high 2022, median pay out of 76% of the maximum award.
- Median long-term incentive vesting 58% of maximum, reflecting strong share price performance at the end of 2022 across most sectors.
- Over 90% of FTSE 100 companies now incorporate ESG measures into incentive plans.
- “UK-listed multinational companies competing for both talent and business in the US are increasingly citing the disparity in pay levels between the UK and US, as well as more stringent remuneration governance standards in the UK, as a challenge. This is being raised as a contributing factor in the debate around the competitiveness of London’s capital markets.”
- US Economic Policy Institute: CEO Pay 1978-2021 +1460%, 18% in average worker pay
- US Pay gap 20x 1965 to 399x 2021
- UK 50x 2000 to 109x 2021 (High Pay Centre)
- Oil buybacks and dividends vastly exceeds investment in renewables
- BP CEO Looney pay doubled last year to £10mn, Shell CEO +53% to £9.7mn
- Fair?

Equal pay for all

- Equal, unequal or less rather than more unequal
- The parable of the vineyard
- John Rawls
 - 'Justice as fairness'
 - Principle 1: basic liberties principle - everyone equal right/opportunity
 - Principle 2: difference principle – justify difference if can benefit the worst off

“For the kingdom of heaven is like a master of a house who went out early in the morning to hire laborers for his vineyard. After agreeing with the laborers for a denarius a day, he sent them into his vineyard...About the eleventh hour he went out and found others... And when evening came, those hired about the eleventh hour came, each of them received a denarius. Now when those hired first came, they thought they would receive more, but each of them also received a denarius. They grumbled at the master of the house, saying, ‘These last worked only one hour, and you have made them equal to us who have borne the burden of the day and the scorching heat.’ But he replied, ‘Friend, I am doing you no wrong. Did you not agree with me for a denarius? Take what belongs to you and go. I choose to give to this last worker as I give to you. Am I not allowed to do what I choose with what belongs to me? Or do you begrudge my generosity?’ So the last will be first, and the first last.”



Where are we on pay gaps?

- There is a strong economic, social and moral case for closing pay gaps, reinforced by recruitment/retention and COL challenges.
- This has been intensified by the Pandemic and COL crisis, which has highlighted & deepened inequalities, but also a reaction.
- Government supportive actions/legislation is generally not being pursued at present (unlike EU and US)
- Employers' pledges generally exceed actions, existing EDI policies are often proving to be ineffective/very very slow.
- Causes of pay gaps are often multi-factorial, complex and deep-rooted
- Research suggests a broad, strategic, sustained programme of 'soft' and 'hard' initiatives, is required... but quick(er) wins are possible
- We need an overlapping continuous action cycle over a sustained period to make real progress:

Rationale > Data > Reporting > Action.

- Different equality strands are at different stages & may need different solutions: but intersectionality vital and can help progress



Recent Progress

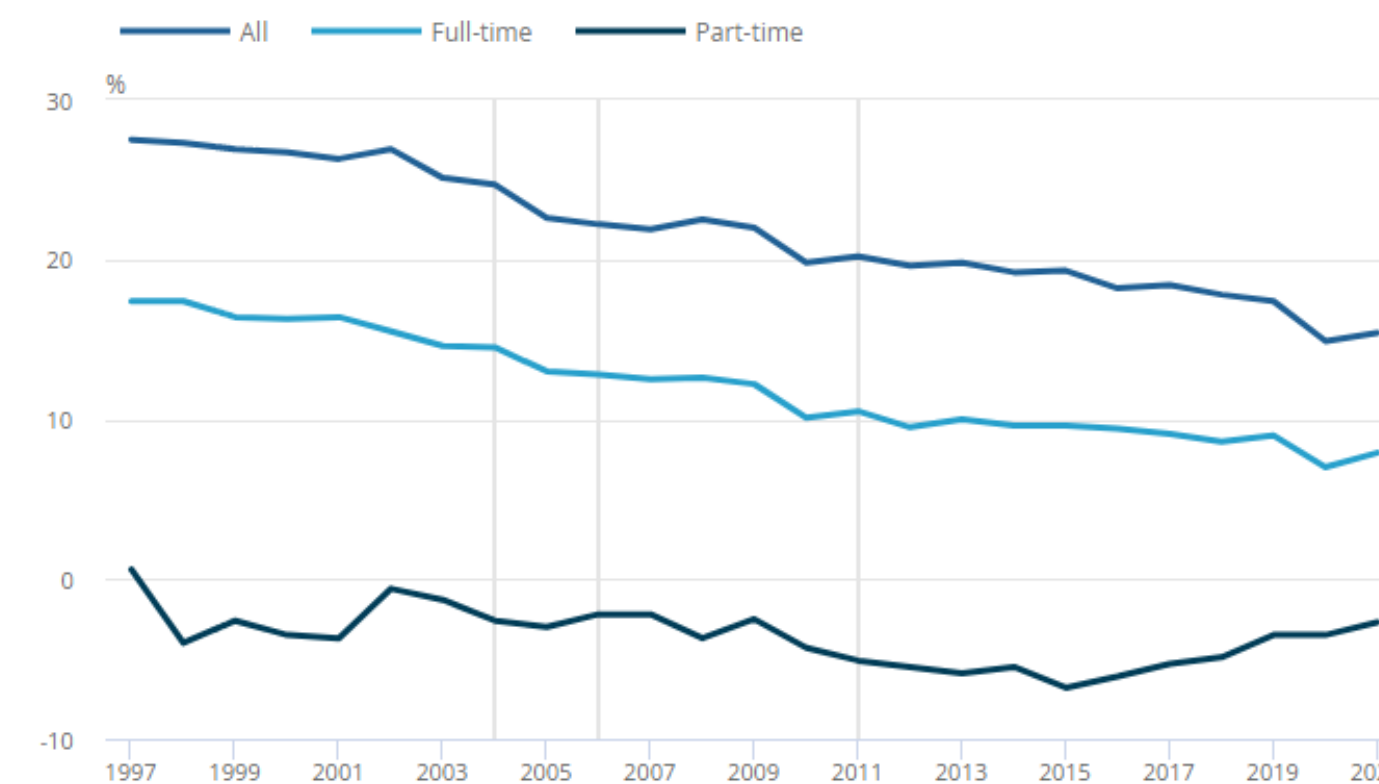
- Covid was not the 'great leveller'
- Continuing evidence of discrimination and unequal treatment in recruitment, talent management and pay
- Gender pay gap widened with suspension of reporting
- Majority of UK employers continue to refuse to publish ethnicity pay/ repr'n data: 2/3 didn't publish their gender gaps in 2020.

'Black people are 40% more likely to access treatment through a police or criminal justice route, more likely to be on a medium/high secure ward and be more likely to be subject to seclusion/restraint (56.2 per 100,000 population for Black Caribbean as against 16.2 per 100,000 population for white).' Mind on mental health discrimination

'Black women junior surgeons were 42% less likely to be promoted than white men, while women of Indian and Pakistani ethnicity were 28% less likely to be promoted' UOS, 2021.

Figure 1: The gender pay gap has been declining slowly over time, falling approximately a quarter over the last decade

Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2021



'Most of the minority ethnic groups analysed continue to earn less than White British employees in 2019', (ONS, 2020)

'A £3.2 billion (ethnicity) pay penalty' TUC, 2020

Employees, especially protected groups, are really suffering now..

- ‘The worst pay squeeze for 200 years’ Frances O’Grady, TUC., 09. 2022
- Record real pay cuts c3%, person on ave. earnings £1600 – £1750pa worse off, c£3k in 2 years. State benefits at lowest real level for a decade
- 80% worried re financial wellbeing (YouGov), 47% affects performance.
- JRF: low-income families living through a ‘frightening year of financial fear’: inflation rate 50% higher.
- Citizens Advice helped 120,000 access support pm, now 2 per min.
- Women, as well as disabled people and those from ethnic minorities or less affluent backgrounds, are over-represented among the low paid
- Trussell Trust UK 2.1 million emergency food parcels in first half 2022, up by 14%, 832,000 of these parcels went to children.
- 1/4 of Scottish children are in poverty. Two-thirds of those in families where an adult is working. ‘This is predominantly a problem where parents are working.’
- ‘Children face a wave of respiratory illness with long-term consequences, according to a review by Sir Michael Marmot, director of UCL’s Institute of [Health Equity](#), and Prof Ian Sinha (2022).

Percentage of employees reporting they are keeping up with their bills and credit commitments without any difficulties at the moment, by sector.

Period	All	Private sector	Public sector	Voluntary sector
Winter 2022	61%	62%	57%	64%
Winter 2023	48%	48%	47%	49%

The Reaction

Conservative MP Daniel Hannan: 'When a million more people are on the dole, does anyone think it will be a priority to publish gender pay gaps? When a generation of children is going unschooled, will anyone be fussed about universities having bequests from the wrong 19th-century donors?' April, 2020

- *'Wise managers think what their successors would want them to do for their future. The "anti-woke" group of MPs is right that money will be more constrained in a UK recession. But that makes focus on areas where progress can easily be lost more important if business is to emerge at its most productive and fair'. dan.thomas@ft.com. 18.12.22*
- 'As the UK approaches recession, the slow but definite progress made in recent years on areas such as gender pay and diverse representation on boards is now seen as at risk'.
- Economic pressures widen inequalities. Jonathan Geldart, DG of the Institute of Directors: "in the face of economic uncertainty, there is a risk of the progress of recent years being eroded".
- Political turmoil: Right: DEI seen as 'wokeism' which constrains business and markets
 - Letter from 40 MPs to chancellor Jeremy Hunt demanded cuts to "woke" causes such as EDI.
 - UBT stopped in NHS and government departments
- Left: Inequality/class-driven: 'Malik questions lazy assumptions about race. He retells the history of a racialised working class which sits uncomfortably with today's obsession with 'white privilege'.
- FTSE 100 chair: "public company is broken.. 70% of the [board] agenda is governance, directors have to worry whether their gender pay gap has gone up or down, what will be written in the Express."
- Lord Shinkwin "dismissing EDI as part of the woke agenda is to turn against equal opportunity".

How's it going on pay gaps?

Protected Characteristics under the Equality Act 2010

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy & maternity
- Race
- Religion and/or belief
- Sex
- Sexual orientation



- Pay gaps are a good proxy measure for inequality and disadvantage. But beyond gender, even on ethnicity the data is weak/not available (which is why gathering and reporting it is sooo important!)
- Slow but steady decline in gender gaps after 1976, plateaued in the mid 2010s, resumed with the passage of the compulsory reporting regulations finally implemented in 2017, before Covid-19
- 'The Gender Pay Gap Reporting Regulations have driven an important national debate on fairness at work, amplified by the unequal health and economic impact of the pandemic' EHRC, 2020
- We have five years' worth of data on gaps on c 10,000 employers to better understand nature & causes. Compliance is high (probably above NLW), significant number reporting voluntarily
- Driven actions to close gaps despite lack of compulsion, with c2/3 publishing action plans
- The government initially consulted on compulsory ethnicity pay reporting in 2018, 2022 against it
- Growing number employers report EPGs, small but growing other groups - 900+ BITC race charter
- But the majority dropped reports when compulsion removed, national gender gap widened
- **Why? did you?**

Search and compare gender pay gap data by employer name or type

Employer name Employer type or SIC code

Examples of employer types include banks, supermarkets, law firms. You can also search by Sector Industrial Classification (SIC) codes which provide an easy way of describing what an employer does. [Find SIC codes](#)

[Clear all filters](#)

Order: By relevance Alphabetically

Employer size: **3,547** employers

Sector: **'PRIFYSGOL ABERYSTWYTH' AND 'ABERYSTWYTH UNIVERSITY'** [Add to compare](#)

Reporting year: 1 selected
Aberystwyth University, Penglais, Ceredigion, SY23 3FL

Reporting status: **1825 FINANCIAL PLANNING AND ADVICE LIMITED** [Add to compare](#)

Bow Bells House, 1 Bread Street, London, United Kingdom, EC4M 9HH
Financial and insurance activities

We now have five/six years comparative gender data & growing numbers extending EPGR voluntarily

GOV.UK Gender pay gap service
Search and compare Download Close the gap Sign in

BETA This is a new service – your feedback will help us to improve it.

Employer comparison

Your comparison list contains 5 employers.

[Add another employer](#)

[Clear list and return to Search and Compare](#)

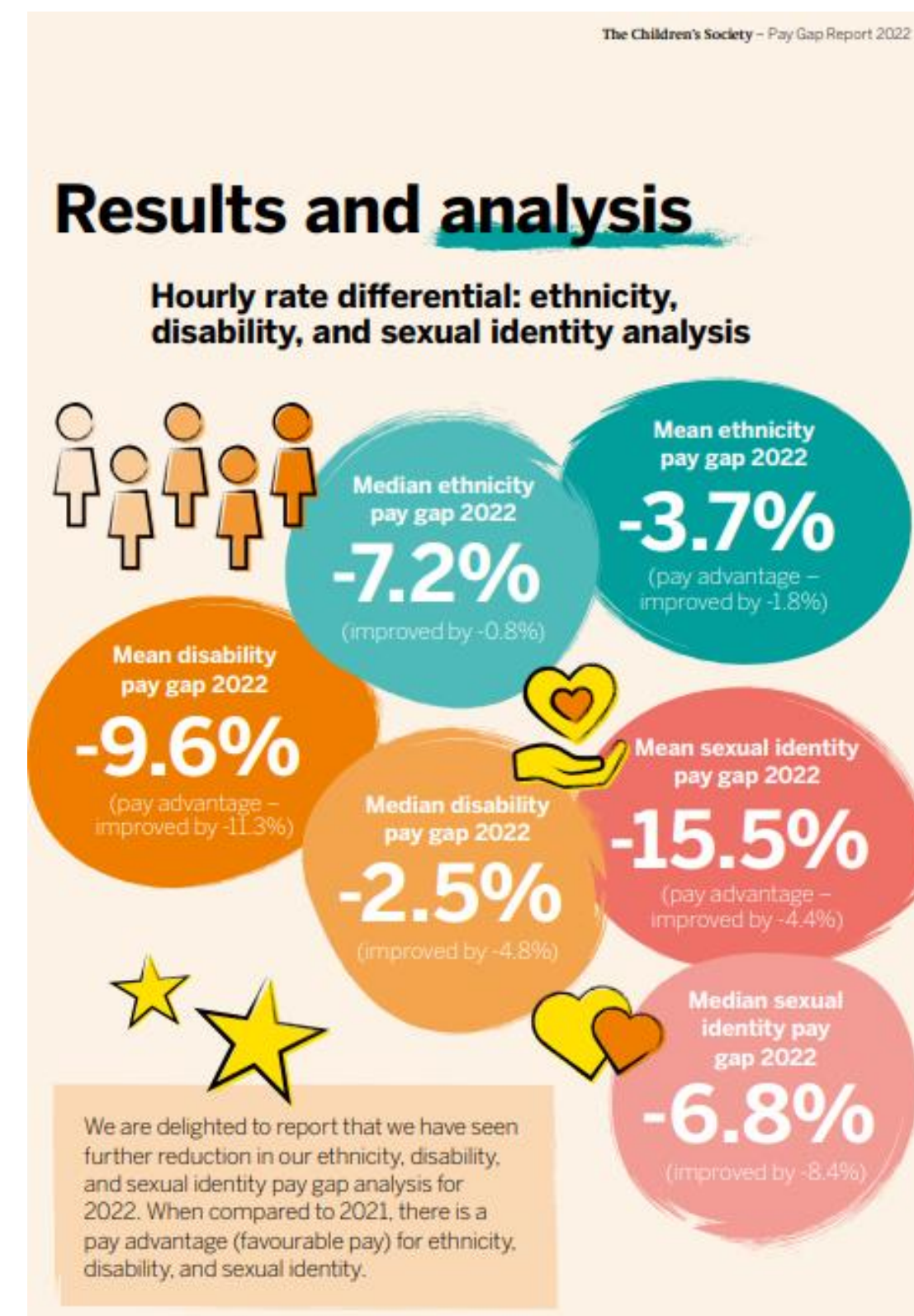
Read more about [actions to close the gap](#)

▶ [About mean and median](#)

▶ [About pay quarters](#)

2017/18 2018/19 2019/20 2020/21 2021/22 2022/23

Employer	Nature of business	Employee headcount	Difference in hourly pay		Percentage of women in each pay quarter				Who received bonus pay		Difference in bonus pay	
			Mean	Median	Lower hourly pay quarter	Lower middle hourly pay quarter	Upper middle hourly pay quarter	Upper hourly pay quarter	Women	Men	Mean	Median
Middlessex University	Education Public sector	1000 to 4999	11.3%	8.0%	64.7%	64.3%	57.4%	48.5%	0.1%	0.1%	29.5%	-11.1%
Imperial College London	Education Public sector	5000 to 19,999	16.6%	8.0%	53.6%	50.4%	48.1%	31.9%	5.5%	6.4%	54.7%	6.7%
London Metropolitan University	Education Public sector	1000 to 4999	7.7%	8.8%	61.6%	55.3%	54.2%	46.5%	75.8%	79.6%	10.7%	19.2%
Sheffield Hallam University	Education Public sector	1000 to 4999	11.0%	13.2%	68.6%	61.8%	53.7%	50.3%	59.7%	63.5%	7.8%	0.0%
THE UNIVERSITY OF BIRMINGHAM	-	5000 to 19,999	16.3%	17.6%	62.7%	59.3%	52.5%	40.2%	15.6%	16.2%	53.6%	25.0%



- ONE** goal p3
- TWO** leading voices p4
- THREE** steps to create inclusion p5
- FOUR** reasons for inclusion p6
- FIVE** actions you can take p7
- SIX** reasons to celebrate p8
- SEVEN** Partnership networks p10
- EIGHT** Partners' stories p12
- NINE** priorities p26
- TEN** ways to build inclusivity p28

12345678910

How's it going on pay gaps?

- Covid and lockdowns, combined with the 18-month suspension have generally widened gender and probably other gaps. Nationally they have recovered but are still above 2019.
- 2022 14.9% all employee, 8.3% full timers (17.9% 2021) - ONS
- Employer gender pay gaps are more varied than ever, with a higher percentage reporting an increase.
- Pension gaps starting to be an area of focus
- 'It's not surprising men are more likely than women to have pension saving rates above the cash LP benchmarks: 23% of male workers met the 'whole career' benchmark, compared to 15% of female workers ' Resolution Foundation, 2021
- The Pension Policy Institute/Now (2022) found: 'By age 65, the median women's pension wealth is £69,000, men's is £206,000'
- TUC research (2022) identified a '38% gender pension gap'.
- Experiences internationally appear to be broadly similar

Protected Characteristics under the Equality Act 2010

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy & maternity
- Race
- Religion and/or belief
- Sex
- Sexual orientation



It's a similar picture on ethnicity: some progress...

- There now 954 signatories to the BITC race at work charter
- 79 employers are reporting GPG annually using the Invest in Ethnicity framework

CENSUS 2021 Data and analysis from Census 2021

Home > Employment and labour market > People in work > Earnings and working hours > Ethnicity pay gaps

Ethnicity pay gaps: 2019

Earnings and employment statistics for different ethnic groups, using regression analysis to provide more insight into factors that affect pay.

This is the latest release.
[View previous releases](#)

Contact: Tom Evans | Release date: 12 October 2020

Table of contents

1. Main points	6. Modelling the factors that affect pay
2. Analysis of ethnicity pay gaps	7. Ethnicity breakdowns
3. Pay gaps by sex	8. Ethnicity pay gaps data
4. Pay gaps by age	9. Data sources and quality
5. Pay gaps by region	10. Related Links

[Print this article](#)
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[View all data used in this article](#)

[Contact details for this article](#)

Figure 1: The hourly median pay gap between White and the ethnic minority group has narrowed to the smallest since 2012

Pay gap between the White group and the ethnic minority group, England and Wales, 2012 to 2019

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Pay gap between the White group and the ethnic minority group, England and Wales, 2012 to 2019

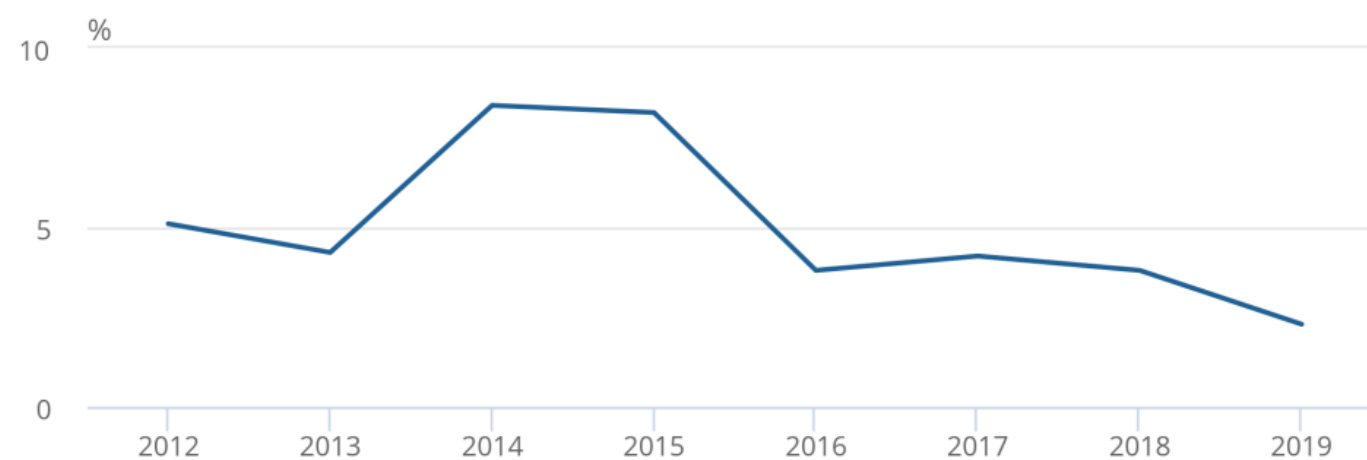
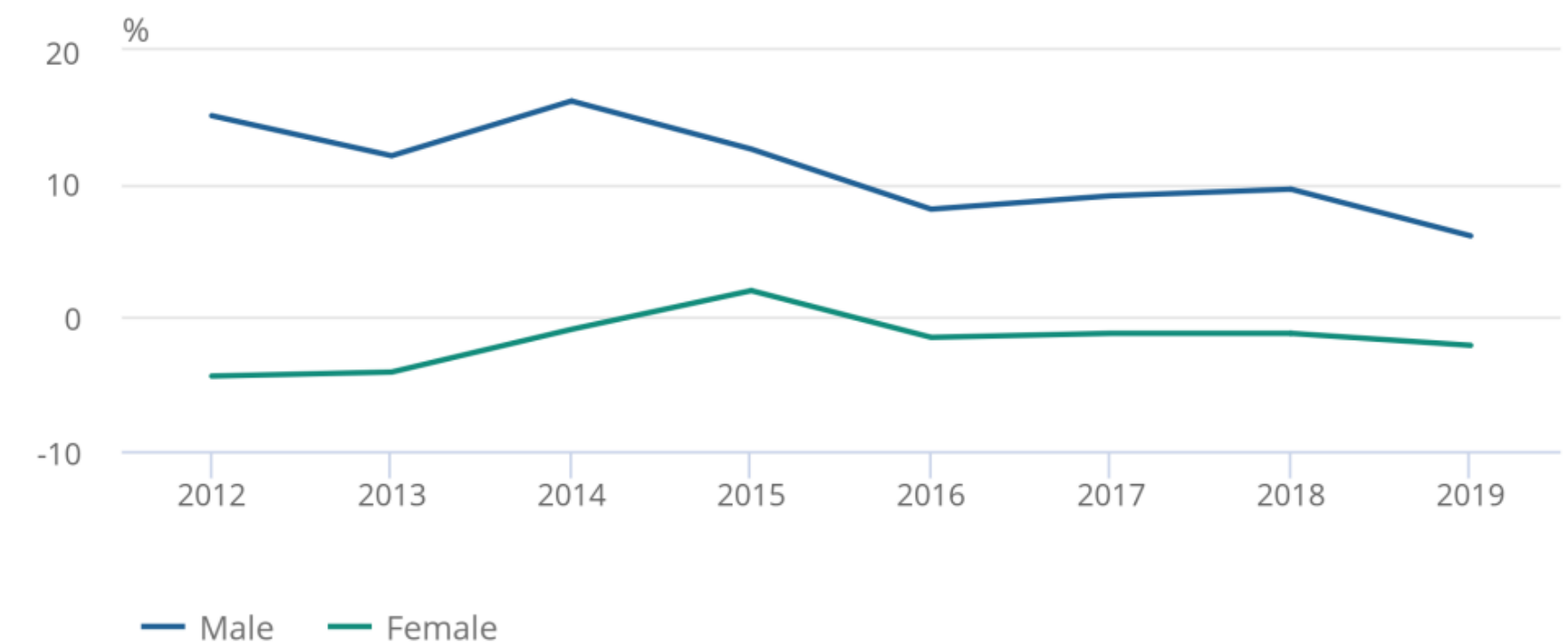


Figure 4: For all years 2012 to 2019 the ethnicity pay gap is larger for men than for women

Pay gap between the White group and the ethnic minority group by sex, England and Wales, 2012 to 2019

Figure 4: For all years 2012 to 2019 the ethnicity pay gap is larger for men than for women

Pay gap between the White group and the ethnic minority group by sex, England and Wales, 2012 to 2019



It's a similar picture on ethnicity: lack of gap closure and some worsening

- 'The ethnicity pay gap between White and ethnic minority employees has narrowed to its smallest level' since first measured by the ONS in 2012 in England and Wales.
- But 'most of the minority ethnic groups analysed continue to earn less than White British employees'. In 2019, those in the Chinese, White Irish, White and Asian, and Indian ethnic groups did earn higher hourly pay on average than White British employees'
- 'Major variations are evident by group and gender, location and birthplace'. Also very different sizes of the populations can present challenges even with measuring differences nationally.
- 'The ethnicity pay gap is larger for men than women (though for most ethnic groups, men continue to earn more than women)'
- 'The size of the ethnicity pay gap for those aged 30 years and over is larger than for those aged 16 to 29 years, and for foreign-born versus UK-born people'
- 'The ethnicity pay gap differs by region' - largest in London (23.8%), smallest in Wales (1.4%).
- Adjusting for pay-determining characteristics narrows the pay gap for many (though not all) ethnic groups, helping us to better understand differences in earnings.
- The ONS 12-factor model explains 40% of gap, incl age, gender, birthplace, sector, occupation
- Although the government accepted [Sewell's view](#) on compulsion there is still strong political debate eg WEC 'nonsensical', and many employer/professional bodies/ TUs, still support this

In our analysis we model the logarithm of hourly pay against the following explanatory variables:

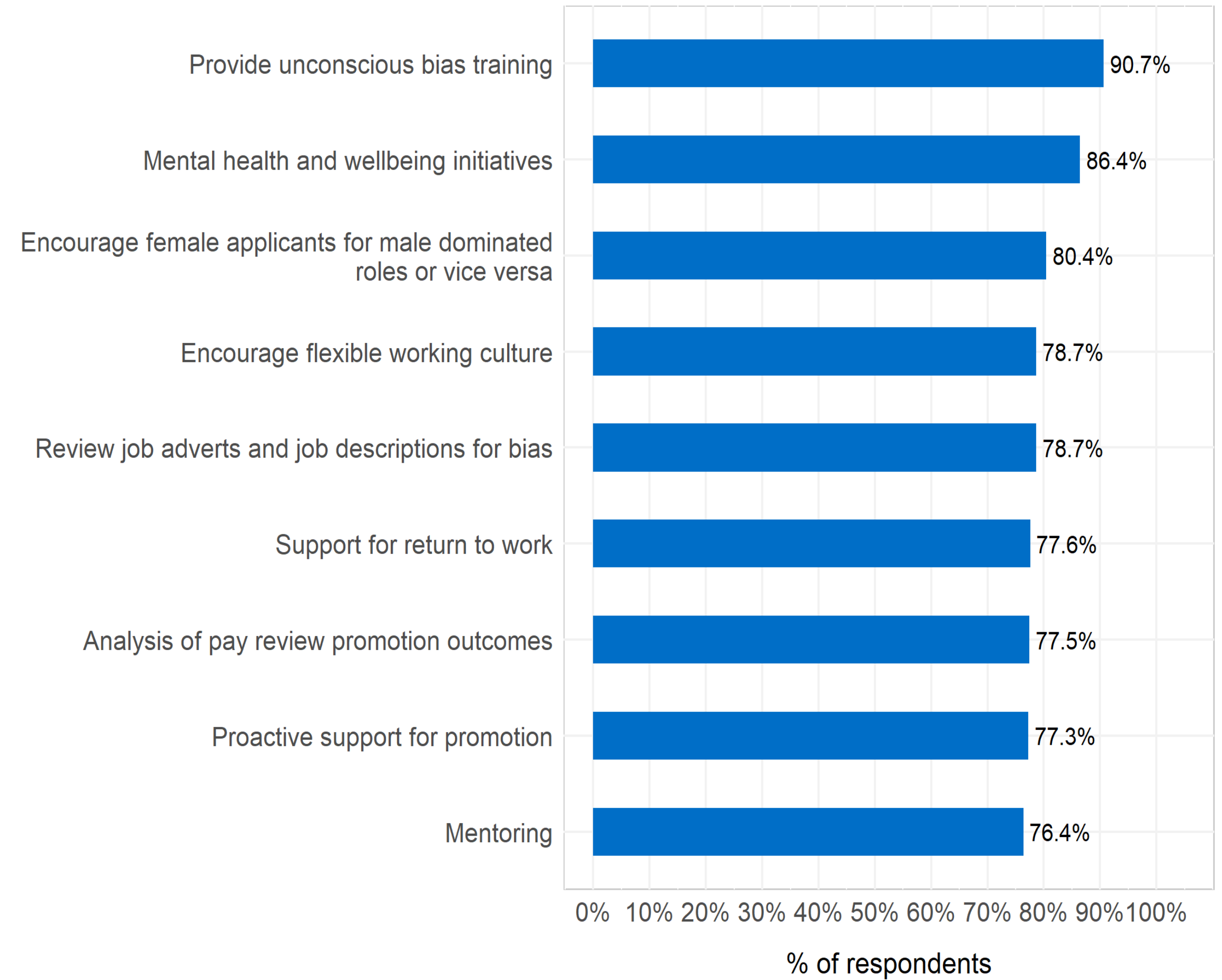
- ethnicity
- country of birth
- occupation
- highest qualification level
- age
- sex
- marital status
- working pattern
- disability status
- working in the public or private sector
- geography
- whether they have children or not

Policy paper

Inclusive Britain: government response to the Commission on Race and Ethnic Disparities

Published 17 March 2022

Most common actions—



What about your existing EDI policies: much impact?

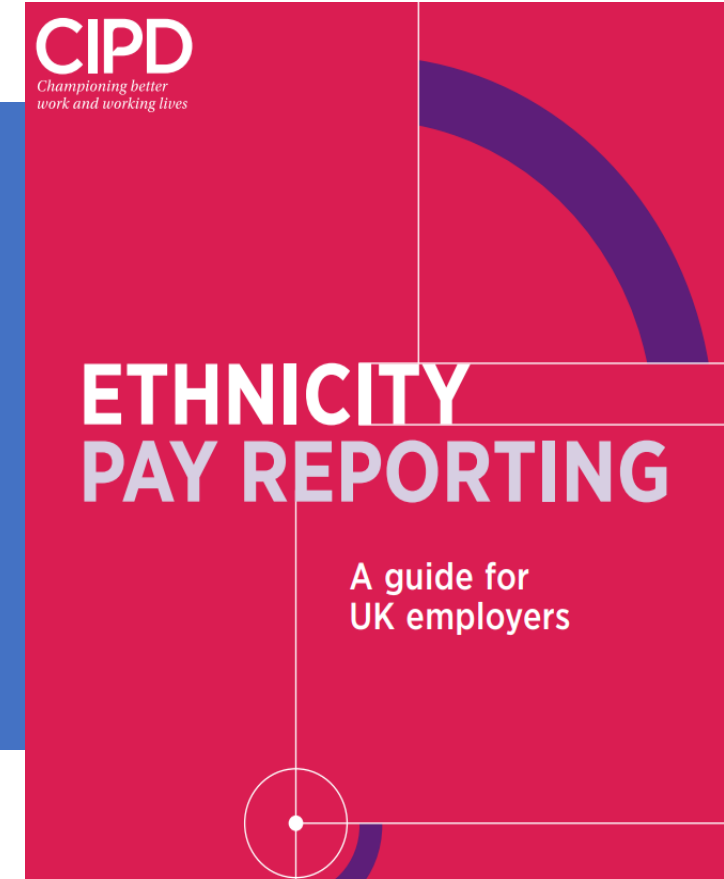
- McKinsey: greater equality worth \$28 trillion globally, 21% GDP in EU(PwC).
- 'Time for a new gender equality playbook...glacial progress' (2017)
- Iris Bohnet vs Dobbin and Kalev (2016), no impact on key dials, - but 'hard' or 'soft' response?
- Warmington and Kline (2016) similar on UBT in NHS.
- CIPD research paper: only 10% in HR feel their policies are effective, a third of senior managers don't feel the gender pay gap is an issue

Why the lack of progress?

- HR
 - Lack of prioritisation
 - Focus on 'soft' voluntary and developmental initiatives
 - 'Put it in the equality/diversity box'
 - Lack of alignment with the business/leaders' agendas
 - Excessive legal focus – tortuous legislation, failure to act without legal pressure, excessive focus on confidentiality. EPAs: friend or foe?
 - Over-focus on formal base pay mechanics eg job evaluation
 - Lack of attention to: underlying cultural and process issues
 - underpinning structural issues
- EDI specialists: 'The multi billion dollar diversity industry' Robin DiAngelo
 - 'Siloism'/single issue and initiative focus
 - Focus on what's easy rather than what works
 - Failure to engage leaders and line managers
 - Failure to involve people

'In Diversity, Inc., award-winning journalist Pamela Newkirk explores three industries, showing how the vast majority of their diversity efforts are all optics. For example, between 2014 and 2016, Google spent \$265 million dollars on some of the most common tactics for diversifying the workforce but their percentage of black employees remains stubbornly at 2%. In showing why these efforts are failing, '

Ethnicity Pay Gaps: put the effort in



‘Ethnicity pay gap reporting will help achieve equality’. David Isaac, ex-chair EHRC, 15.6.20.

‘The CIPD highlights the need for organisations to be more transparent about how they report on ethnicity... as a catalyst for creating more diverse, inclusive workplaces’. CIPD CEO Peter Cheese, 10.10.18

- It should be mandatory – TUC, CBI, UCEA, REC, CIPD, IES, etc, etc
- Sewell’s Commission led government to reverse policy, ‘support’ not mandate, guidance out last week
- In the meantime, employers should voluntarily report – recent numbers up, then down
- Acknowledge the difficulties
- Discuss and share the CIPD’s framework for how to do it
- Explain and discuss how to use it to act to drive racial equality

‘Government should introduce mandatory ethnicity pay gap reporting by April 2023 for all organisations that currently report for gender. Legislation should include the requirement for employers to publish a supporting narrative & action plan’.

‘Ethnicity pay gap reporting ..may not be the most appropriate tool for every type of employer seeking to ensure fairness in the workplace. We want to avoid imposing new reporting burdens on businesses as they recover from the pandemic and so we will not be legislating for mandatory reporting at this stage’

Government response to Sewell, 2022



House of Commons
Women and Equalities
Committee

Ethnicity pay gap reporting

Fourth Report of Session 2021–22

Report, together with formal minutes relating to the report

Ordered by the House of Commons
12 June 2022

What works: IES researched factors which impact on the gender, ethnicity and disability pay gap

- **Representation and Recruitment:**

- Slow but steady progress on Women on Boards – now 40% target in private sector
- Smaller pay gaps in female-led firms (Hensvik 2014)
- Some studies show positive impact of mentoring and role modelling
- Blind interviewing and rep selection panels impact – Diversity by Design (Bohnet), some evidence too in Europe
- Controlling pay setting and reducing manager discretion/pay ranges reduces gaps (Menino, 2013)

- **Education and skills:**

- Girls taking 2 STEM subject 'A' levels had wages 33% higher (London Economics, 2015); employer training associated with 6% higher wages (Olsen, 2010)
- WAVE – upskilling and multiskilling lower paid female employees in Welsh local authorities into re-designed jobs.

- **Flexible working:**

- Association at the moment with lower earnings
- EU directive on WLB and support for parents and carers; and 44 MPs proposal to increase paternity leave
- Germany Elterngeld allowance came in 2007, % fathers taking leave rose from 3% to 20%
- My Family Care Survey: 2% take up of shared parental leave by men – culture and pay barriers. Voluntary take up eg Diageo
- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705820/Parents_decisions_about_returning_to_work_and_child_caring_responsibilities.pdf

'Other research has shown that teams that hire and retain women see increased productivity and innovation and that consumer-facing companies risk brand erosion and loss of business if they fail to meet the moment by enacting diversity and pay equity measures.'¹⁹

Equality and Human Rights Commission
Research report 110 | Pay gaps research

Tackling gender,
disability and
ethnicity pay
gaps

a progress review

Duncan Brown, Catherine Rickard and Andrea Broughton
The Institute for Employment Studies

Equality and
Human Rights
Commission

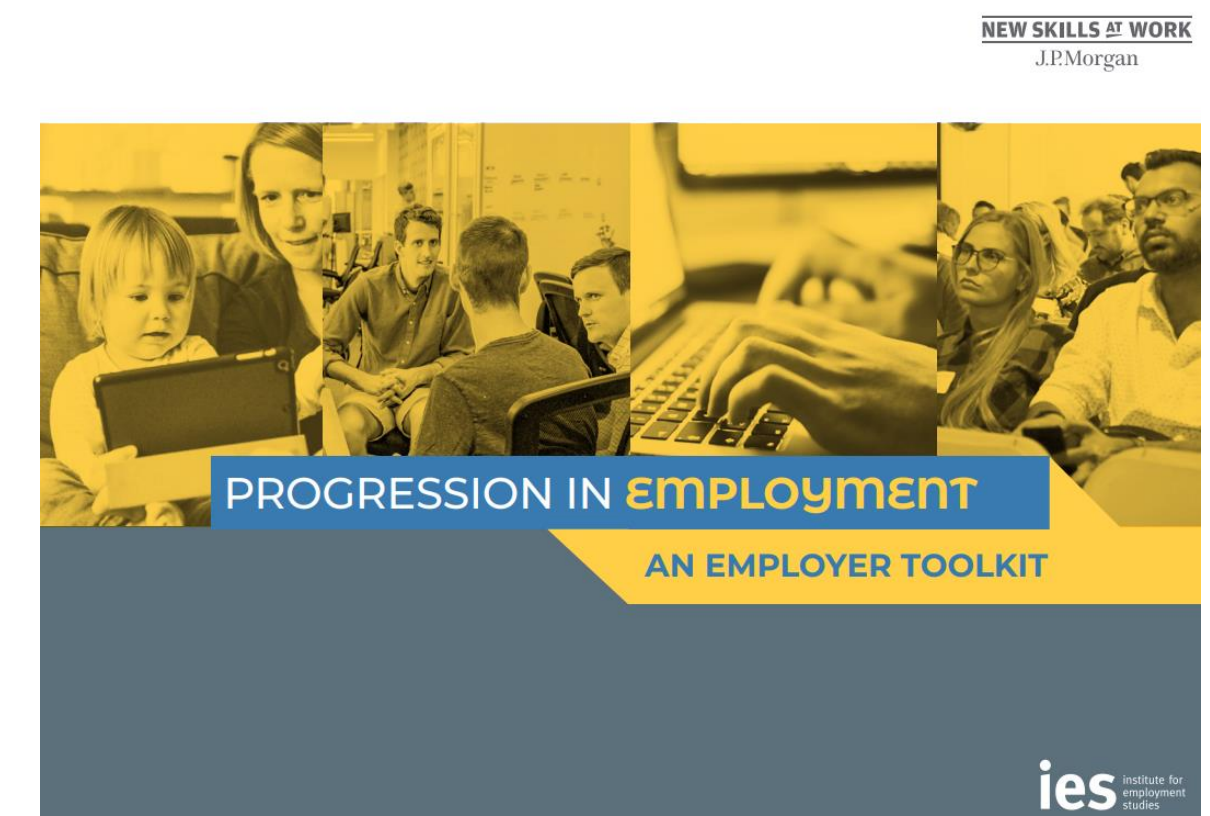
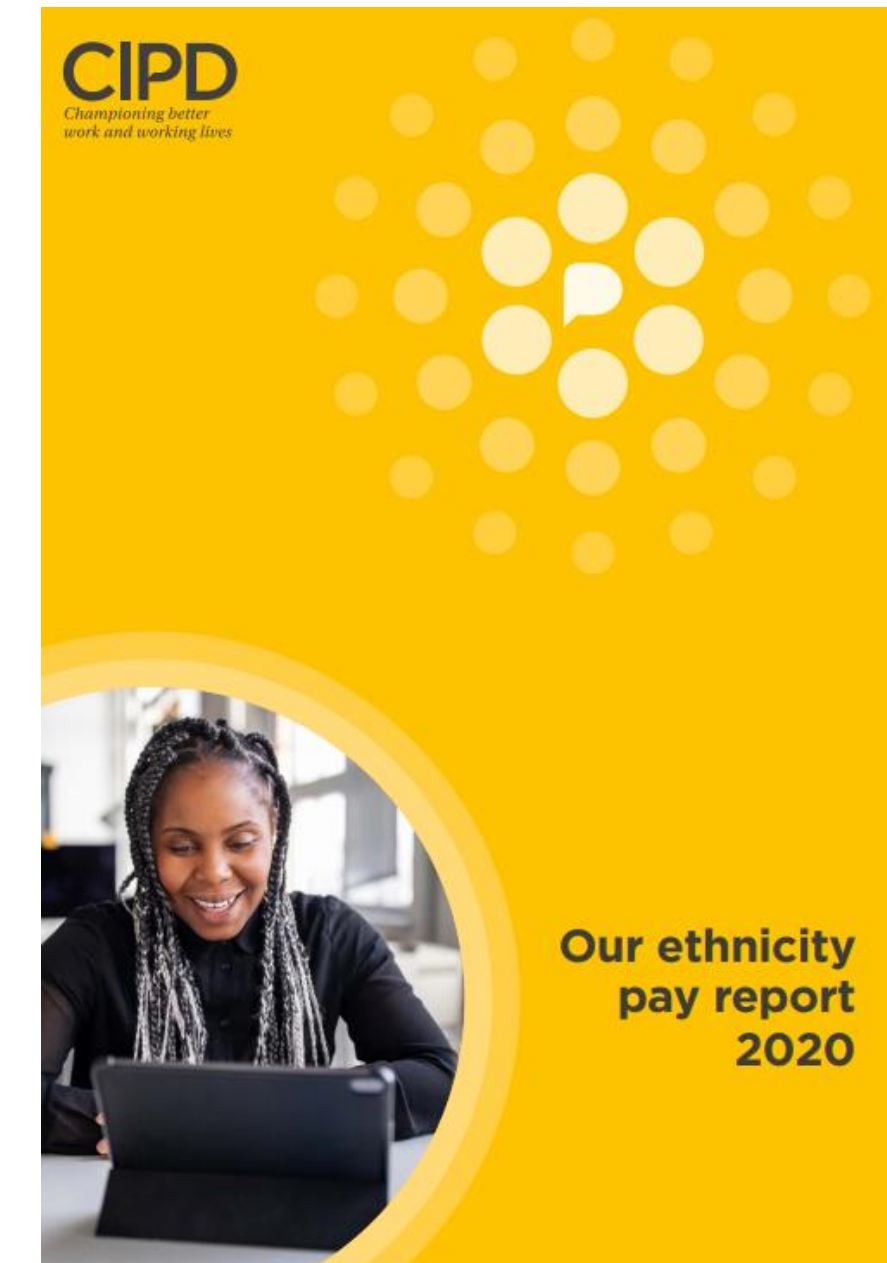
Actions: what we know

- HR focuses most on training/voluntary/soft initiatives that have a questionable impact on equality and pay gaps
- A broad range of initiatives across a full range of HR/employment areas for a sustained period is most effective
- Include 'hard/compulsory' initiatives - 'Rooney rule' ; 'blinder' recruitment, salary history bans
- EHRC recommendations:

1. Address differences in subject and career choices, educational attainment and access to apprenticeships.
2. Improve work opportunities for everyone, unemployment rates vary significantly by ethnicity
3. Make jobs at all levels available on a flexible basis, encourage sharing childcare responsibilities.
4. Reduce prejudice and bias in recruitment, promotion and pay decisions.
5. Report on progress in reducing pay gaps.

- IES Research: Pay reporting and transparency, plus

1. Recruitment and taking action, eg processes anonymous,
2. Providing training and nurturing talent from under-represented groups;
3. Raising minimum pay levels and progression for all;
4. Targeting increases in representation at senior levels;
5. The implementation of wide ranging diversity and inclusion policies;



Pay transparency and salary history bans— the new front for progress? USA

- The [Inc. Magazine](#) described 2022 as “the year of pay transparency,”
- By December 2020, 19 states had some version of a salary history ban in place.
 - Alabama narrow law that prohibits employers from declining to hire an applicant because of their refusal to disclose prior salary.
 - Colorado comprehensive law that prohibits employers from asking about prior salary, and relying on prior salary in hiring/pay decisions.
- Emerging research on bans indicates that these policies are having the intended effect
 - A California study (April 2020) found that when employers were prohibited from seeking a job candidate’s prior salary, the overall gender wage gap narrowed, largely due to increased earnings for women. Women older than 35 saw the greatest earnings increase—particularly women who were married and had children older than age 5.
 - Boston University’s School of Law (June, 2020) found that after salary history bans came in, workers who changed jobs saw their pay increase by 5% more than comparable workers, with even larger benefits for women & African Americans
- Major companies—including Bank of America, Cisco Systems, Lands’ End, Starbucks, etc.—have already pledged to limit their use of salary history as a measure to address gender and racial equity in the workplace. But some reversal eg Netflix

‘By tearing down a form of structural bias, salary history bans can help break the cycle of wage discrimination that can follow women and workers of color from job to job. Recent evidence shows that these bans are an important and effective starting point in the fight for equal pay, but more is needed to close the stubborn gender wage gap. Policymakers must pursue a robust, comprehensive effort to combat pay discrimination and ensure economic security for women’.

<https://www.americanprogress.org/article/salary-history-bans-matter-securing-equal-pay/>

Pay transparency and salary history bans– the new front for progress? Europe

- ‘The new directive states that all companies with at least 50 employees must disclose information that makes it easier for those working for the same employer to compare salaries and expose any pay inequalities. Pay includes bonus, overtime, allowances, sick pay and occupational pensions.
- Pay transparency for job-seekers – Employers will have to provide information about the initial pay level or range in the vacancy notice or before the interview. Employers will not be allowed to ask prospective workers about their pay history.
- Rights to information for employees –the right to request information from their employer on their individual pay level and average pay levels, broken down by sex, for categories of workers doing the same work or work of equal value.
- Reporting on gender pay gap – Employers with at least 100 employees will have to publish information on the pay gap between female and male workers. Employers with at least 250 employees will report every year, with 150 to 249 employees every three years. After five years employers with between 100 and 149 employees will also have to report every three years.
- Joint pay assessment – Where pay reports reveals a gender pay gap of at least 5% and the employer cannot justify the gap on basis of objective gender neutral factors, employers will have to carry out a pay assessment, in cooperation with workers' representatives.
- Denmark: reduced gaps by harmonising up
- US NBER study suggests overall pay levels fell in closing gaps in certain states
- Norway: improved happiness of low and medium paid
- UK: ?



GOV.UK

Home > Society and culture > Equality, rights and citizenship > Equality

News story

Government launches pay transparency pilot to break down barriers for women

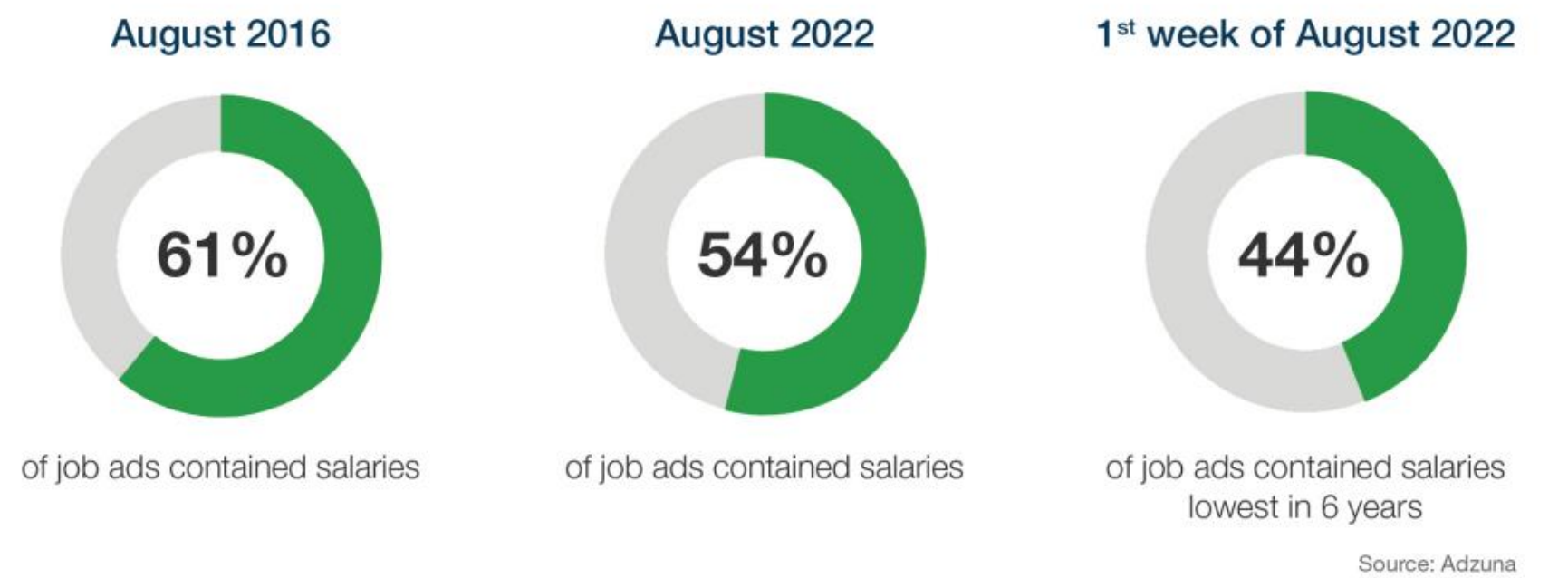
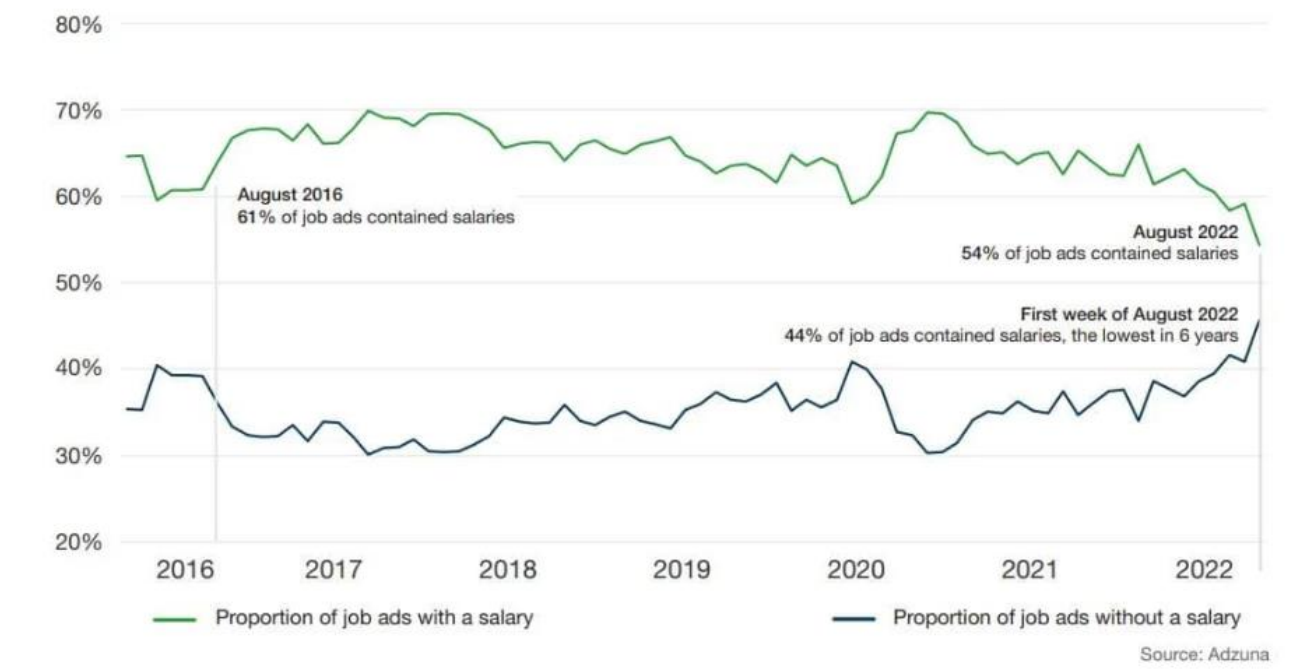
Minister for Women launches initiatives to level up employment opportunities for women on International Women's Day

From: [Government Equalities Office](#), [Equality Hub](#), and [Baroness Deborah Stedman-Scott OBE DL](#)
Published 8 March 2022

Transparency: not great in the UK currently

- Under UK law (Section 172 of the 2006 Companies Act) directors are supposed to report how they serve the interests of stakeholders, including employees
- ‘So, how much do they tell us about their employees? Answer: not much’. PIRC,2022)
- ‘Other than issues where businesses are statutorily required to disclose, such as the gender pay gap and Modern Slavery Act, reporting standards were hugely uneven.’
- Only 3% of businesses revealed their ethnic pay gap, 7% workforce age diversity.
- 11% revealed the numbers of part-time staff, 6% disclosed the agency staff.
- No FTSE-100 firm revealed the number of zero-hours contracts. 8% gave TU %.
- Annual reports ‘identikit PR exercises full of banal statements... Only 16% of FTSE-100 gave a balanced discussion of their workforce’
- Glassdoor (2022)
- Only 15% of UK workers know their pay range and/or structure
- Over 50% of employers do not advertise vacancies with salary information
- Pay range disclosure: attractive to recruits and employees, especially younger female
- Adzuna (2022)
- Salary transparency popular with employees
- But use of salaries in job ads at a 6 year low
- Why? [HR Magazine](#): (Wybourn, 2023)
- ‘if a company chooses to be open about its pay, it may risk confusion, as employees may not be aware of background information such as skills, experience, and level of responsibility that can influence their pay.’
- Another disadvantage could be high-performing individuals may feel dissatisfied’

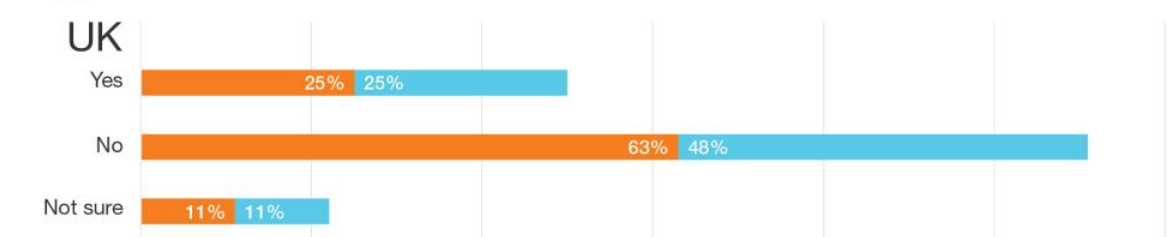
Salary transparency in the UK | 2016 – 2022



I would decline a job interview if I don't know the salary range of the role.

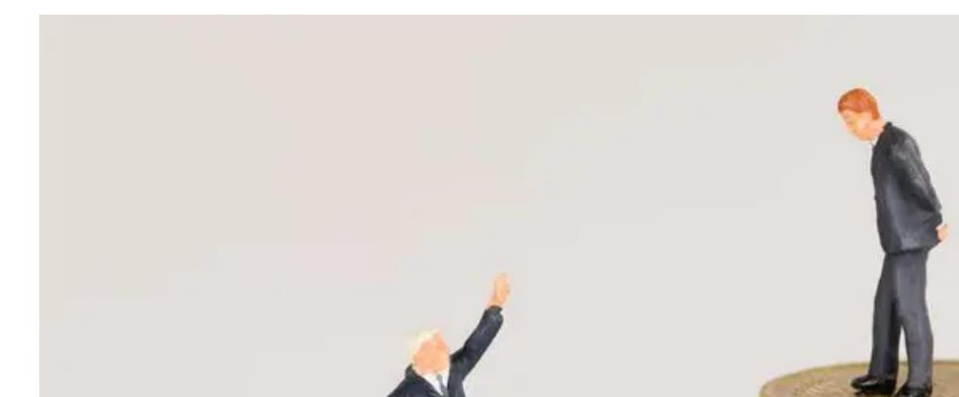


By gender



Rhys Wybarn
16 January 2023 · Comment

The dangers of being too open about pay



2 times
more clicks on every job ad

6 times
more applications

#1
important component

Some interesting external comparisons emerging

- Equality Trust's 'Fair Pay FTSE'

<https://equalitytrust.org.uk/fair-pay-campaign/fair-pay-ftse>

Company: Unilever

- ✓ Recognises unions
- ✓ Living Wage employer

Unilever

CEO pay: £3,076,792/yea

Average employee pay: £55,941/year

Minimum wage: £16,216/year

Lower Quartile wage: £23,059/year

Median wage: £31,467/year

Mean wage: £36,836/year

Upper Quartile wage: £44,517/year

By 9:49 am each day the CEO has been paid the same as someone on minimum wage earns in a month.

There is a 1:55 ratio within the company of median employee pay:CEO pay.

Gender pay gap at subsidiaries owned by Unilever

The chart shows the date in the year where a woman effectively begins working without pay. The red at the right of the bar represents the amount of the year that a woman is effectively working for free as compared with a male colleague.

22.6% Unilever U.K. Central Resources Limited (10 Oct)

The chart shows the date in the year where a man effectively begins working without pay. The red at the right of the bar represents the amount of the year that a man is effectively working for free as compared with a female colleague.

6.9% Unilever UK Limited (7 Dec)

Women's average bonus at Unilever U.K. Central Resources Limited (a subsidiary of Unilever) is 47.7% less than men's.

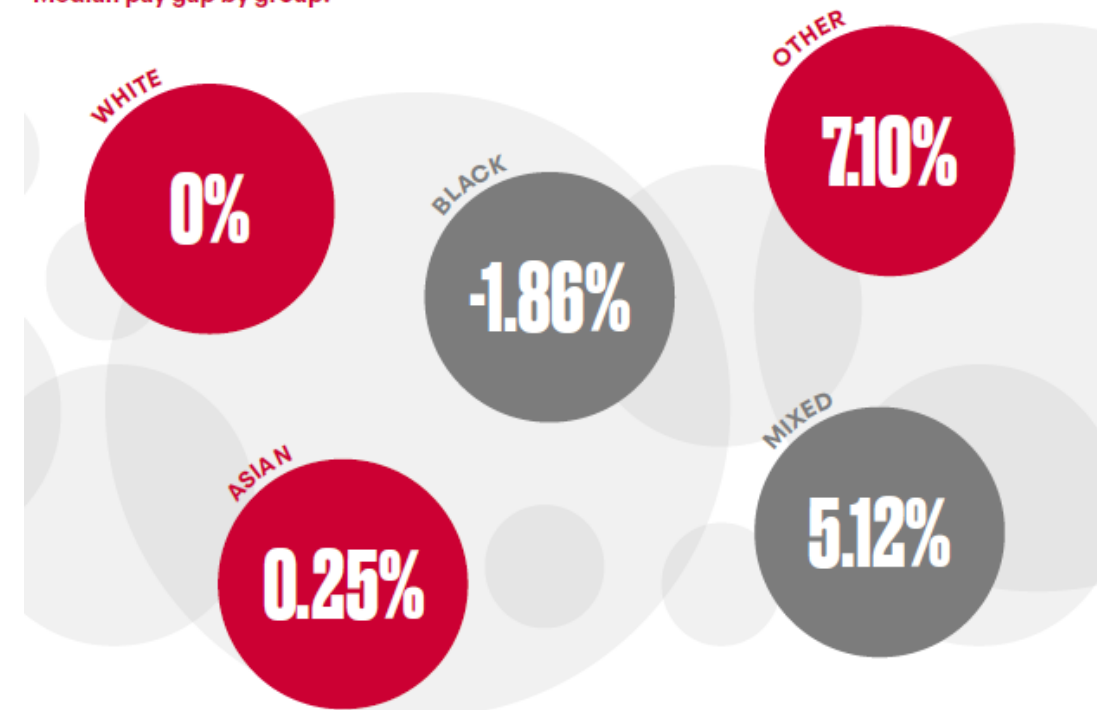
GENDER AND ETHNICITY PAY GAP REPORT



Year on Year view:

Year	Lowest Quartile			Lower Middle (Q2)			Upper Middle (Q3)			Highest Quartile		
	White	Black, Asian, Mixed, other	Mean % Diff	White	Black, Asian, Mixed, other	Mean % Diff	White	Black, Asian, Mixed, other	Mean % Diff	White	Black, Asian, Mixed, other	Mean % Diff
2020	88%	12%	0.23%	81%	19%	2.56%	84%	16%	0.70%	88%	12%	1.01%

Median pay gap by group:



Our mean ethnicity pay gap is currently 2.53%. meaning ethnic minorities are paid on average 2.53% less

GENDER AND ETHNICITY PAY GAP REPORT



A message from our Chief Executive, Jonathan Townsend



Jonathan Townsend
UK Chief Executive
The Prince's Trust

We are pleased to be moving in the right direction with eradicating our gender pay gap. We recognise we have more to do to achieve gender balance and are fully committed to this journey.

We encourage flexible and agile working arrangements to support everyone to build a career and achieve balance with what is important in their personal life and I'm proud of the progress we have made as an organisation, but we are not complacent. The impact of global issues such as Covid-19 has affected everyone, but we know it has disproportionately affected people from Black and ethnic minority backgrounds, reminding us of the inequality we know already exists.

The Black Lives Matter movement further reminds us that Black people have continued to report disproportionately negative experiences in every aspect of society, and this includes the workplace.

I believe it is even more important than ever that we are open and transparent about the challenges within our own organisation so that we can tackle the inequalities and make a difference to society.

At The Trust we want to make sure that all our colleagues have the opportunity to fully realise their potential. We are actively working to improve our gender and ethnicity balance. We are fully committed to being an inclusive employer.

Rewarding fairness

- Fair pay through job evaluation/common pay structure
- Low pay: LW internal emphasis to talent management, permanent contracts, no hire/fire
- Continue MW uplift – why not at LW levels?
- Pay progression for all
- High pay: Future model: competitive base pay, collective bonus/ shares, long-term shareholding (Purposeful Co)
- Collective gainshare/profit-sharing: why so few?
- Employee Ownership Association show the performance premium
- Employee Owned Trusts, 550 in 2020 to 1000 plus

“Covid coming straight after we had abandoned the private sale process was in some ways cathartic.. a real eureka moment... We realised these people who had enabled us to do so well up to that point we considered as employees were in fact much more like our family.” Founders of Go Ape [FT, 7.2.22](#)

ShareAction

- Target pay awards where they will support low-paid workers, who are disproportionately impacted by the rising cost of living. Recognising this, companies should ensure that the balance of executive remuneration to that of the wider workforce is equitable and supports workers to manage inflationary pressures. As far as possible, lowest paid workers should receive pay rises that meet the current rate of inflation, as measured by CPI.
- Show long-term commitment to paying at least the [real Living Wage](#) through accreditation as a Living Wage Employer. As well as guarantees for direct employees, we increasingly expect companies to ensure any Living Wage commitments are extended to on-site third-party contracted staff.
- Provide **secure work**, through guaranteed working hours, accurate contracts and decent notice periods for shifts. Where relevant, we will encourage companies to demonstrate their commitment through becoming an accredited [Living Hours Employer](#).

The Good Work Coalition will be engaging, individually and collaboratively, with companies in our portfolios on these asks. Where companies do not meet these expectations or share an adequate plan for making progress towards them, this will be considered in our voting this year and as the Coalition plans its escalation approach in 2024. At the end of this year's AGM season, ShareAction will publish a list of companies engaged, detailing their progress against these asks and any explanations we receive.

Whilst we acknowledge the challenges companies face in a high inflationary environment, we are calling on them to make choices which not only support their workers in the immediate cost-of-living crisis but also serve the long-term interests of the business and society.

Signatories

ACTIAM	Legal & General Investment Management
Aviva Investors	NEST
Barrow Cadbury Trust	PensionBee
CCLA	PIRC
Guy's and St Thomas' Foundation	Rathbones Greenbank Investments
Jesuits in Britain	Strathclyde Pension Fund
Joseph Rowntree Foundation	Trust for London

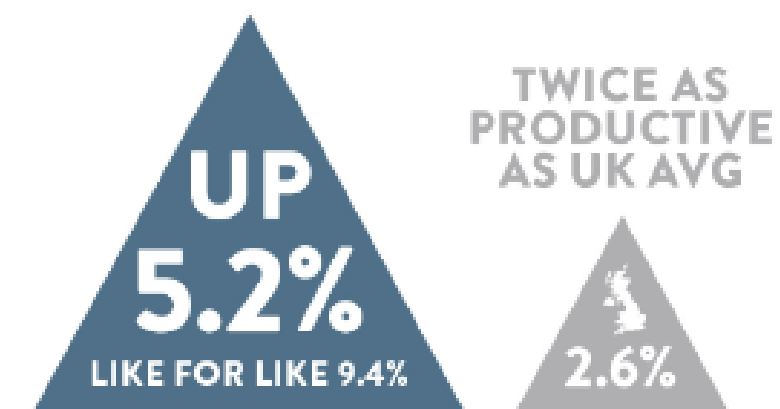
About ShareAction's Good Work Campaign:

The screenshot shows a journal article page with a navigation bar at the top containing 'Journal Home', 'Browse Journal', 'Journal Info', 'Stay Connected', and a 'Submit Paper' button. The article title is '“We Are All in This Together”. Collective Bonuses and Incentives in the United Kingdom and Europe: The Real Performance-Related Pay?'. The author is Duncan Brown. The article was first published on August 18, 2020. The abstract discusses the impact of collective bonus and incentive research on performance, noting that while such plans are spreading, they are not universally successful and can be undermined by high-performance work practices. The article includes a content list with sections for Abstract, Introduction, Context and Definitions, and Figures & Tables. At the bottom, there are icons for Cite, Share, and Request Permissions.

1030
EMPLOYEE OWNED
BUSINESSES
JUNE 2022

TOP 50 EMPLOYEE OWNED BUSINESSES

INCREASE IN PRODUCTIVITY



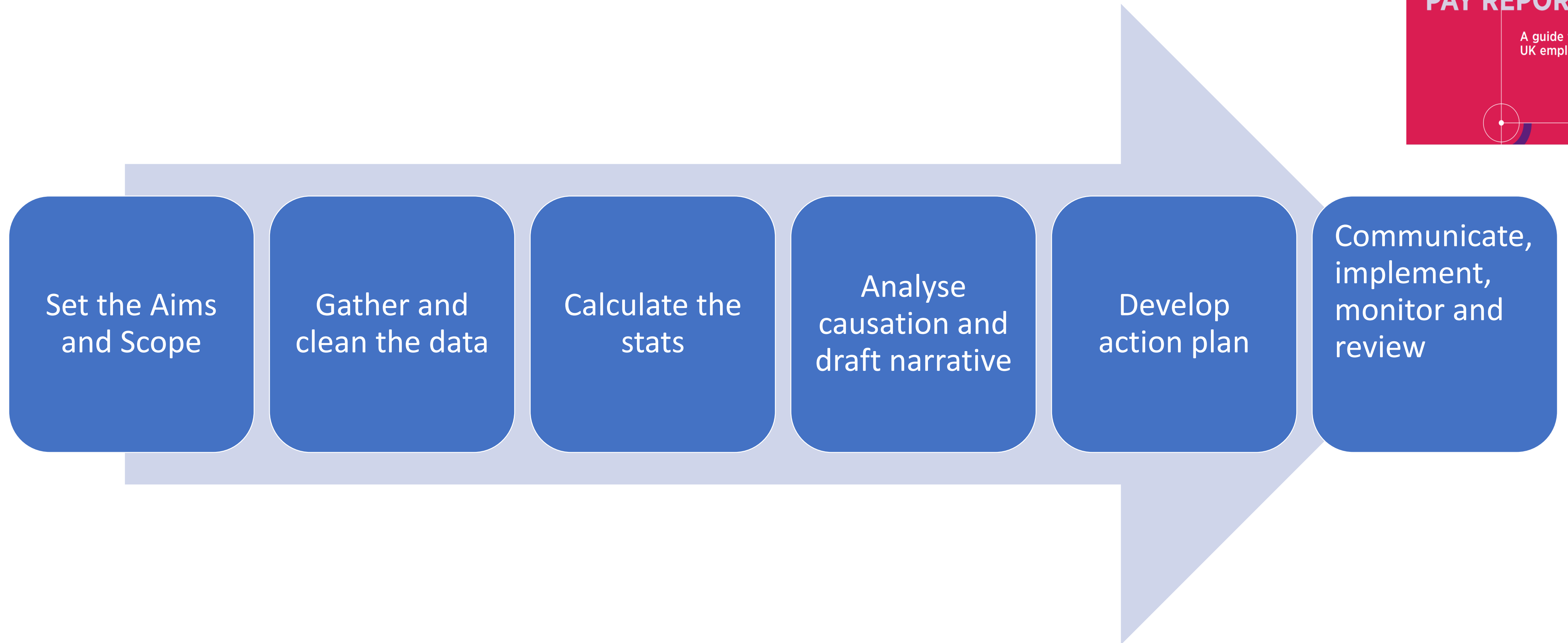
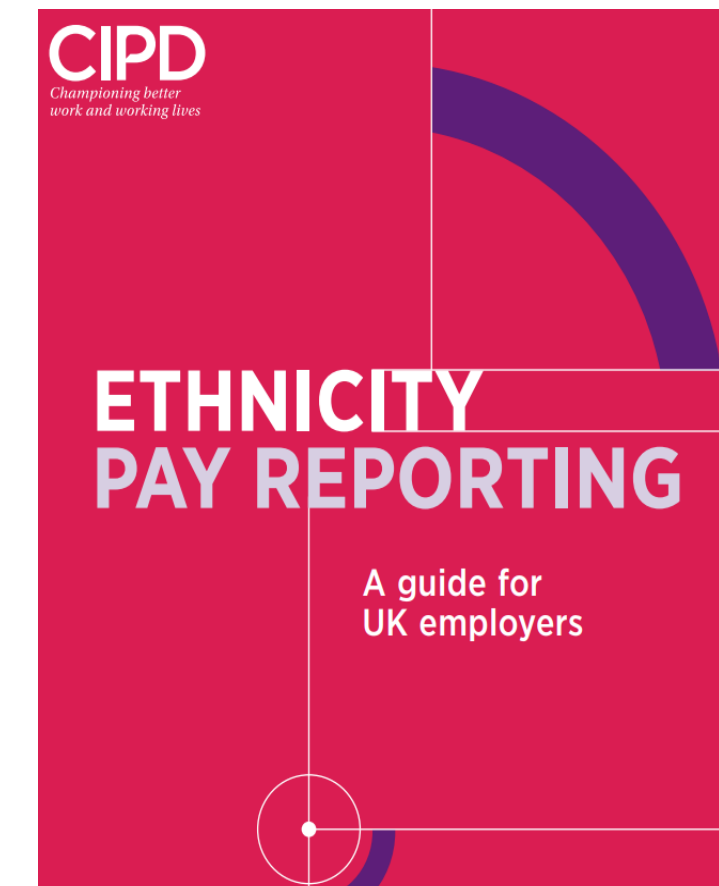
Action planning: your overall plan

1. What are our major (but realistic) aims and goals on pay gaps; and where does this fit in our People and DEI Strategy?
2. What's our rationale/case for continued/intensified action on pay gaps?
3. What are our plans, short-term (< 1 year) and medium-term (1-3 years) to deliver on these aims?

Actions: do you have?

Action	Yes	No	Partially (for who)	Plans/thou ghts
'Blind' recruitment				
Salary history bans				
Pay range				

Conclusions: Treat pay gap reporting and closure as a continuous process



In conclusion, keep it..

- Multi-pronged
- Multiple initiatives
- Measured and monitored
- Over years in most cases
- Comprehensive but focused.
- With on-going involvement of stakeholders and communications.
- Use your learning from GPG reporting to progressively extend to reporting and acting on other protected groups

But...

- Spot/take the emerging opportunities
- Be Smart and Sustained



'The route to success is a worthwhile slog'

David Smith, Chair, IES

'Racism and sexism will probably always exist...

Start where you are. Use what you have. Do what you can.'

Arthur Ashe

Final
Questions?

Thanks!

Duncan is an independent adviser and researcher on rewards. He has worked at major HR consultancies and research institutes including Aon, Willis Towers Watson and IES. He spent 5 years as Deputy CEO at the CIPD.

Duncan's clients have included Shell and Lloyds Banking Group, the Cabinet Office and NHS Employers, and major charities including Unicef, the Prince's Trust, Fairtrade and RSPCA.

He has advised government on issues including pay determination for doctors, the Armed Forces and the judiciary. He was closely involved in developing the gender pay reporting regs and worked on the gender pay gap in medicine review.

Duncan is a leading commentator on HR and publishes and speaks widely. He is the joint author with Michael Armstrong of the UK's best-selling *Handbook of Reward Management*. *Human Resources* magazine placed him in its listing of the top 10 most influential thinkers in UK HR in 2022.

Duncan has an MA from Cambridge University, an MBA from the London Business School, his PhD was in reward strategy and he is a Companion of the CIPD. He is Visiting Professor at the University of Greenwich and Principal Associate at IES. He is a Board trustee at the Industrial Participation Association. and Children's Society.

Email: duncanibrown54@gmail.com

Twitter: <https://twitter.com/duncanbHR>

blog: <https://www.employment-studies.co.uk/news/combating-inequality-2-budget-and-levelling-levelling-down-and-levelling>

article: <https://www.linkedin.com/pulse/never-again-so-what-could-new-normal-look-like-reward-employment/>

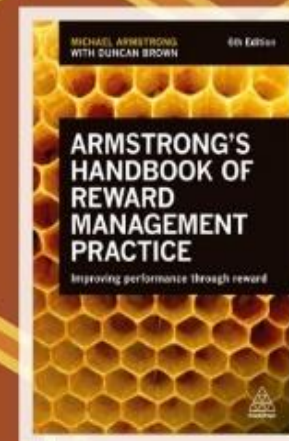
presentation: <https://www.youtube.com/watch?v=74cimml-ial&feature=youtu.be>

Recent book: <https://www.koganpage.com/product/armstrong-s-handbook-of-reward-management-practice-9780749484361>

Mend the Gap: The Independent Review into Gender Pay Gaps in Medicine in England

December 2020

Chair - Professor Dame Jane Dacre
Lead Researcher - Professor Carol Woodhams



Rapid evidence assessment: parents' decisions about returning to work and child caring responsibilities

Research review
May 2018

Becci Newton, Penny Tamkin, Rosie Gloster, Annette Cox, Clare Everett and Jamie Cotton

Gender Pay Gaps, the U.K. Experience: How Do We Close Them, How Do We Bring Research Into Practice?

Compensation & Benefits Review
1-18
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DOI: 10.1177/0886260719895934
journals.sagepub.com/home/cbr

Duncan Brown
Institute for Employment Studies and University of Greenwich

Abstract

In 2017, the U.K. government enacted legislation making it compulsory for employers across all sectors with more than 250 employees to report six gender pay gap statistics on a consistent basis, with the majority adding voluntary explanatory reports. Over 10,000 have reported in each of the 2 years since, pushing the issue significantly higher up both corporate boardroom and academic research agendas. In this article, after briefly explaining the national and legislative context, the author profiles the action plans which U.K. employers have published designed to close these gaps, focusing on higher education institutions. The author goes on to profile the research on what works in closing gaps and highlights the significant dissonance between the two perspectives. Employer actions tend to focus narrowly on training and other "soft" involuntary initiatives, while the academic research highlights a multipronged approach across all areas of human resources activity as most effective and including compulsory actions such as "blind" recruitment. The author concludes by outlining how these two perspectives may be integrated to produce more relevant research and evidence-based practice, thereby driving more significant and sustainable reductions in gender pay gaps.

Keywords

gender pay, equal pay, pay equity, pay gaps, equality, diversity and inclusion

Introduction: Gender Pay Gap Reporting—The Dawn of a New Era?

Two years ago, after a number of false starts and failures by U.K. governments to encourage employers to report their pay gaps voluntarily,¹ and under pressure from the European Commission² to "fight the fog" shrouding

They require U.K. employers in all sectors with 250 or more employees to publish annually six statistics on their gender pay gaps, measured on a common snapshot date. These are

- The difference between the mean hourly total pay of male and female employees





Inc. Inc.

Creating an Inclusion First
organisation.

Contents

What is the
future of
work?

Where did
all the
voices
come from?

AND Digital
- Inclusion
First

Leave with
this

What is the future of work?

How D&I is becoming its heart.

The megatrends reshaping our world



HEALTH

collapse

Coronavirus, mental health, NHS crisis, US reproductive care



ECONOMY

inequities

Inflation & energy prices vs tax cuts for the rich, Brexit fallout



CLIMATE

polarisation

Net Zero, EU regs, UK coal mine, US climate package



SOCIO-POLITICAL

control

Ukraine, Roe vs Wade, LGBTQ+ moral panic



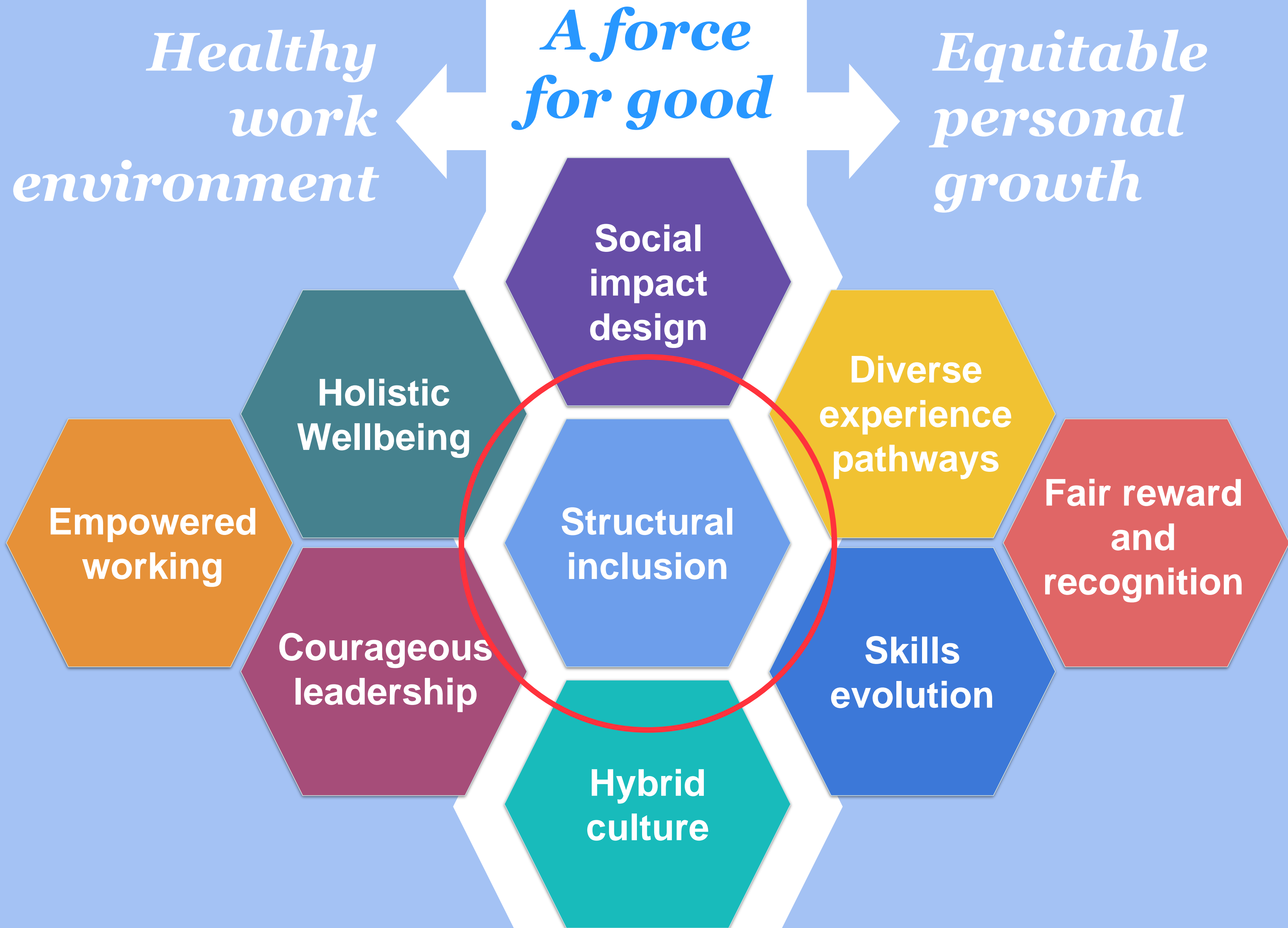
TECH

empowerment

Video calls as norm, GPT-4, health & climate AI boom

AND

*The
impact
on work
and
people*



Where did all the voices come from?

What inclusion looks like.

Voices appear in times of change

2010

2015

2020

2021

2022

2023

2010: Post-2008 economic crisis era

 *2016: Trump & Brexit*

 *March 2020: Covid*

 *Late 2021+: Post-covid, Ukraine invasion*

LGBTQ+

Same sex marriage

Trans military ban

'Gay Panic Defense' ban

JK Rowling/ Trans moral panic

LGBTQ+ book ban

Key

Multiple countries

US Only

UK Only

Women

#MeToo

Sarah Everard

Roe v Wade/ anti-abortion rhetoric

Female PM resignations

BAME+

Charlottesville

George Floyd, BLM

Rwanda deportations

Met Police report

London Ramadan

Neuro-diversity

Asperger's = Autism

Mental health, neurodiversity

Mental Health Bill (declassifying autism as a 'mental disorder')

What we have learnt



Organisations can be *institutionally* biased



Inclusion leads to diversity

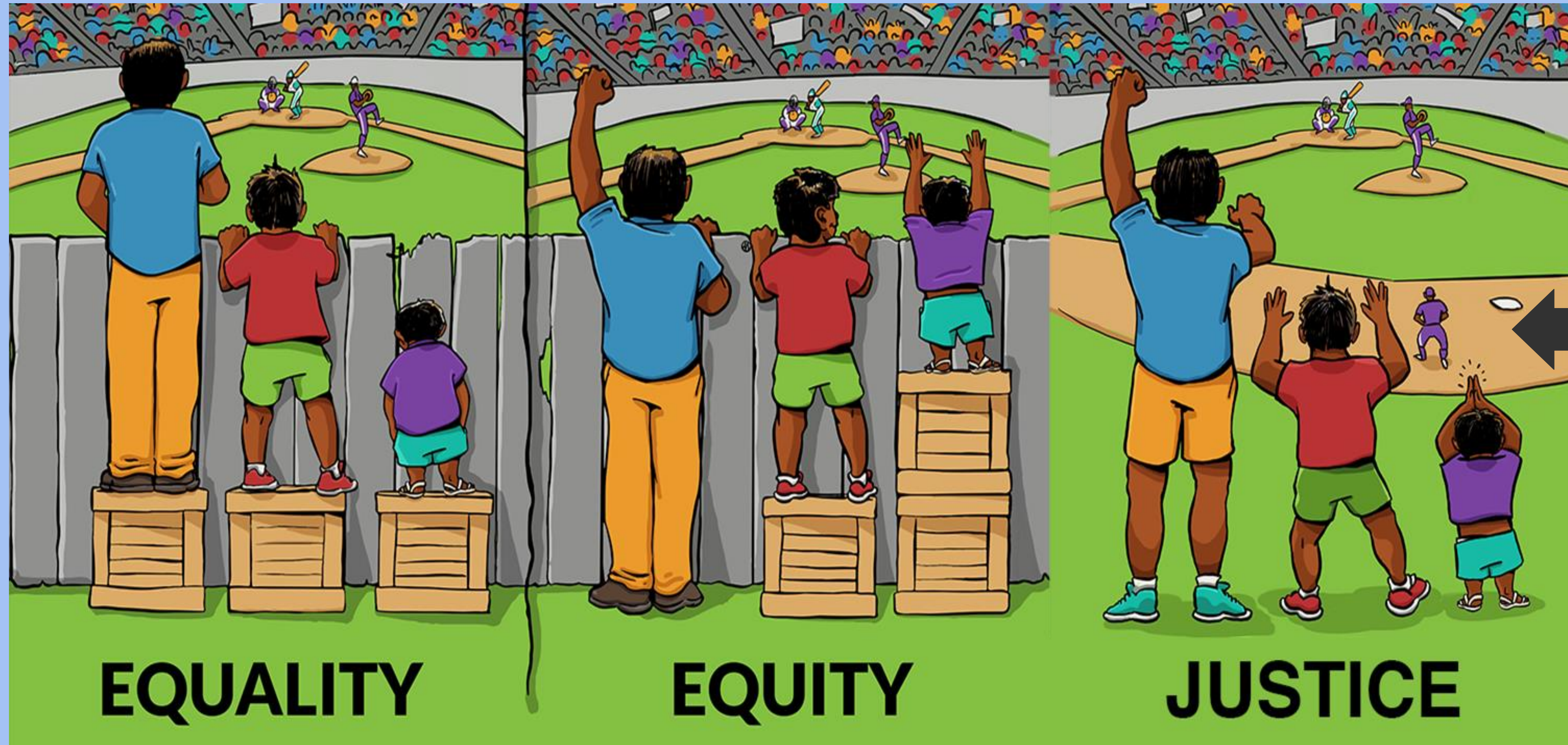


'Equality' doesn't equate to *fairness*



Power asymmetries are the key to failure

What should we do differently?



EQUALITY

EQUITY

JUSTICE

Get rid of structural obstacles

AND

Evolving from...

*Underlying
philosophy*

*Approach &
metrics*

*Design
framework*

*Behaviour &
accountability*



*Traditional
D&I*

Diversity and pay gaps assumed to be down to **individuals**.

Diversity metrics, e.g. recruitment targets

A **one-size-fits-all** promotion process

Expecting an **individual** to 'step up' or 'lean in' or 'code switch' or 'mask'

to...

***Structural
inclusion***

Diversity and pay gaps assumed to be down to **institutional** bias.

Inclusion metrics, e.g. Rooney rule, retention targets

A promotion process **tailored** to different demographics/neurotypes

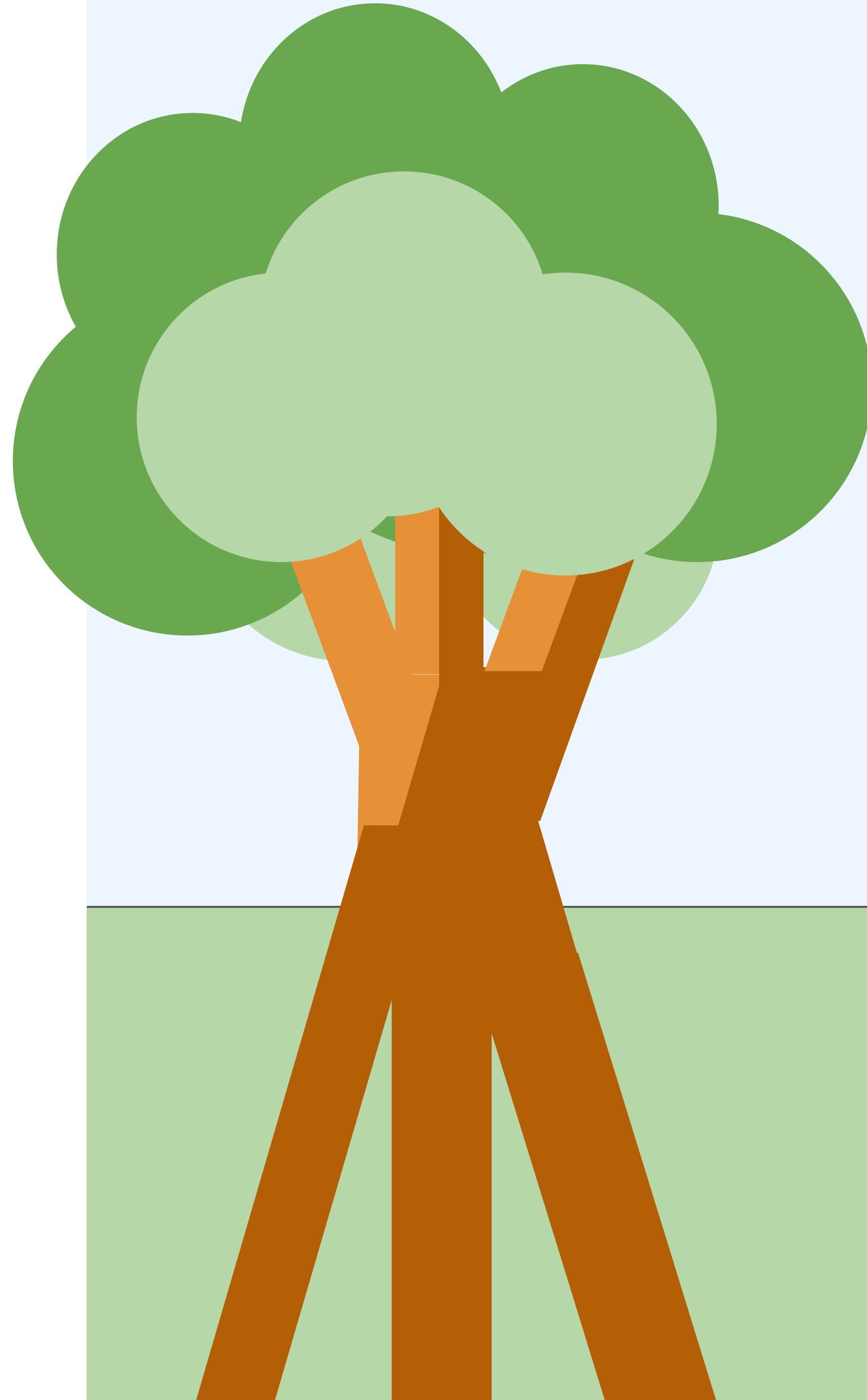
Decision-makers educated on power asymmetries and allyship; set up with 'inclusion' mentor

AND Digital – Inclusion First

Making structural inclusion a strategic imperative.

Vision

All ANDis feel included and valued by experiencing equality, equity AND justice throughout their journey at AND.



Inclusion Outcomes

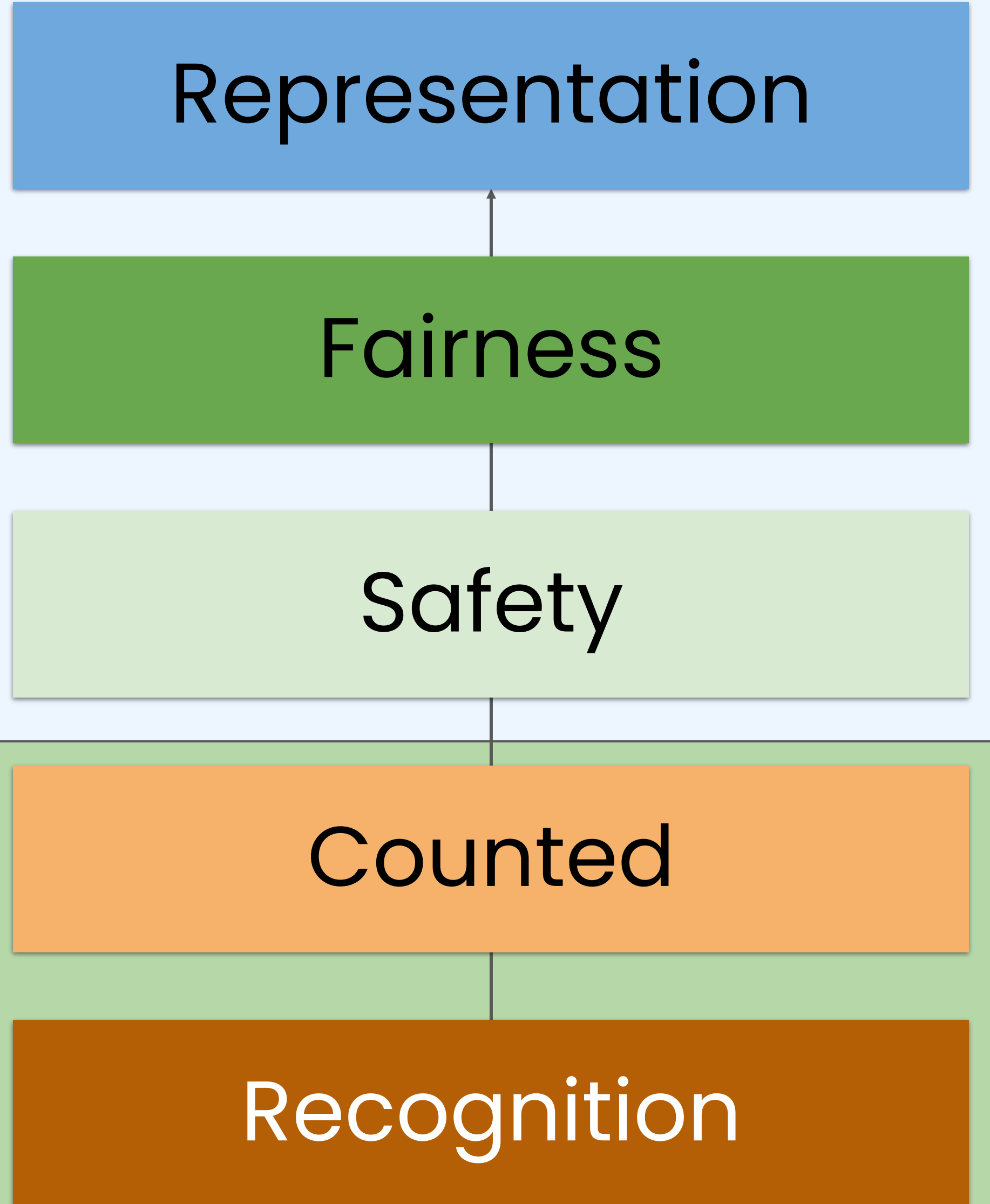
Representation

Fairness

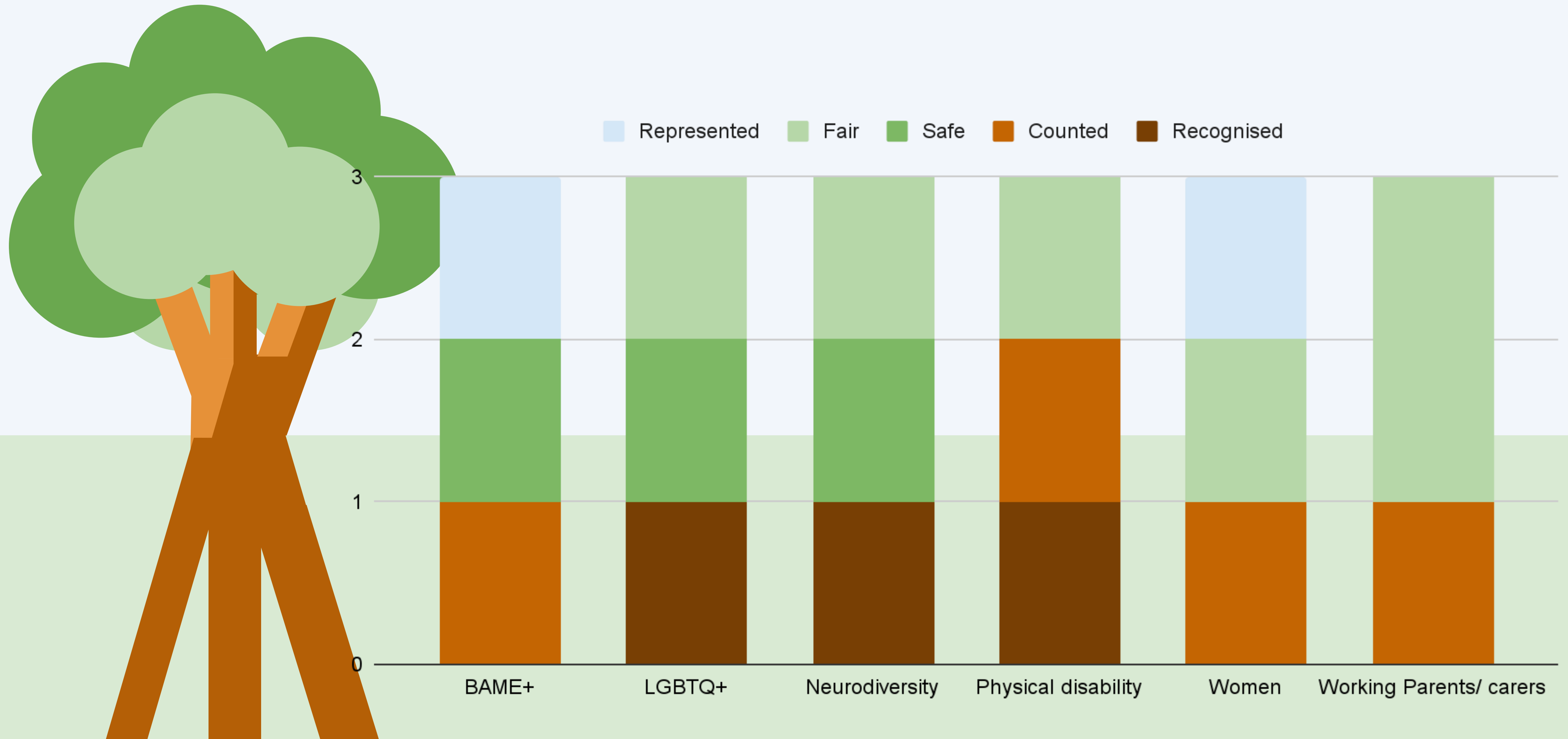
Safety

Counted

Recognition



Inclusion concerns across AND's communities



Over the past year we've made progress to becoming a structurally inclusive employer

- Structural inclusion accountability
- Diversity (and inclusion) data
- Leadership inclusion training
- Process redesign
- Policy creation
- Team resources

Ownership = things getting done

*D&I
Lead*



Inclusive recruitment



Inclusive
Performance
management



Trans rights policy
Baby loss policy

Inclusive performance
management

Get the right data right

*Improving diversity data quality
and thoroughness*

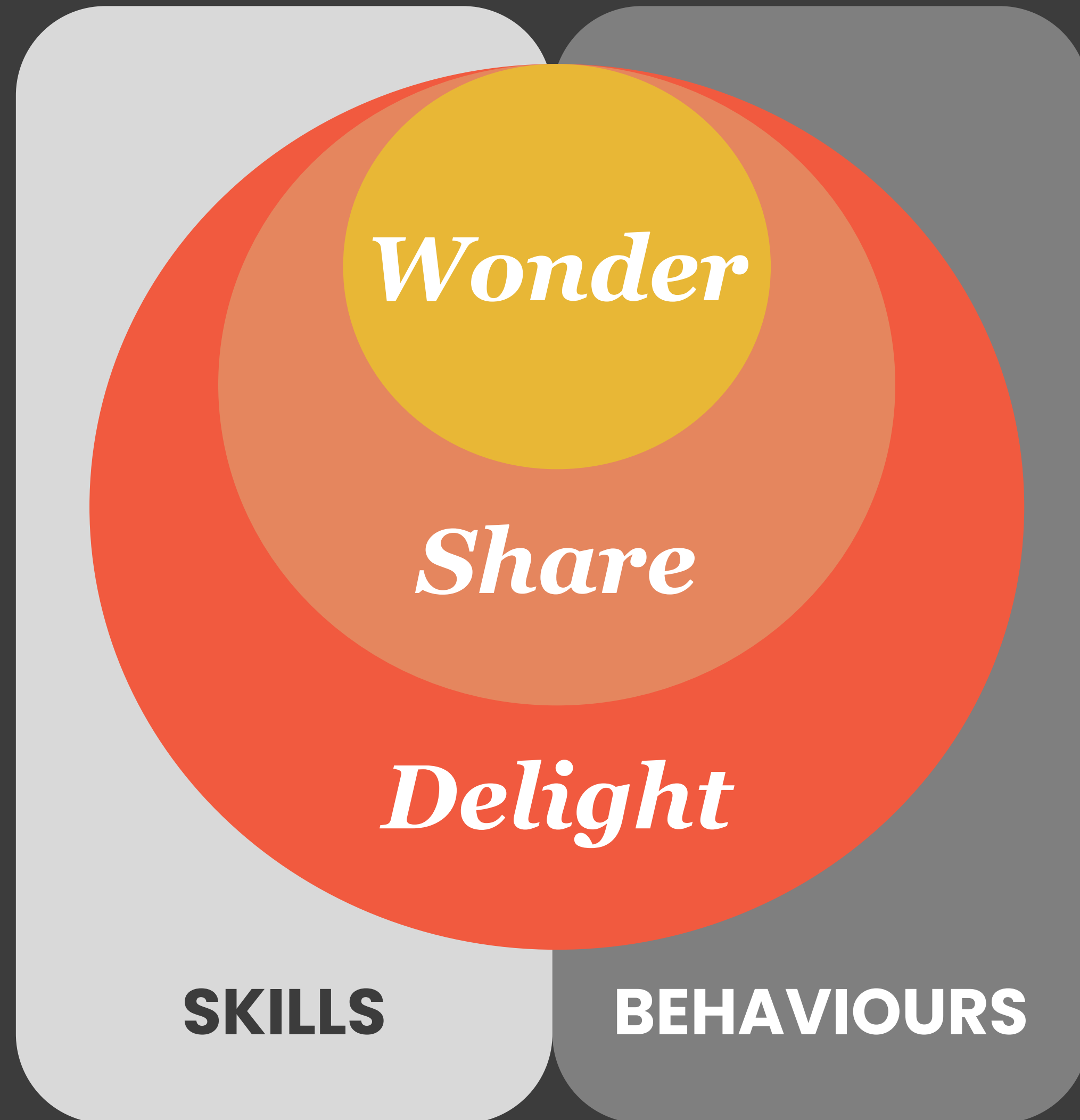
*Measuring structural inequities
AND accommodations*

<i>Current</i>	<i>Proposed</i>
Gender identity	Gender identity
LGBTQ+	Sexual orientation

Overall engagement
Health provision
Working pattern needs
Time off
Psychological safety
Growth

AND

Growth is (and should be) diverse



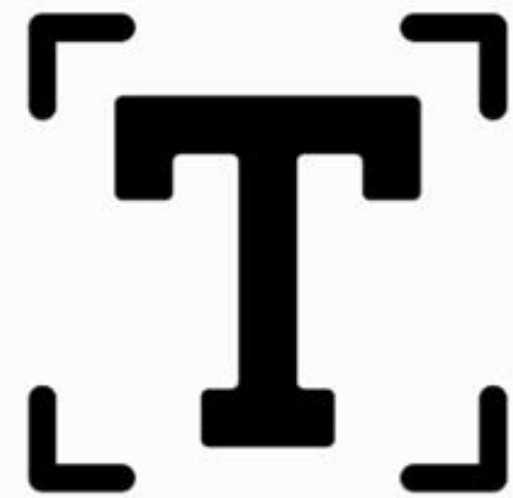
'Growth' feedback

*Personalised
Recognition*

*Learning,
un/relearning*

Making inclusion easy to do

Writing (Emails, Slack, Docs, Slides, Sheets)



- No big walls of text. Break down into mini paragraphs of 1-4 lines
- Use bullets to break up the text
- Use short sentences
- With instructions, try not to use idioms or vague language
- Use pictures or diagrams where you can
- If possible, break up a string of numbers into small groups

- Add an audio file of you reading out the text

- Maximise the contrast of the text against the background

- Avoid very bright colours of text, background or both
- Avoid colour combinations that are colour-blind unfriendly, e.g. red/green or colours of similar shades

Leave with this

Recommendations for organisations.

Do these 5 things. All of them.

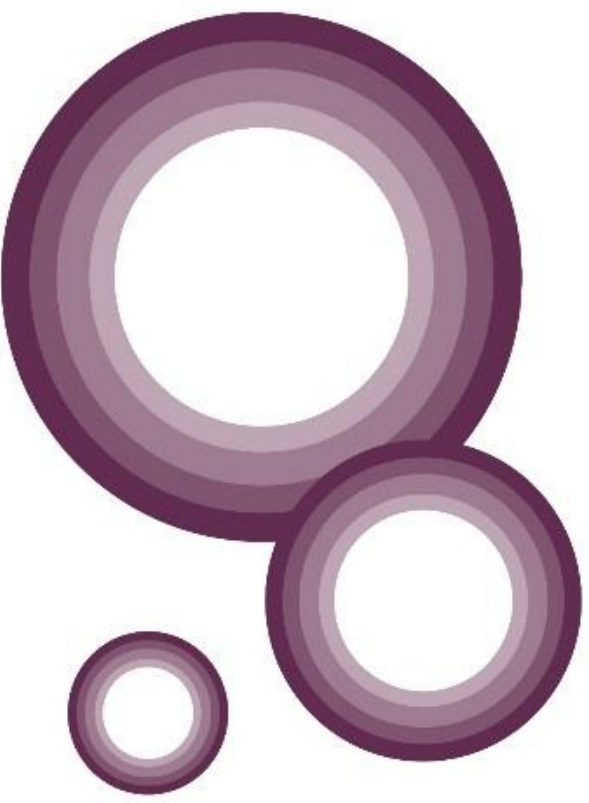
1. **Data** data data data
2. Ask for **experiences** and ye shall find evidence of institutional exclusion AND inclusion
3. *Iterate* a **vision** based on a changed underlying philosophy
4. Try out '**imagine** a world where...' and other UCD approaches
5. Make **leaders** face the power music

AND

Thank you.

Designing flexible work that removes barriers to progression

Nicola Smith, Interim CEO, Timewise



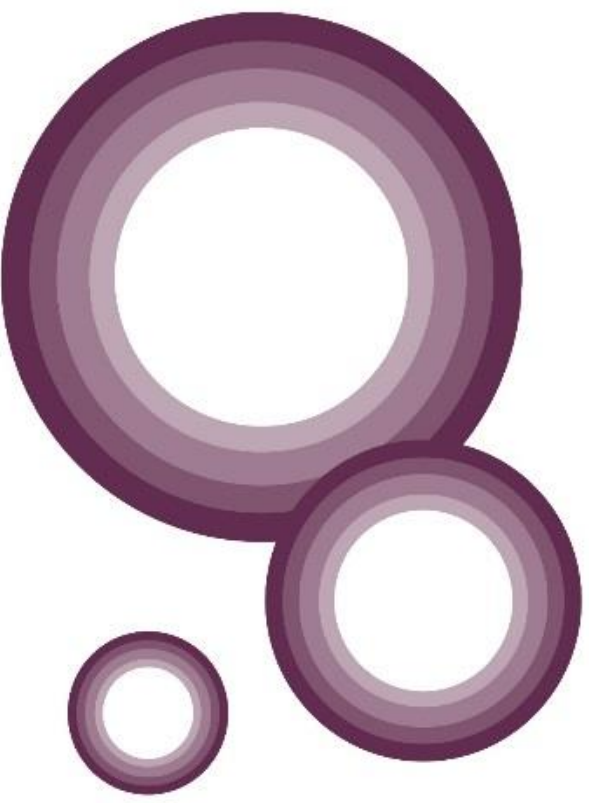
About Timewise



SOCIAL CONSULTANCY

We are the UK's leading flexible working experts and a social enterprise.

Our clients, individuals and our society all benefit from the social purpose underpinning our work. It's not just win-win-win. It's a virtuous circle.



WHAT WE DO

Research and Campaigns: new insight & sharing ‘what works’ to employers & policy makers to stimulate action to grow a quality flexible jobs market



Consultancy and change programmes: supporting employers to drive cultural and operational change on flexible working and hiring

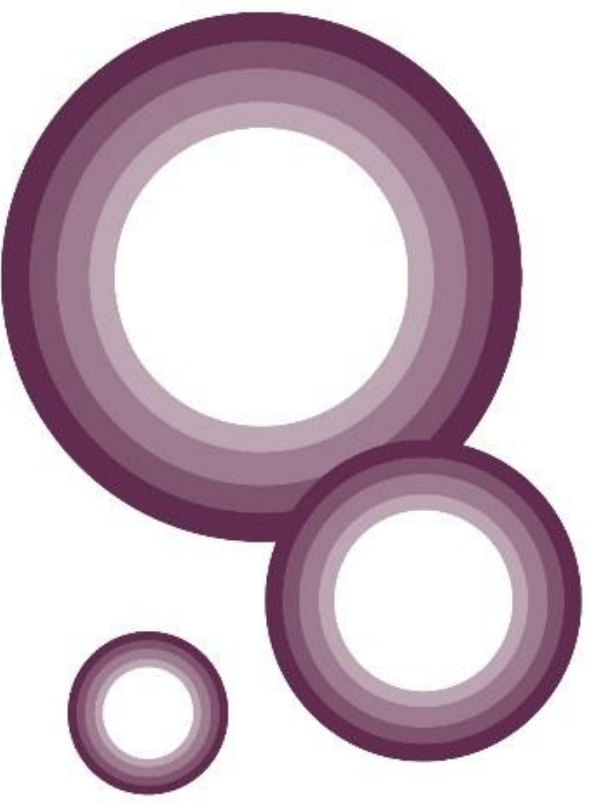


UK’s leading marketplace for good flexible jobs: growing the quality flexible jobs market for job seekers

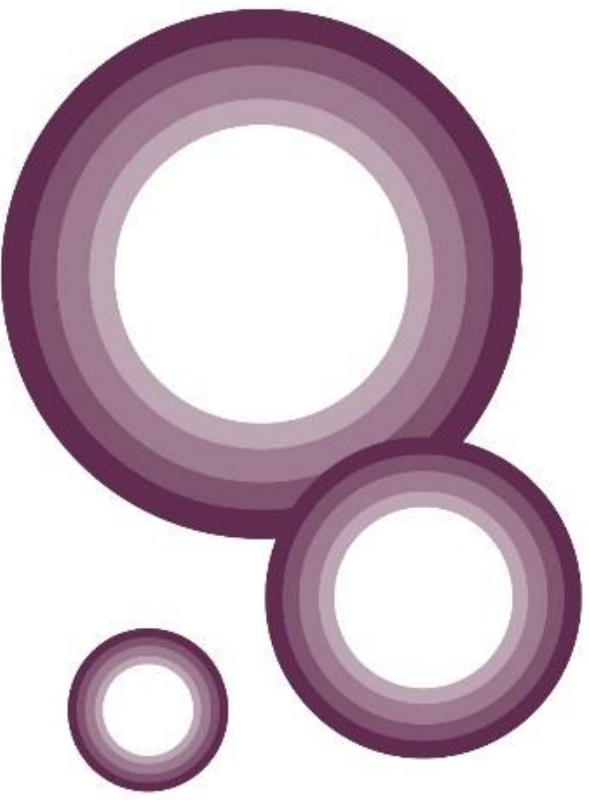


Focus for this session

- What is flexible working?
- Why it matters to progression – into work and into better jobs
- What works



What is flexible working and why does it matter?



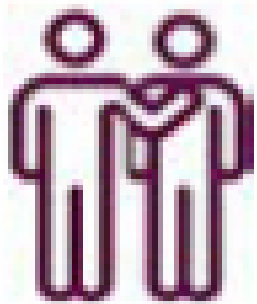
GOOD FLEX WORKING SOLUTIONS CAN BOLSTER BUSINESS GROWTH



Talent attraction



Retention & progression



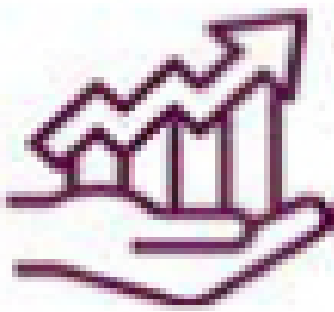
Employee well-being



Gender pay gap



Inclusion & diversity

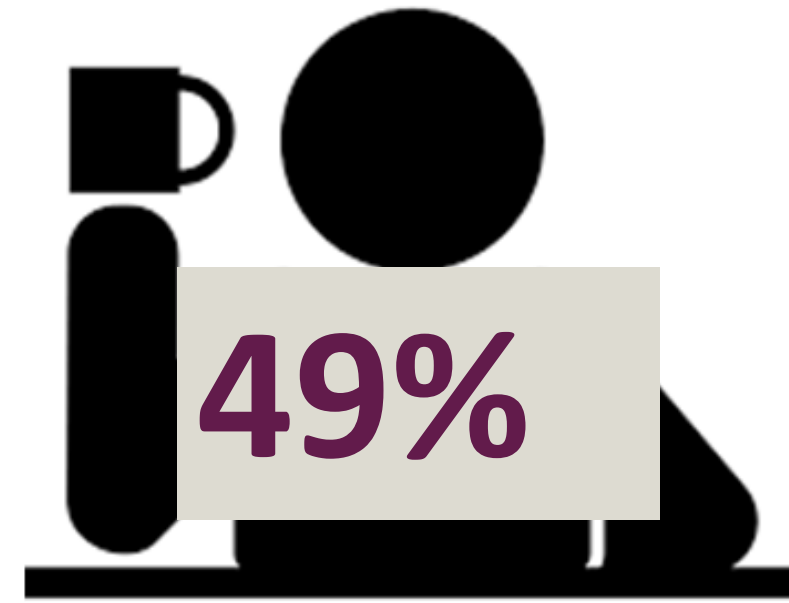


Productivity

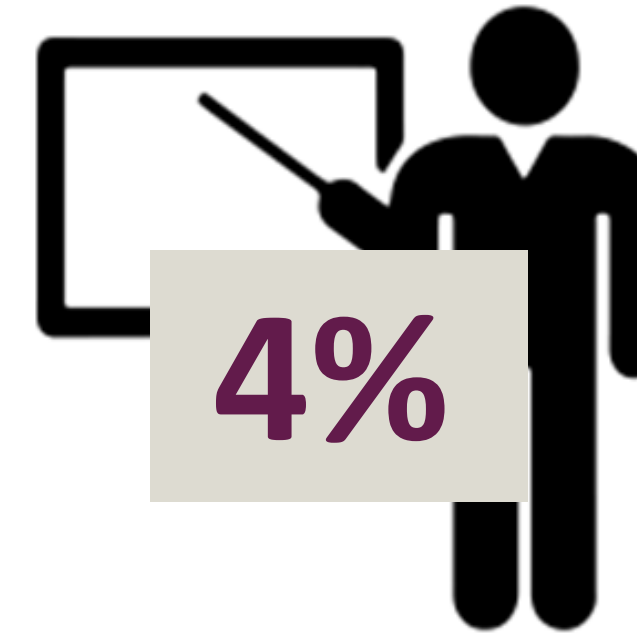
What do we mean by a 'flexible job'?



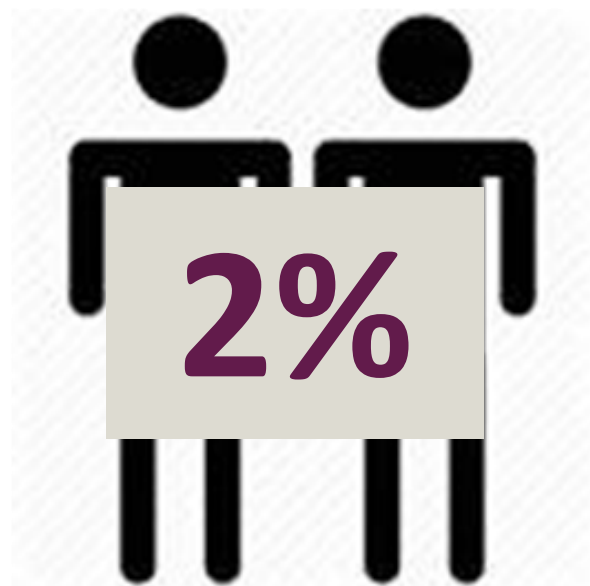
Part Time



Working from home



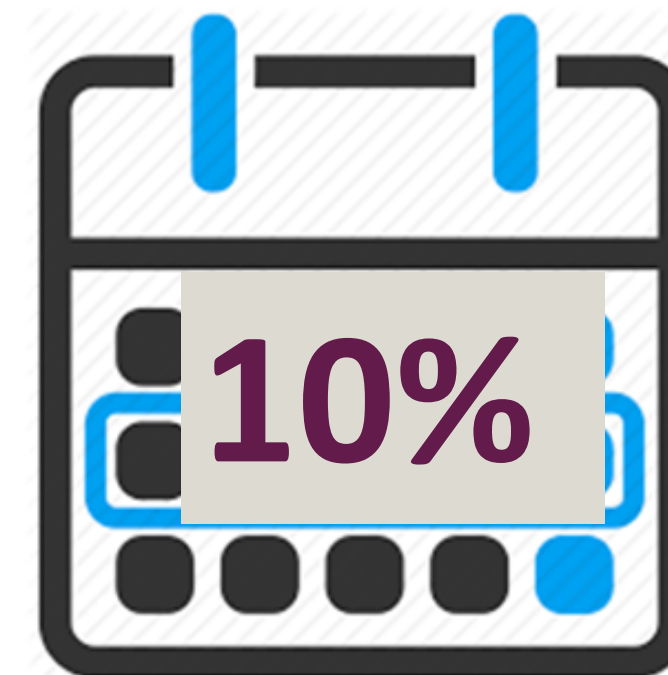
Term time work or
annualised hours



Job share



Flexible start & finish



Compressed week



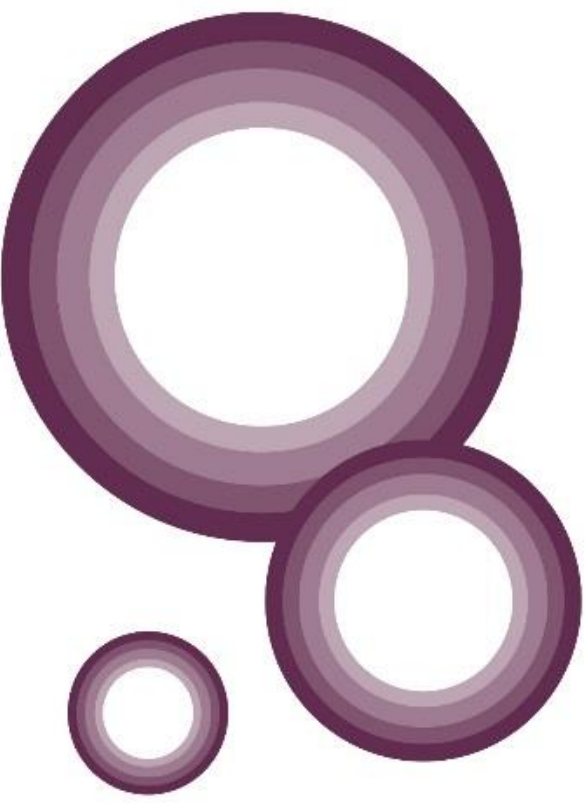
Formal versus informal flex

Formal flex

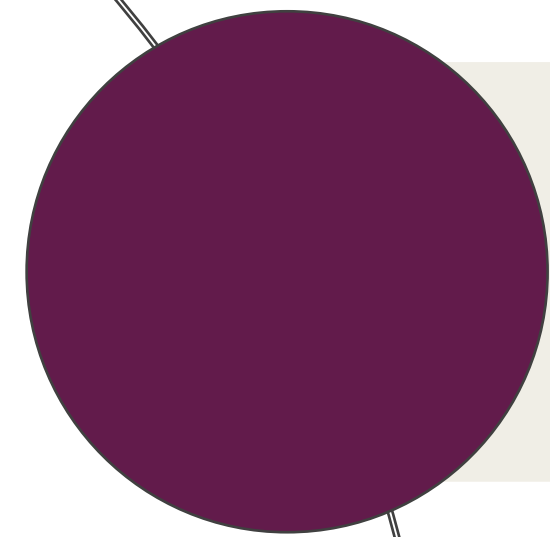
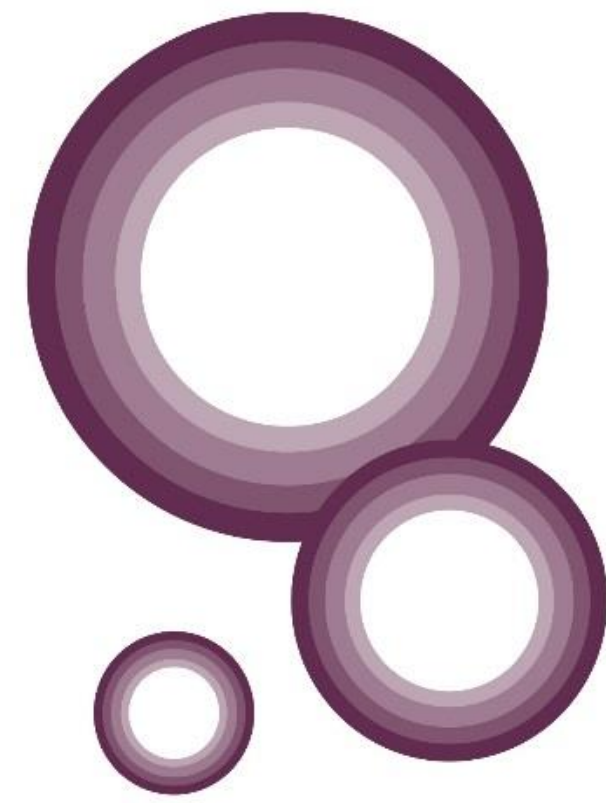
- Part-time working
- Term time working
- Annualised hours
- Unpaid leave
- Regular, fixed home/ remote working

Informal flex

- Occasional home/remote working
- Change to start/finish time
- Occasional time-off in-lieu
- Compressed hours
- Reasonable adjustments
e.g. return to work

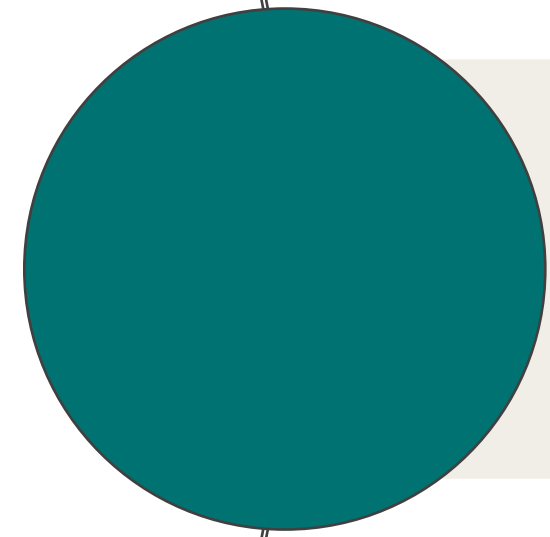


Understanding Types of Flexibility



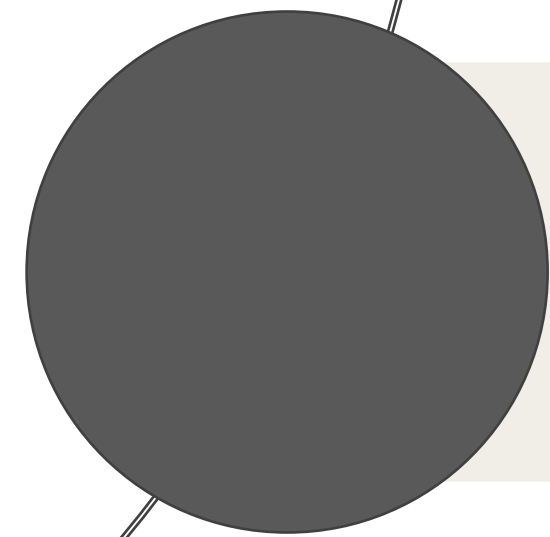
WHERE?

- **REMOTE WORKING**
- Occasional/informal; home; mobile; other offices



WHEN?

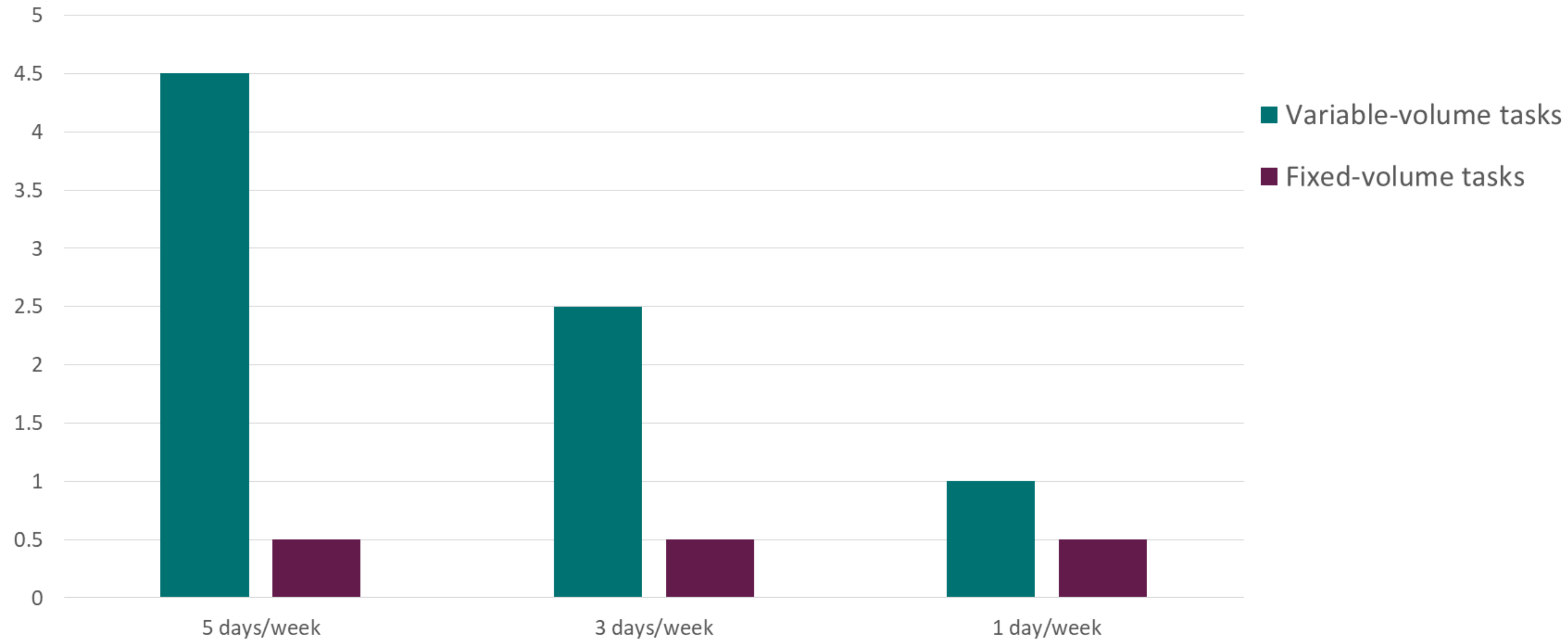
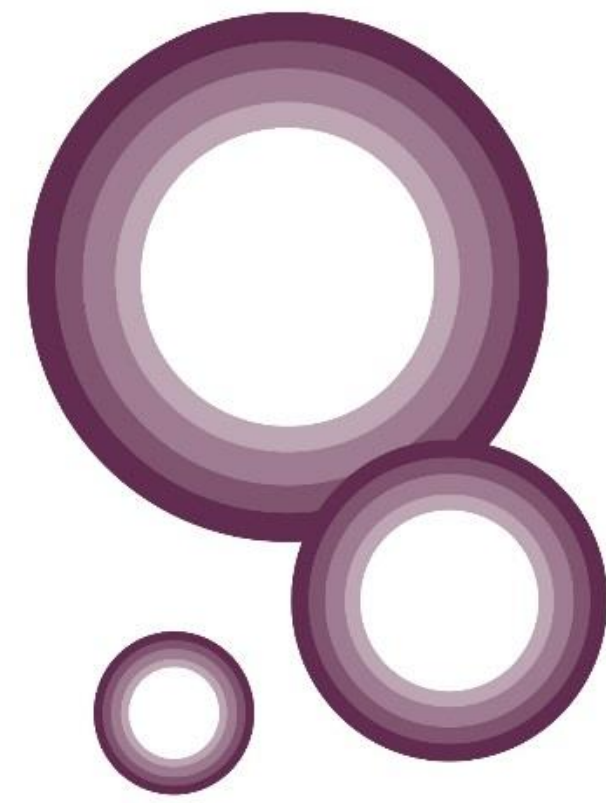
- **FULL-TIME FLEXIBLE**
- Occasional/informal; flexible start/finish times; annualised; project-based



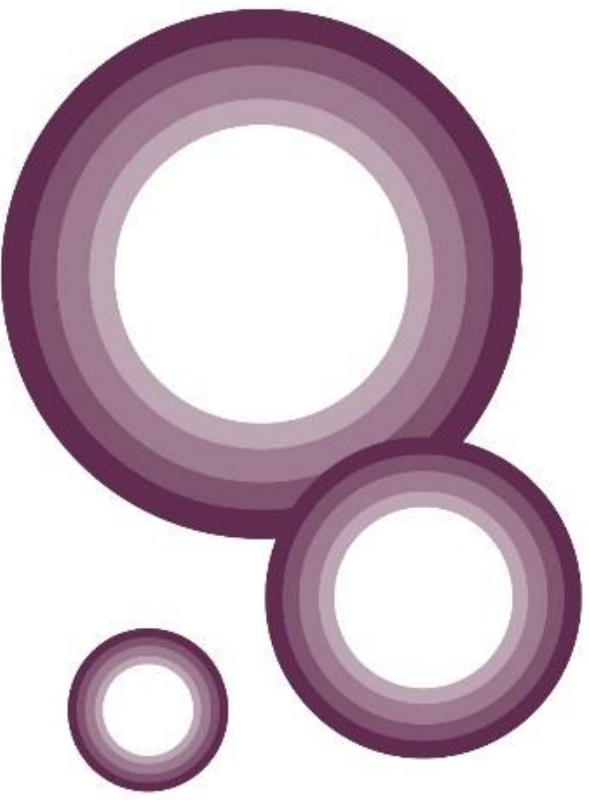
HOW MUCH?

- **PART-TIME**
- Job-sharing; job-splitting; project-based; unpaid leave

Fixed-volume and variable-volume tasks



How can flexible working support progression?

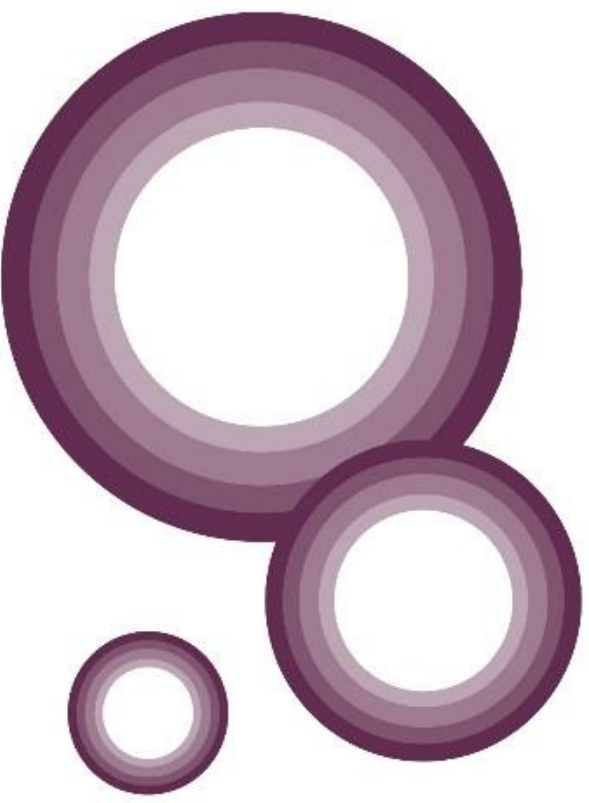


Progression and flexible work

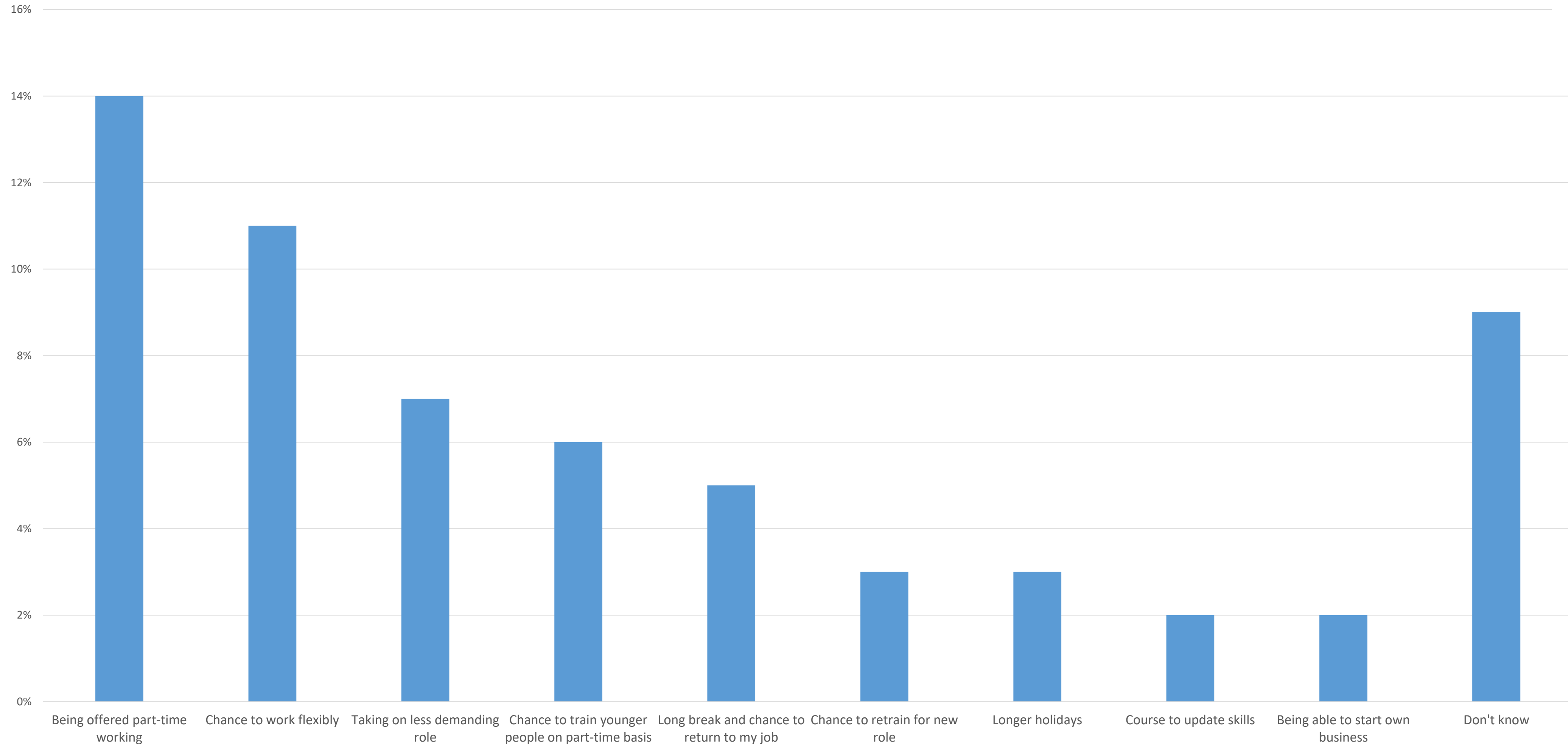
- Enabling people to move into work
- Progressing into better paid work
- Gaining new skills and expertise



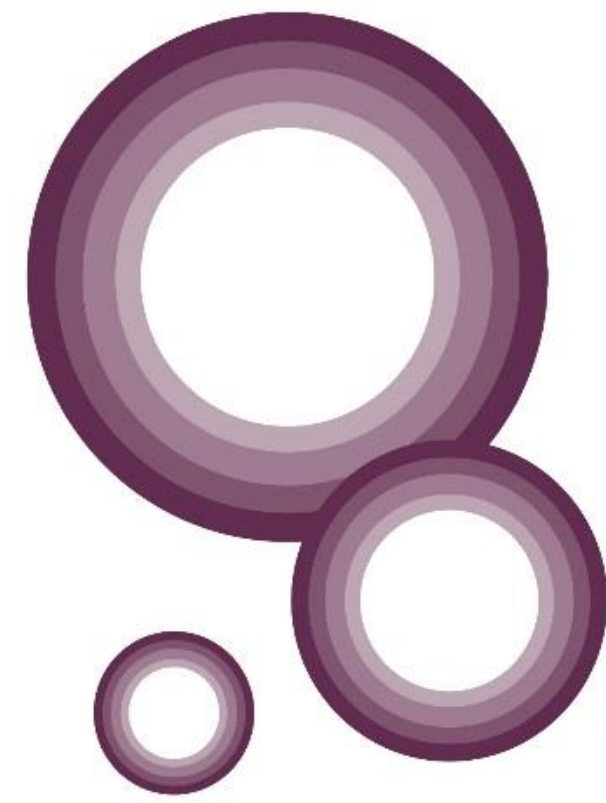
Older workers



Would any of these have encouraged you to work for longer? – retirees aged 50+



The growing demand – younger workers



**FLEXIBLE
WORKING:
YOUNGER
WORKERS
WANT IT MOST**



18-34 YEAR OLDS

92%



35-54 YEAR OLDS

88%



55+ YEARS

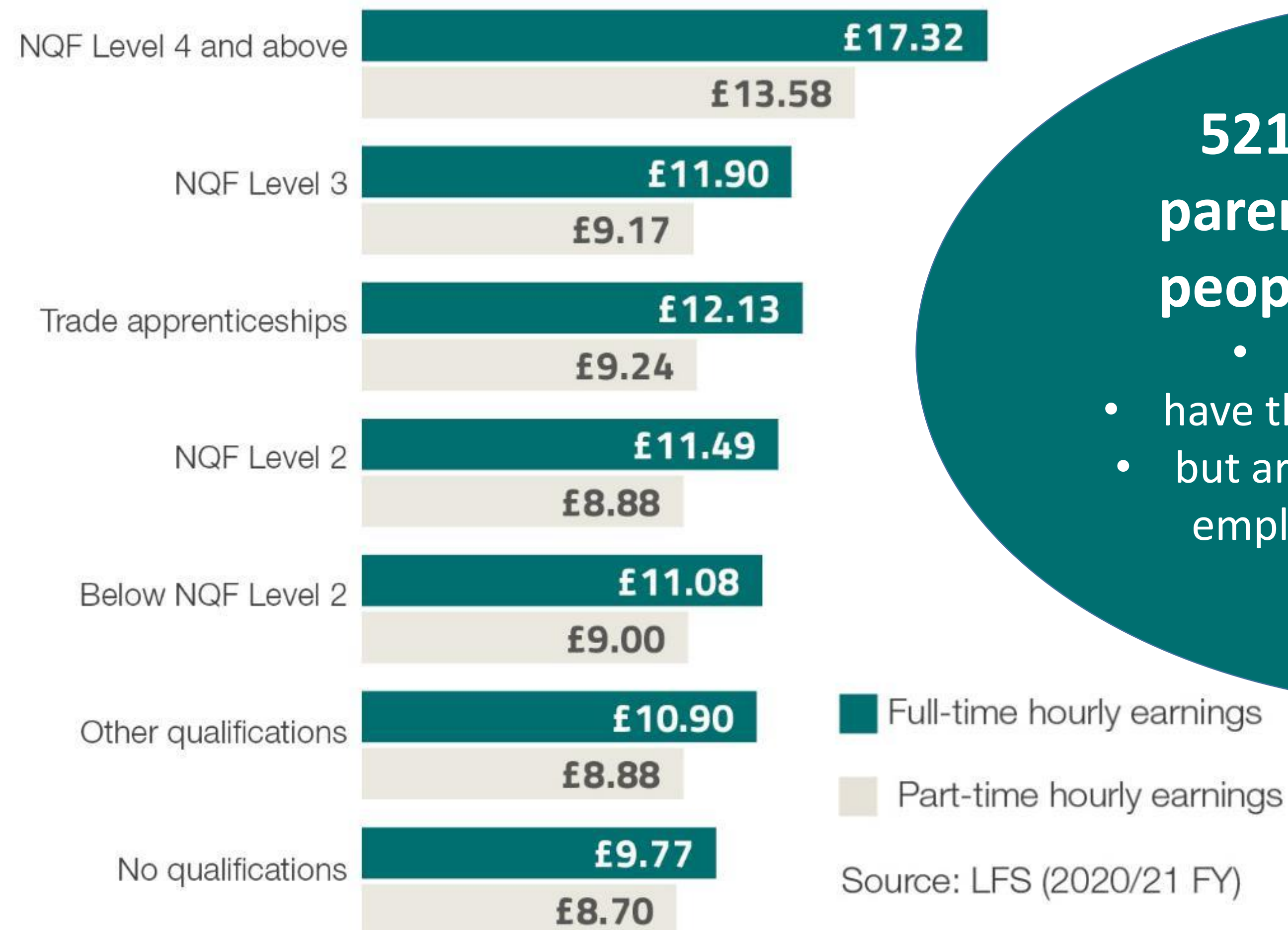
72%

@Timewise_UK
#FlexibleBritain

timewise
TALENT THROUGH FLEXIBILITY

Hourly earnings by qualification level

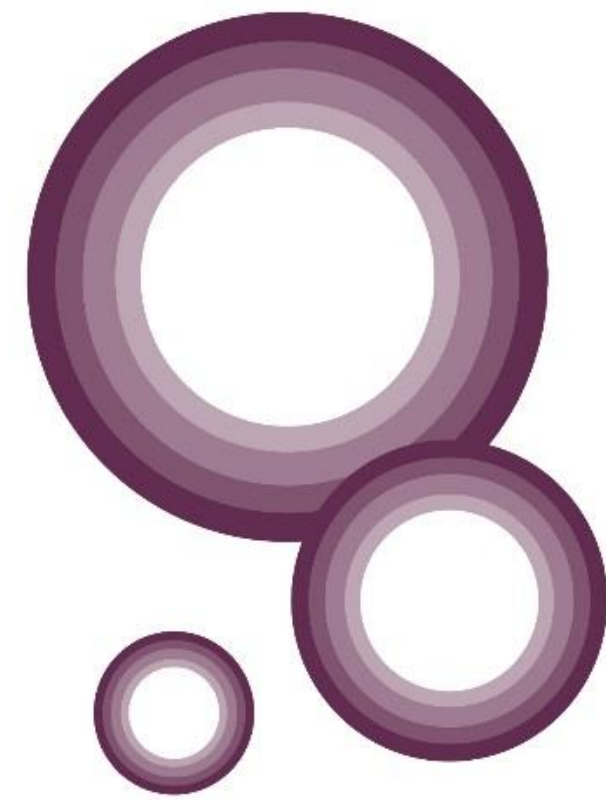
HOURLY EARNINGS FOR FULL-TIME AND PART-TIME WORKERS BY QUALIFICATION LEVEL



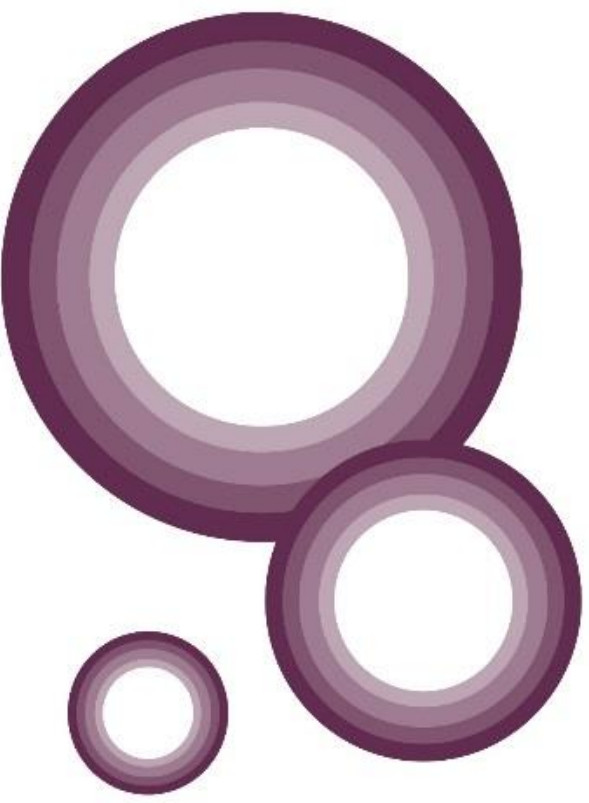
Source: LFS (2020/21 FY)

521,000 low income parents, older workers, people with disabilities

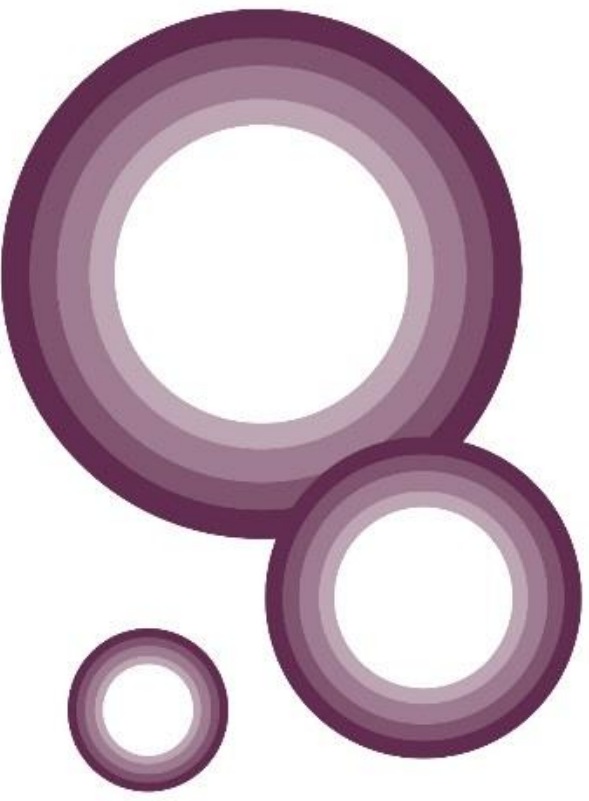
- want a part time job,
- have the qualifications to gain one
- but are either workless or under-employed in low paid part time work



What works?

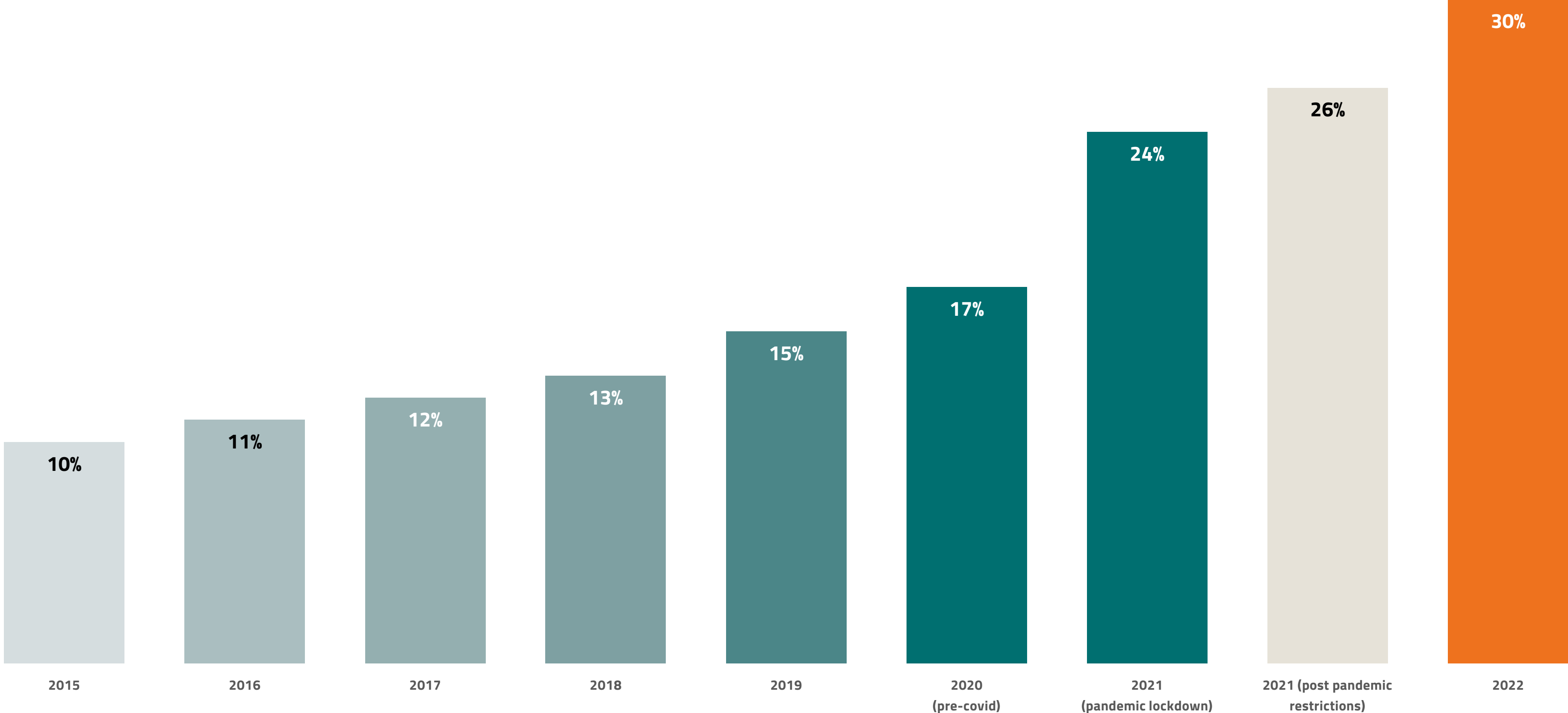


Flex hiring



Trend over time

PROPORTION OF JOB ADVERTS THAT OFFER FLEXIBLE WORKING



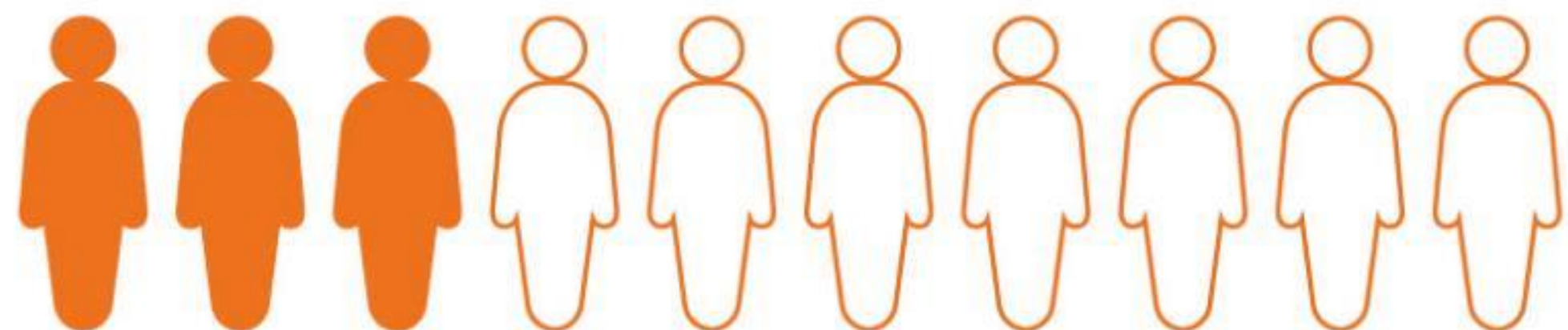
Gap between supply and demand



9 IN 10 PEOPLE
WANT FLEX



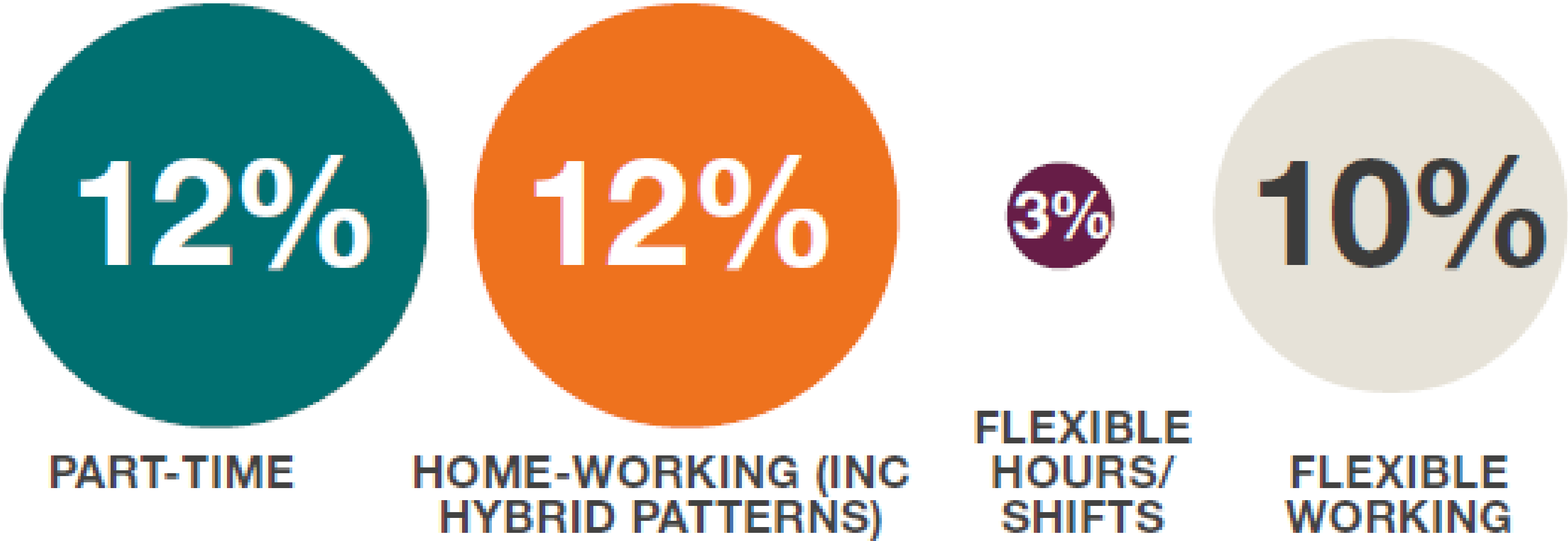
5 IN 10 PEOPLE
WORK FLEX



3 IN 10 JOBS
OFFER FLEX

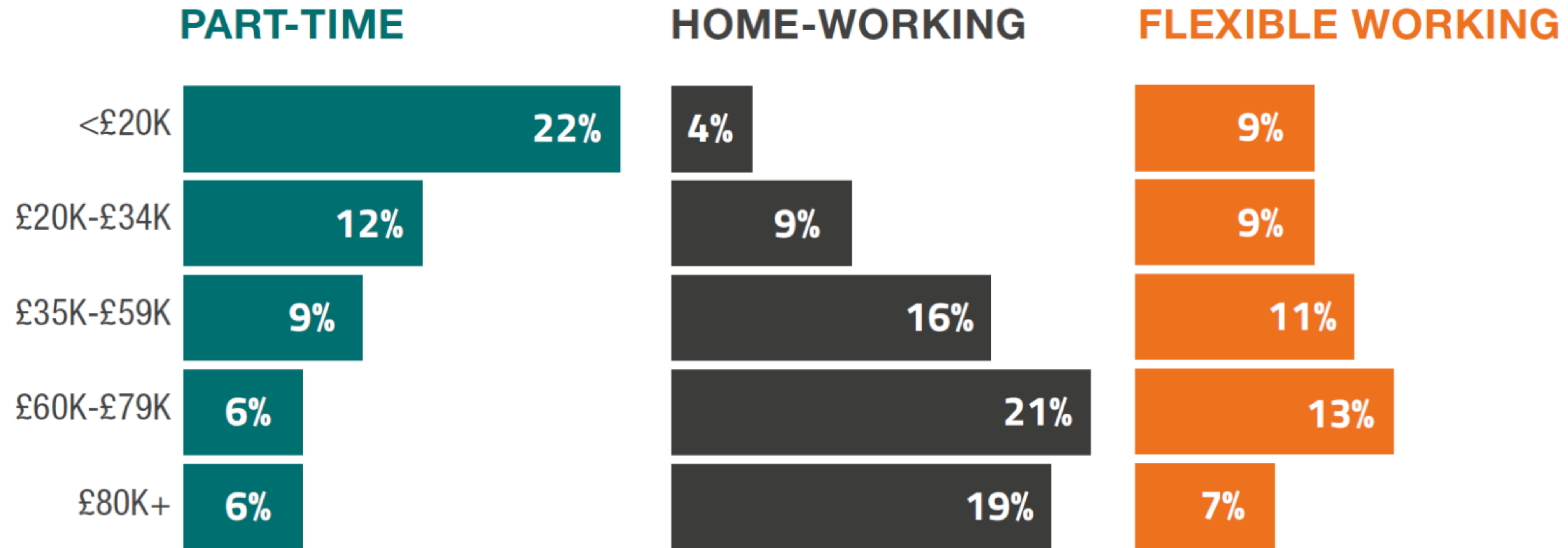
Types of flex

PROPORTION OF JOB ADVERTS OFFERING SPECIFIC TYPES OF FLEXIBLE WORKING

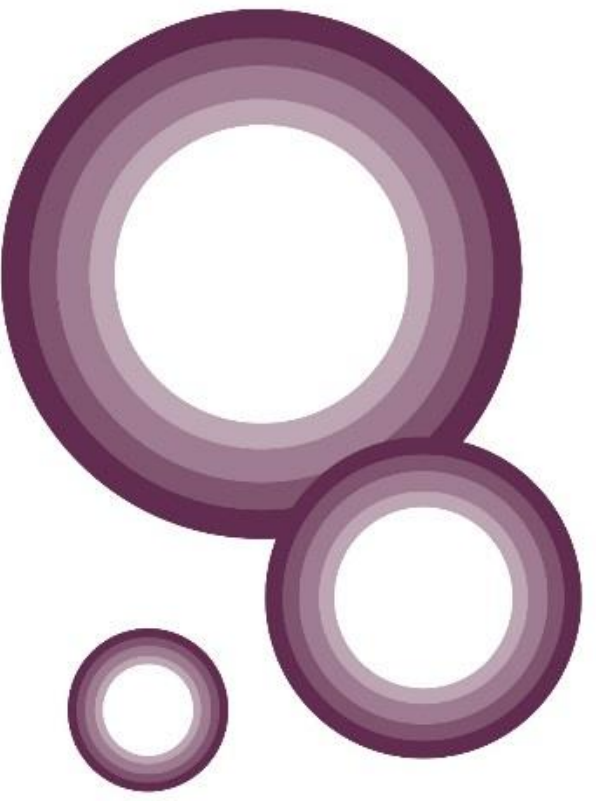


Salary level

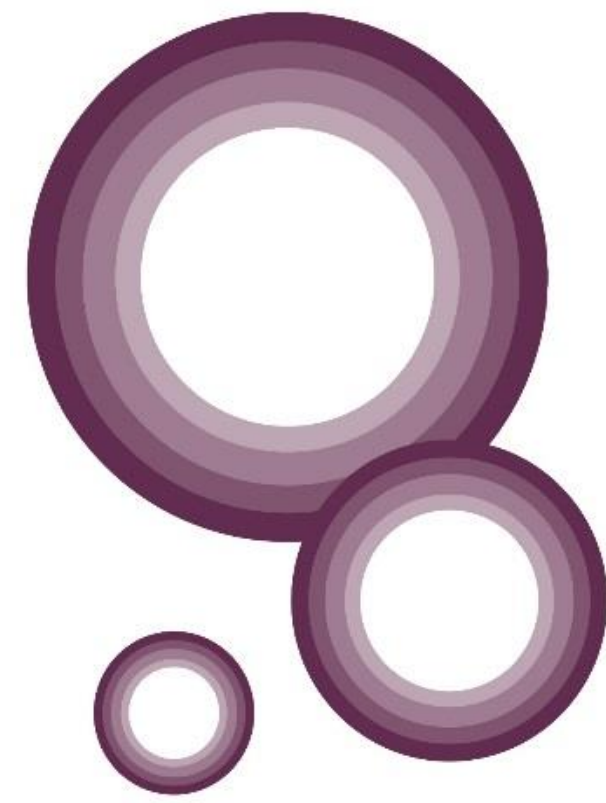
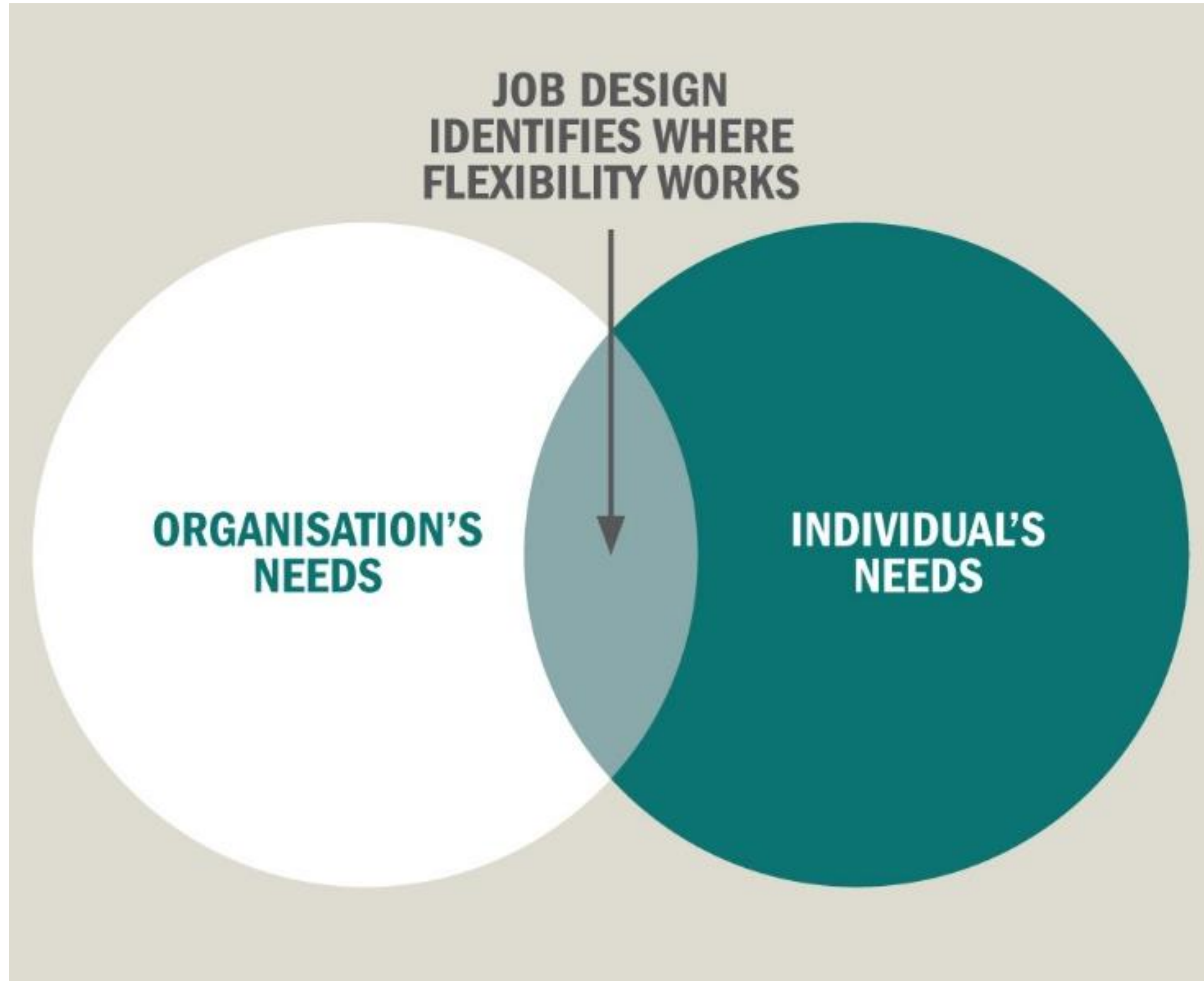
DIFFERENCES IN TYPES OF FLEX OFFERED BY SALARY LEVEL



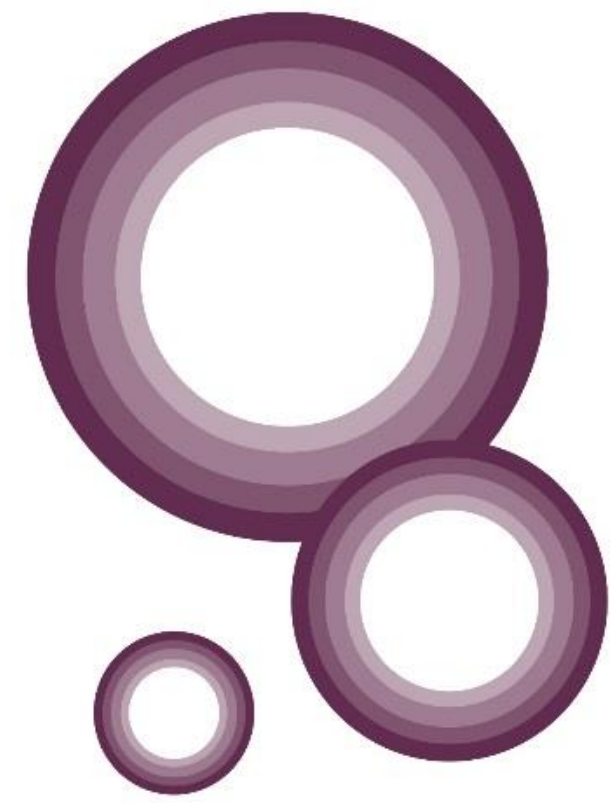
Flex job design



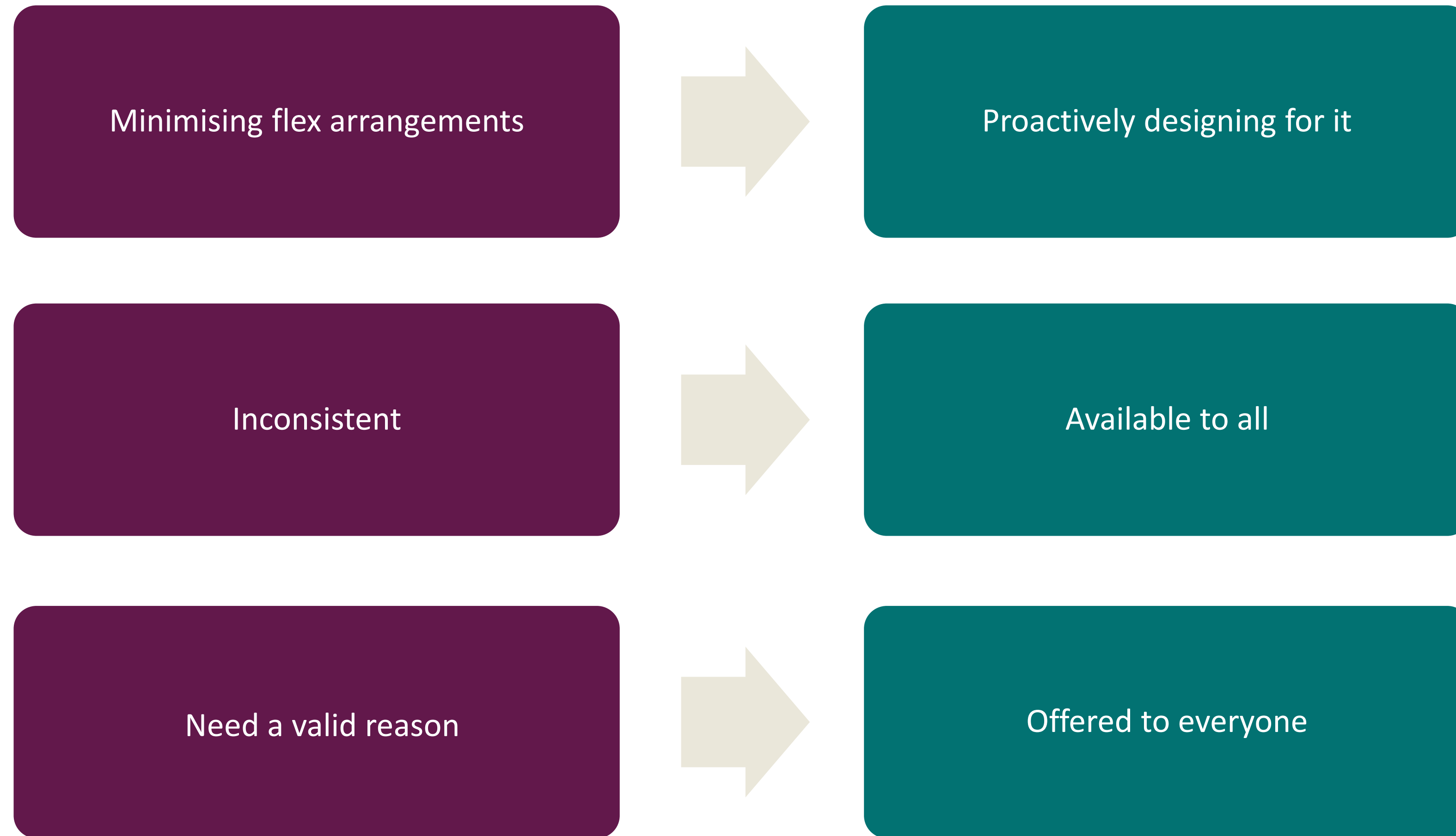
Principle of flexible job design: matching needs



The Timewise methodology for change



The change that's needed



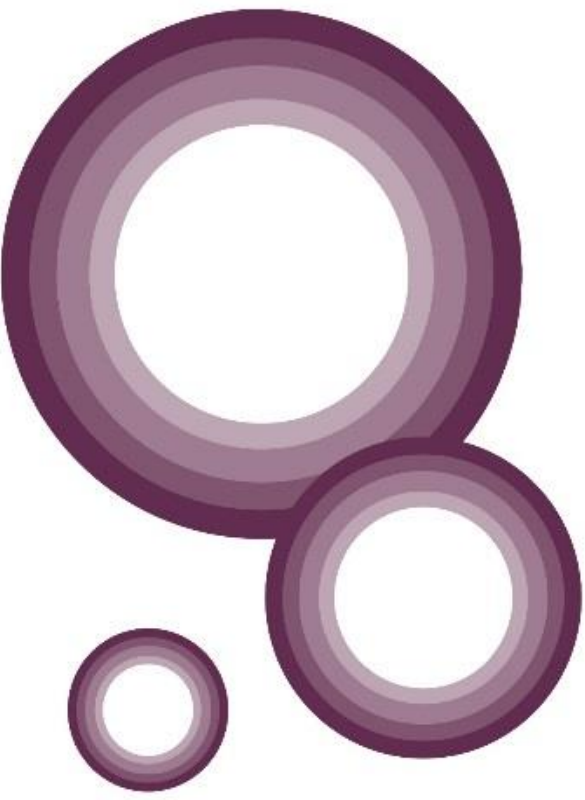
What else works to drive change?



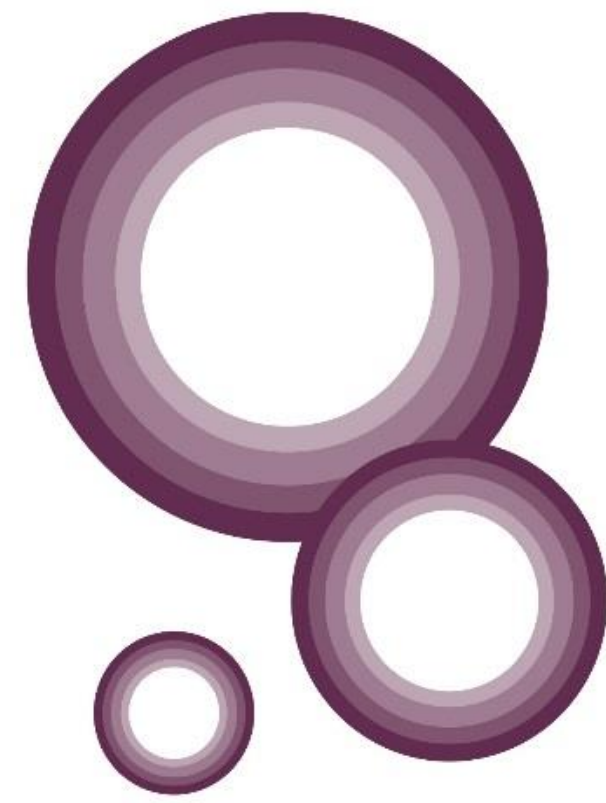
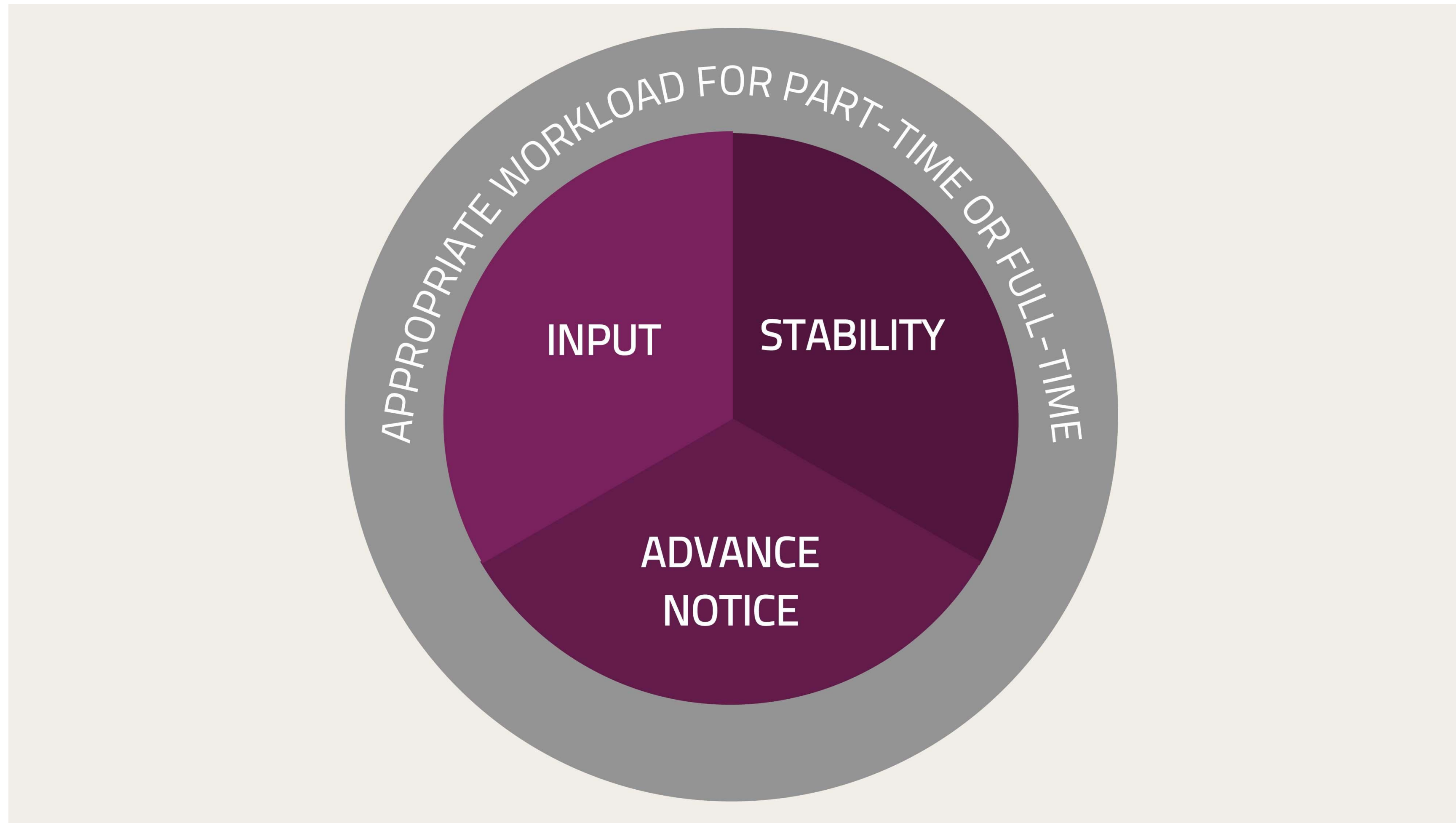
Offering Flex for All Roles: *Why it matters*



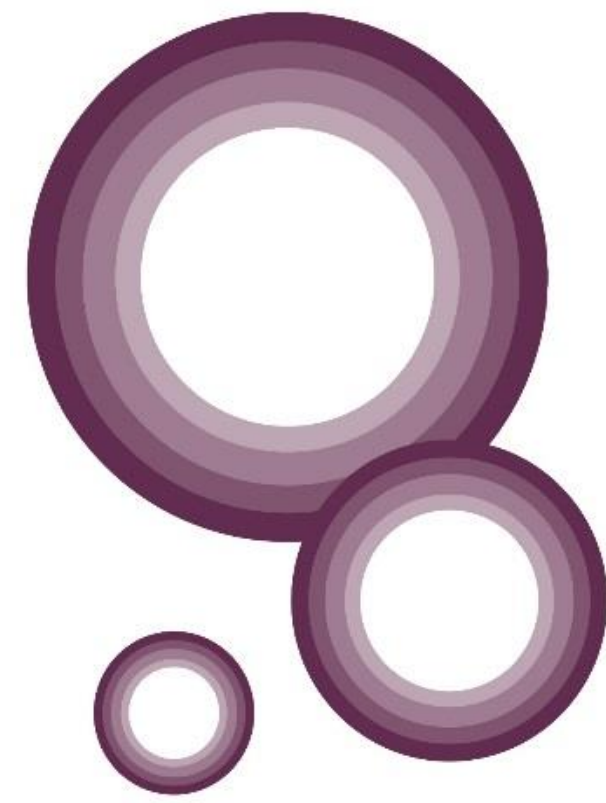
- 60% of the UK workforce in sectors that are traditionally ‘harder to flex’
- **3.8m shift workers** employed in UK
- 54-67% of UK workforce in roles that **can’t be worked remotely**
- Risk of **two-tier response** to pandemic
- **Skills and talent shortages**



The Timewise Shift-Life Balance Model[©]



Three core barriers to consider

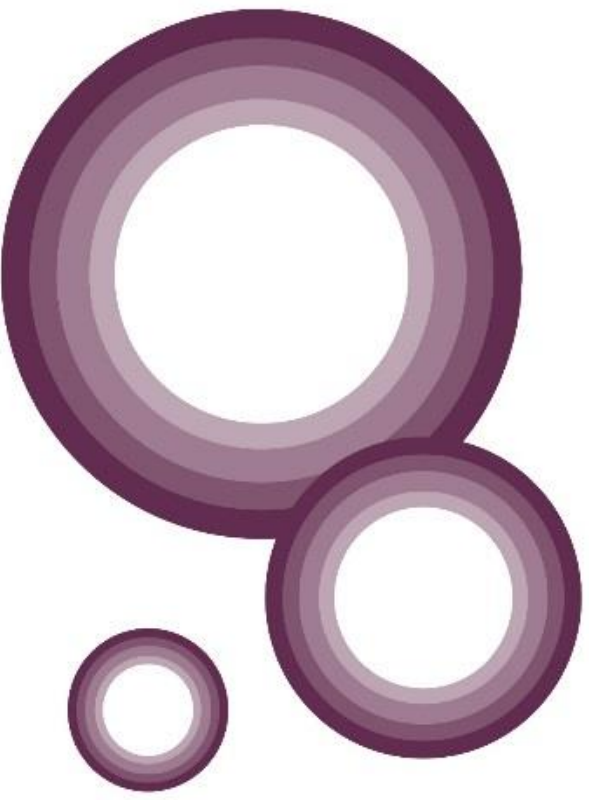


Best Practice Examples (Timewise)

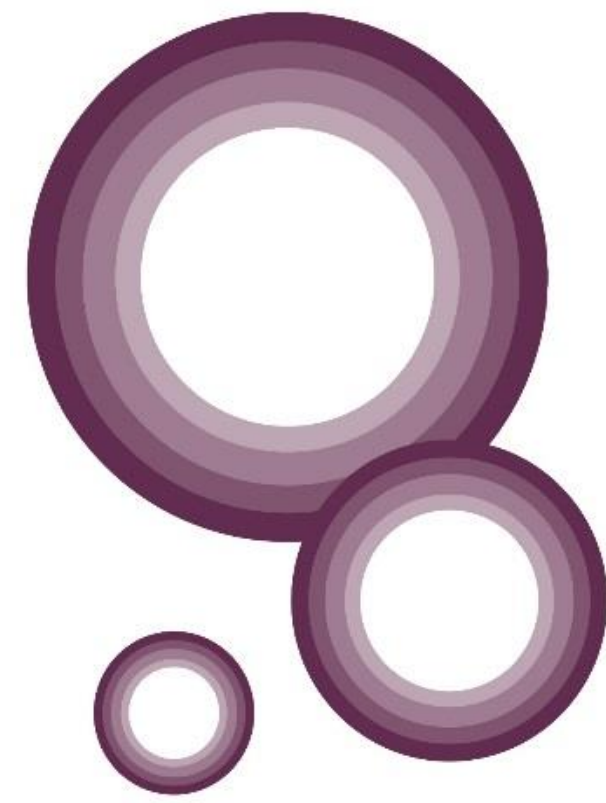
- **Health and Social Care**
- **Retail**
- **Construction**



Health and Social Care



Team-based rostering for nurses



- 240 nurses
- Seven wards
- Three hospitals
- 6-12 roster cycles per hospital
- Aim: to increase nurses' input into & level of accountability for their rosters

- Highly-constrained environment
- Time of austerity: 'no-cost solution' required

Nottingham University Hospitals 
NHS Trust


University Hospital Southampton
NHS Foundation Trust


Birmingham Women's
and Children's
NHS Foundation Trust

Flex for Frontline

1. Meeting Carers' preferences

2. Increasing Carers' input into rosters

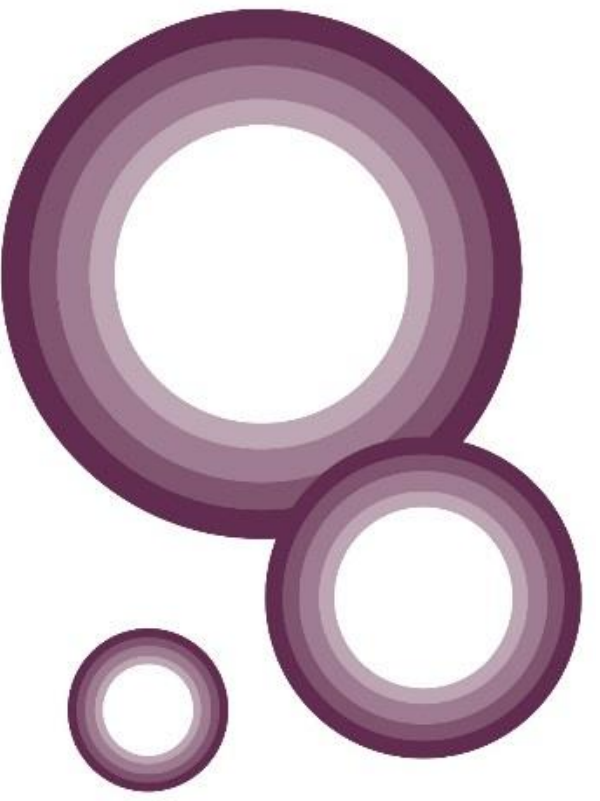
3. Achieving collective responsibility for roster creation

4. Awareness of other people's shift pattern needs

5. Understanding the roster process



Retail



The talent imperative in retail

Flexibility in working hours is one of the most important reasons cited for choosing to work in retail...

....but the **'flexibility trap'** exists: Talent is locked into lower grades

56%

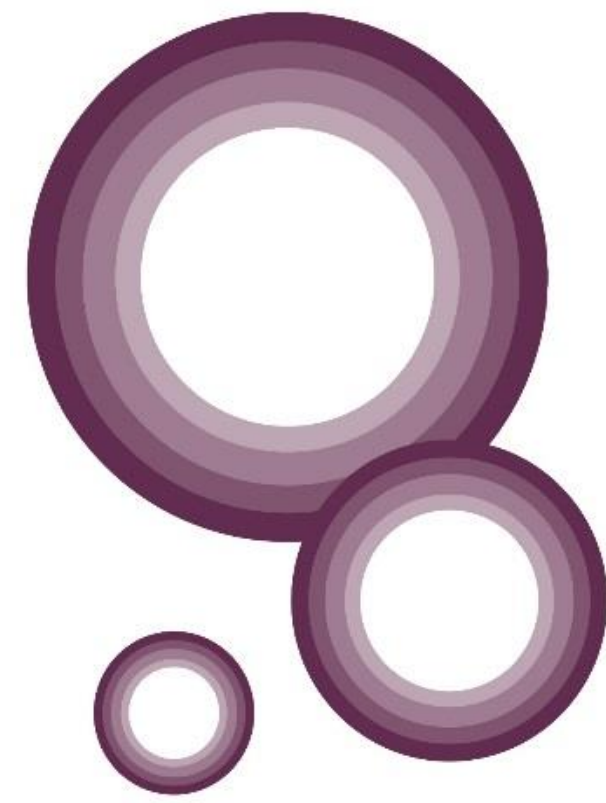
believe they are less likely to get promoted if they work part-time

65%

would take a job for which they were overqualified, if it offered flexibility in hours



Sharing a story: Tesco



Pilots with shift-based managers in three large stores in the Midlands (9-23 managers in each)

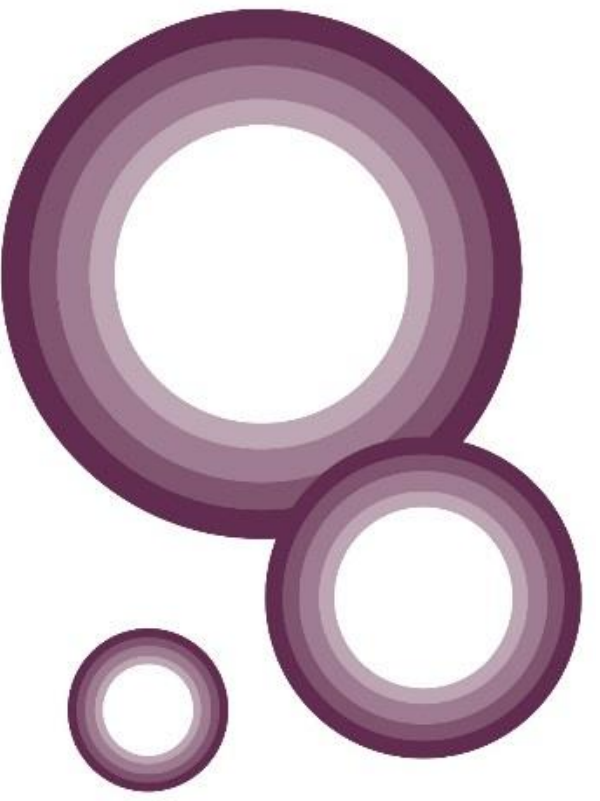
Empowered the store management teams to try out different ways of working:

- Team-based scheduling and outputs
- Flexible hiring

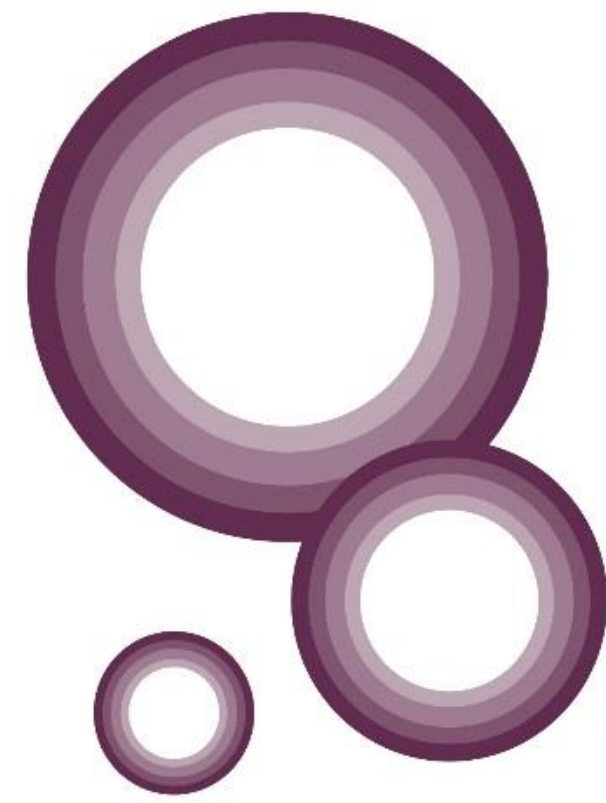
Pre- and post-pilot survey and monthly check ins:

- 'I have the right balance between work and home life': up from 44% to 91%
- 'I'm happy with the flex I have': up from 61% to 91%
- Advance notice of shift patterns moved from 2 weeks to 6 weeks

Construction



Making flexible working work in Construction



Flexible Job design examples:

- Task & finish
- 'Pods' with rotating flexi day to reduce extreme hours
- Weekly team stand ups to agree pattern of cover

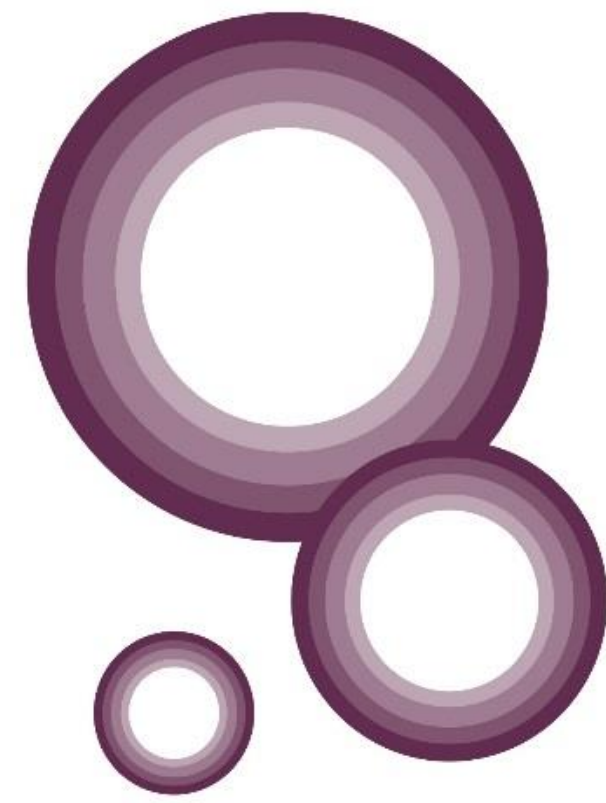


Key Learning & Impact

SKANSKA

COSTAIN

STRABAG



Working Practices

- **Busted the myth** that there was only one option for flex
- **Weekly planning meets help review approach**
- Shifting from paying for input-based hours to **output-based tasks**

Culture & Behaviours

- Enabled **proactive vs reactive approach** to resolving issues
- **Improved communication** within pod
- **Increased trust** between colleagues to cover gaps

Management Capability

- **Improved communication** with supervisors through smaller briefing team
- With **trust and empowerment**, the team will make it work
- **Improved forward planning & specific breakdown of tasks**

Labour turnover is down on the sites that implemented flexible working

"I would now definitely choose a job like this with flexibility over the bit extra in money"

"There has definitely been a positive impact on productivity. Morale is much better and the guys are working harder"

"Working in a more agile way has not cost me or the project anything. Work is still getting done and people are getting to meet their own preferences too"

Return on investment

Our research (Fair Flexible Futures, 2022) shows that **only modest improvements are needed in reduced sickness absence** for the benefits of a flexible working programme to outweigh the costs within 3 years:

RETAIL

For a store with 200 shopfloor sales/retail staff including supervisors, breakeven would be reached within 3 years by a **reduction in sickness absence of 0.8 sick days per person per year.**

ADULT DOMICILLARY CARE

For an organisation with 200 domiciliary care staff, breakeven would be reached within 3 years by a **reduction in sickness absence of 1.2 days per person per year.**

CONSTRUCTION

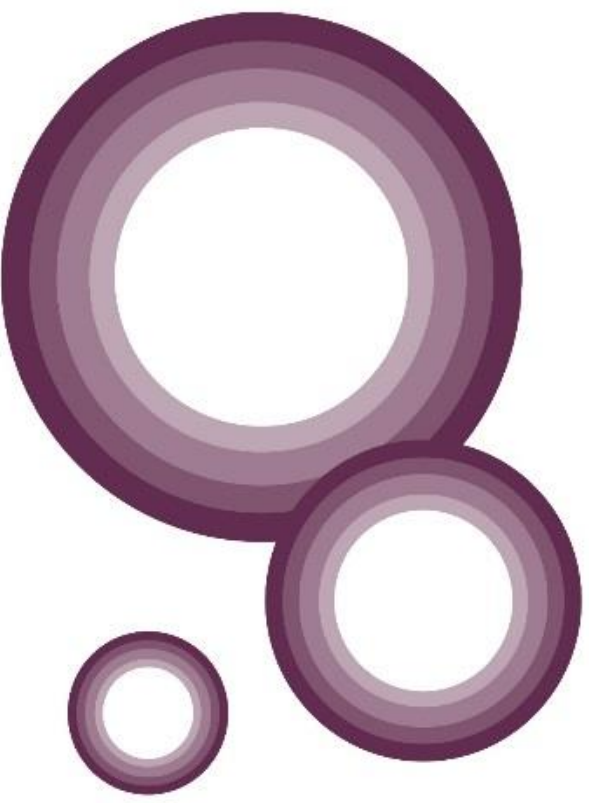
For a site with 200 construction staff, breakeven would be reached within 3 years by a **reduction of 1 sick day per person per year.**

NURSING

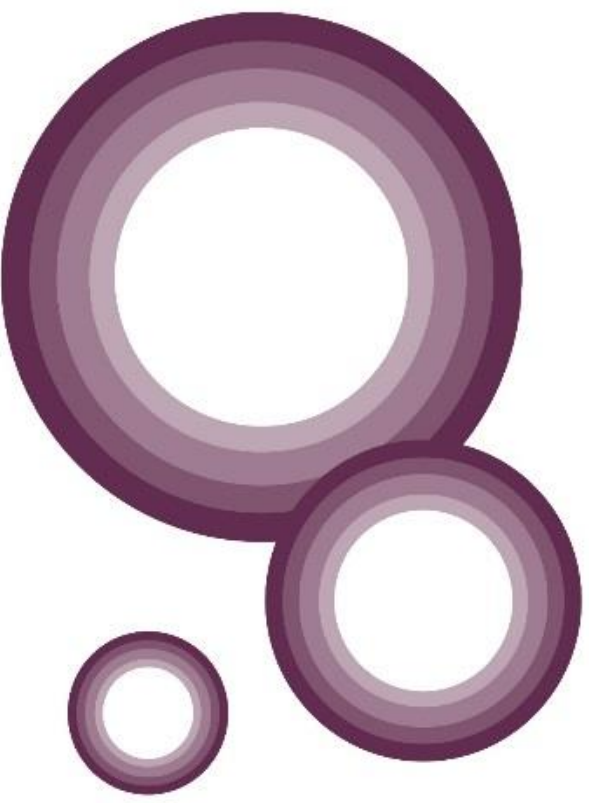
For 306 staff across 9 wards, breakeven would be achieved through a **reduction in sickness absence of 0.8 days per person per year**

TEACHING

For Multi-Academy Trusts (MATs) with 100 teaching staff breakeven would be achieved through a **reduction in sickness absence of 1 day per teaching staff member per year**



Further information and support



Timewise research reports:

- [Making construction a great place to work](#)
- [Improving nurses' work-life balance with team-based rostering](#)
- [Modern retail: a nation of part-time shopkeepers?](#)
- [Caring by design \(care providers\)](#)
- [Return on investment research: Reaching a positive ROI in flexible working](#)



Thank you

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Frances Mills, HR Director
Government Legal Department

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