

# IES HR Network

## Gender pay gap reporting

What Now?

---

Duncan Brown, Head of HR Consultancy, IES



**ies**

institute for  
employment  
studies

# How are you feeling about gender pay?

## § Women:

- Excited?
- Angry?
- Impatient, frustrated?
- Relieved?

*The so-called 'tipping point' for sexual harassment has come and gone, and nothing's really changed*

The Independent, December 2017

*Gender pay gap: Six things we've learnt*

BBC News, April 2018

## § Men:

- Smug?
- Disinterested?
- Scared?
- Supportive?

*Harvey Weinstein: prosecutors consider first charges after sexual harassment claims*

The Guardian, January 2018

*BBC 'must act' over gender pay gap, says culture secretary*

BBC News, January 2018

# Aims this morning

- § Review how gender pay reporting has gone.
- § Share experiences of it and actions to address gaps revealed.
- § Consider next steps to continue the momentum and reduce gaps nationally and in employers.

# Progress

- § Over 10,000 employers reported (1500 missing, hundreds filed voluntarily), half loaded in the last week).
- 78 per cent pay men more, men paid more in every sector of the economy (economists very male!)
- Structural factors important... but why Ryanair gap 50 per cent higher than Easyjet?
- Women predominate in lower-paid roles, but third quartile may be more important than top quartile in closing the gap in the long-term.
- Bonuses and performance pay seem to favour men (See IES Thompson and Bevan, 1991).

# What we liked...

- § **Owning up**
- § **Negative gaps eg Evans Cycles, Sweet Dreams (46%)**
- § **Understanding of causes**
- § **Nice graphics**
- § **Additional data**
- § **Links to wider diversity policies**
- § **Plans, actions and examples**
- **Easyjet 1 in 5 pilots to be female by 2020; BBC remove the gap**

# And what we didn't

- § **Opportunities missed eg no narrative. See Cleveland Police, Inn on the Park**
- § **Links to lists of internal policies and company home pages**
- § **Excuses eg pay budgets**
- § **Its not really a gap as we have equal pay**
- § **'Fine except at senior levels'**
- § **'It's society'**
- § **Mistakes/changed data and no evidence of EPA or understanding**
- § **Lack of compliance (est 1 in 10)**

# More progress

*We need #ImmodestWomen when so many men are unable to accept female expertise*

New Statesman, June 2018

*Employees need more help interpreting gender pay gap data, government report finds*

People Management, June 2018

*Ministers told to demand gender pay gap action plans from key sectors*

The Guardian, May 2018

*MPs urge banks to end 'alpha male culture' to close gender pay gap*

The Guardian, June 2018

## ...more progress

### § IES' contribution:

- EHRC research report on what works in closing gaps
- Report on boardroom gender pay gaps with E-reward
- New report on take-up of parental leave for GEO
- Working with surrey University on gender pay gap for medics
- Individual employer support – EPAs, action planning, etc
- New hub on website –  
[www.employment-studies.co.uk/GenPayHub](http://www.employment-studies.co.uk/GenPayHub)

# Gender pay gap reporting: should government have done more eg EPAs?

## Gender pay gap data

Find employers

Download data

Search by:

Employer name

Q

Filter by:

Sectors

☐ Agriculture Forestry and Fishing

☐ Mining and Quarrying

☐ Manufacturing

☐ Electricity gas steam and air conditioning supply

☐ Water supply sewerage waste management and remediation activities

☐ Construction

☐ Wholesale and retail trade

☐ Transportation and storage

Showing 1 – 7 of 7 employers

Employer	Sector
<a href="#">CONTRACTOR UMBRELLA LIMITED</a> 12 , St Peter's Court, St Peter's Street, Colchester, CO1 1WD	Professional scientific and technical activities
<a href="#">FDM GROUP LIMITED</a> 3rd , Floor, Cottons Centre, Cottons Lane, London, SE1 2QG	Administrative and support service activities, Information and communication
<a href="#">HALL CLEANING SERVICES LIMITED</a> Knowsley Business Park, Caddick Road, Prescot, L34 9HP	Other service activities
<a href="#">LOUVER-LITE LIMITED</a> Ashton Road, Hyde, Cheshire, SK14 4BG	Manufacturing
<a href="#">ONE YMCA</a>	Accommodation and food service

<https://gender-pay-gap.service.gov.uk/Viewing/search-results>



# What did we do wrong?

- § Tortuous legislation
- § Lack of prioritisation
- § Lack of co-ordination/co-operation
- § Over-focus on formal base pay mechanics eg job evaluation
- § EPAs: friend or foe?
  
- § **Lack of attention to:**
  - underlying cultural and process issues
  - underpinning structural issues

# Where next?

§ Ethnicity and disability gaps

§ Pay ratios



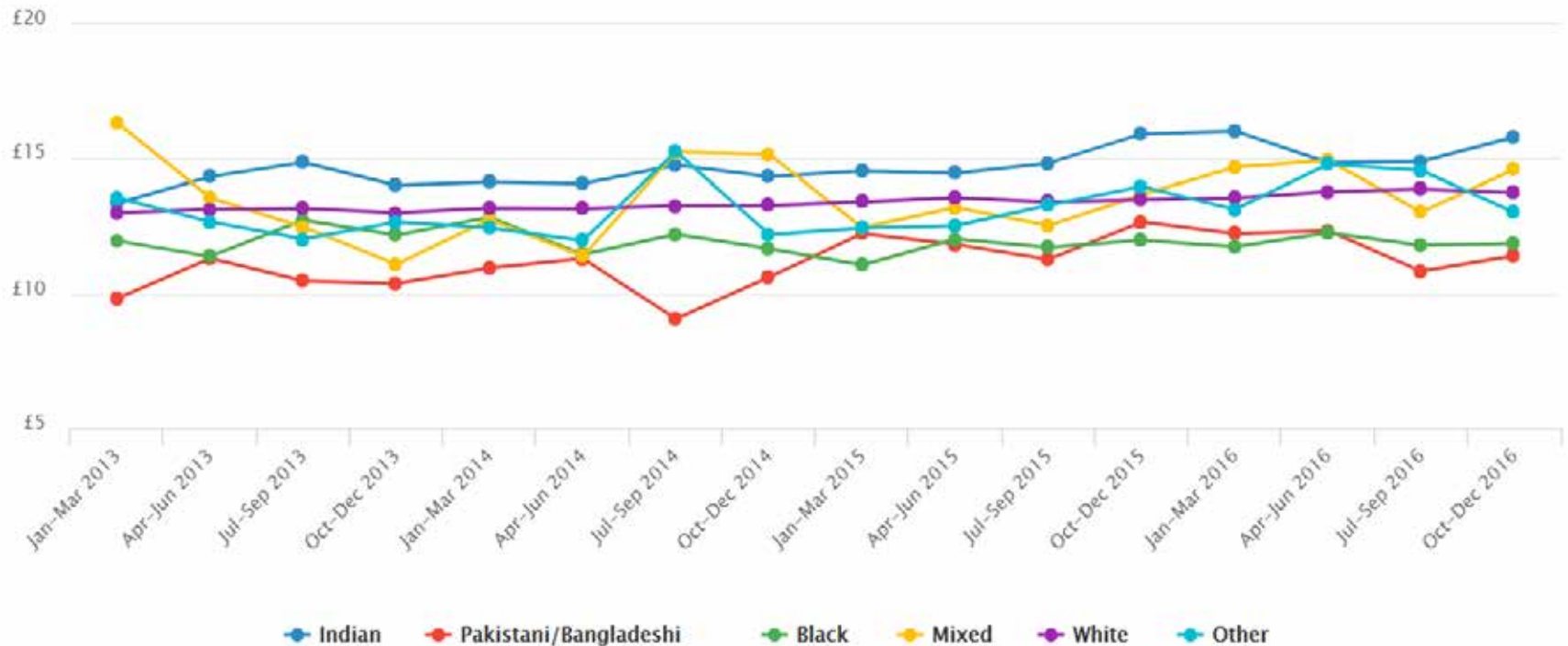
# Extended reporting? Ethnicity and disability

‘Figures show that while the gender **pay** gap is 18.1%, there is also an **ethnic** minority imbalance of 5.7% and a disability **pay** gap of 13.6%. ... Men with depression or anxiety have a **pay** gap of about 30%, while women with mental health problems earn 10% less’

EHRC **report**.15 August 2017



# EHRC latest national figures: what would the pros and cons of reporting be?



Source: [www.equalityhumanrights.com/en/pay-gaps](http://www.equalityhumanrights.com/en/pay-gaps)

# Researched factors which impact on the gender pay gap

## § **Flexible working:**

- New EU directive on WLB and support for parents and carers; and 44 MPs proposal to increase paternity leave (April 2017)
- Germany Elterngeld allowance came in 2007, % fathers taking leave rose from 3% to 20%
- My Family Care Survey: 2% take up by men – culture and pay barriers.
- Association at the moment with lower earnings

## § **Recruitment:**

- Blind interviewing impact
- Smaller gaps in female-led firms (Hensvik 2014)
- Controlling pay setting reduces gaps (Menino, 2013)

## § **Representation:**

- Senior targeting
- Talent management and mentoring

## § **Education:**

- Girls taking 2 STEM subject 'A' levels had wages 33% higher (London Economics, 2015); employer training associated with 6% higher wages (Olsen, 2010)

**Source:** IES report Tackling Pay Gaps, available at: <https://www.equalityhumanrights.com/en/publication-download/research-report-110-tackling-gender-disability-and-ethnicity-pay-gaps-progress>

# Actions to address gaps in universities (2013 JNCHES survey) N = 80

- § 12: New procedures for approving pay decisions
- § 11: Review recruitment process
- § 10: Revise reward process
- § 7. Review market supplement policy/procedure
- § 7. Extra management training
- § 5. Address one-off anomalies



# Lewisham Council: The Power of Parity Study



- § Lewisham Council has a long history of promoting female equality and actually has a negative pay gap
- § IES research: So what worked?
- § A consistent focus on the issue from the top over many years
- § A long term 'grow your own' talent management and sourcing approach
- § A values-based, culture-driven, pragmatic approach
- § A consistent focus and approach over time with clear goals and priorities, but with flexibility and opportunism in practice
- § Balance of informal activities (such as mentoring) and formal policies (such as flexible working and recruitment methods and monitoring), varying to suit over time.
- § HR policies, monitoring through audits and quantitative data played an important enabling and supporting role throughout
- § The inclusion of all aspects of diversity, not just gender

<http://www.employment-studies.co.uk/resource/power-parity>

# Action taken at Siemens



UK targets set & documented inclusion Strategy in place for each Division



Networks established and effectively supports target groups



Unconscious Bias Training for people managers and policy makers



Effective Champions Community in place to support best practice sharing



Equal pay audit completed. Managers informed of department pay outcomes by gender.



Shared parental leave – upper quartile offering. Flexible working examples to illustrate all groups.



Conduct progression analysis to aid succession planning



Inclusion embedded in recruitment, development, succession and other key people processes. Schools liaison activity to encourage females into STEM.



# Action planning

Area	Current situation: SWOT	Implications/Plans for Future action	Priority Hi/Med/Lo
Recruitment			
Reward			
Unconscious Bias			
Flexible working			
Promotion/Devt			
Networking			

# Conclusions

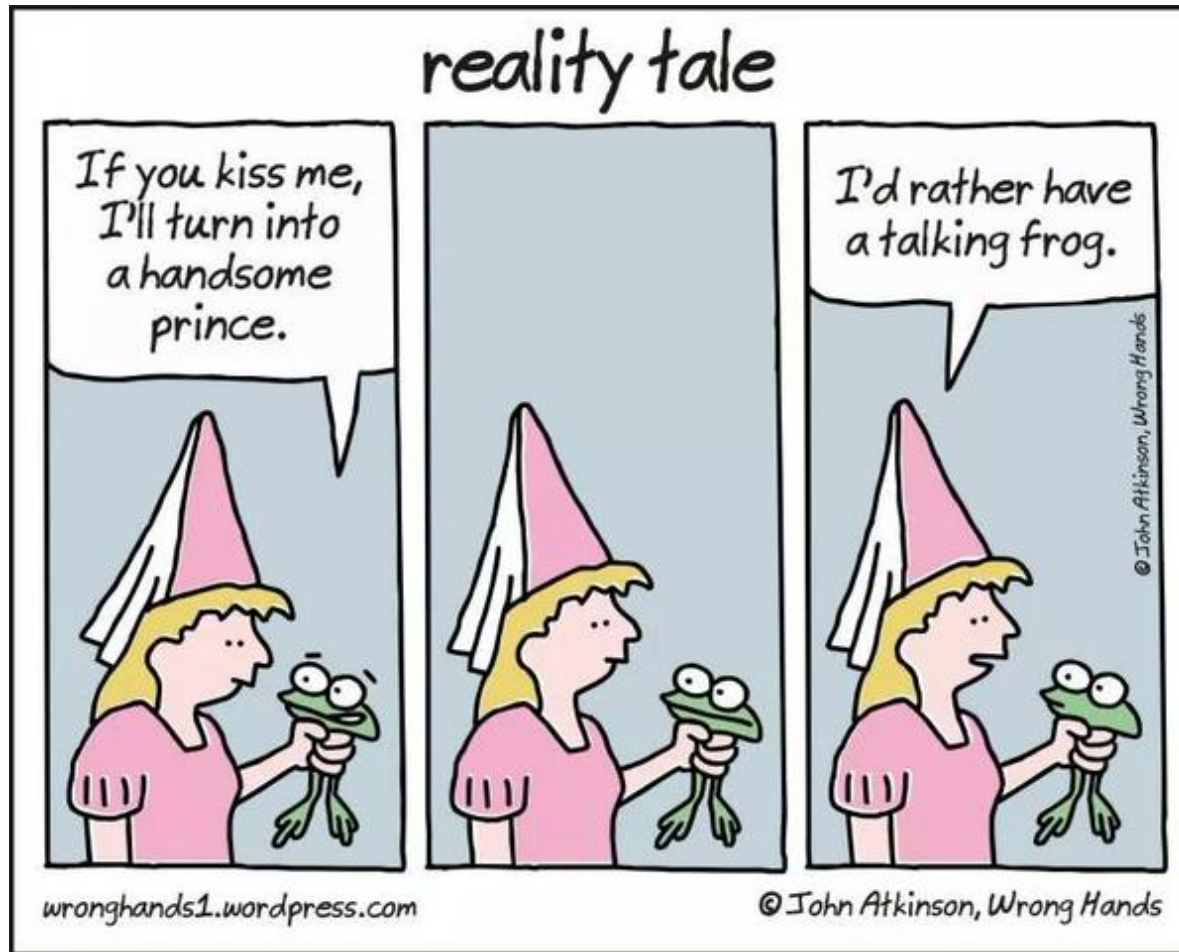
- § Head of steam still building
- § Wider agenda being considered
- § Make the **business case**
- § Think **internal** messaging as well as external
- § Think **future**: what the figures will show/ what you will say next year & the year after
- § Plan for a world of greater **transparency**
- § **..and enforcement**
- § Put in the context of your wider **diversity and talent policies and co-ordinate/join up**
- § Develop **understanding**
- § Take **action**
- § Exploit as an **opportunity**, rather than responding to a requirement/threat
- § Contribute rather than criticise government

*Salesforce and equal pay: the tech giant is putting its money where its mouth is*  
The Guardian, November 2015



" PERHAPS ROSEMARY WOULD  
LIKE TO GO AND PICK UP THE  
INEQUALITY REPORT FROM THE FOYER

# Questions?



# Thank you

[www.employment-studies.co.uk](http://www.employment-studies.co.uk)

## Stay up-to-date



Get IES email updates: [www.employment-studies.co.uk/register](http://www.employment-studies.co.uk/register)



@EmploymtStudies



@DuncanBHR

[www.cipd.co.uk/pm/members/duncanbrown9000272/default.aspx](http://www.cipd.co.uk/pm/members/duncanbrown9000272/default.aspx)  
[duncan.brown@employment-studies.co.uk](mailto:duncan.brown@employment-studies.co.uk)

0750 8047636

**ies**

institute for  
employment  
studies