

Mind the (Gender Pay) Gap

Justine Woolf

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innecto
reward consulting



Today

- Where Equal Pay issues might be lurking in your organisation
- What an EPA looks like
- The benefits of tackling these issues
- The strategies you can use





Mind the (gender) gap

6.1% female
exec
directors in
FTSE 350*

Since March
2013, 32.5% of
new Non-
Executive
Directors have
been women*

Since March
2013, 15.5% of
new Executive
Directors have
been women*

Female law graduates
earn 28% less than men
at the start of their
careers. They earn just
over £20,000 on
average – nearly £8,000
less than their male
counterparts

10 out of 350
CEOs in FTSE
are female
(2.8%)

Cabinet – 5
out of 33
Ministers
are female

On average,
women's entry
qualifications
to uni surpass
those of men

**Figures taken from Professional Boards Forum
BoardWatch, Press Release January 2014*



What decisions reinforce the gender pay divide?



Is there inherent company bias (recruiting in like image?)

Does confidence affect ability to negotiate pay?

What leadership role models are available?

How important is lifestyle?

Do women perceive barriers men don't?

Fear of how might be perceived impact starting salary?

What impact does language have on attraction?

How important is the culture?

How do men / women perceive themselves fitting in?



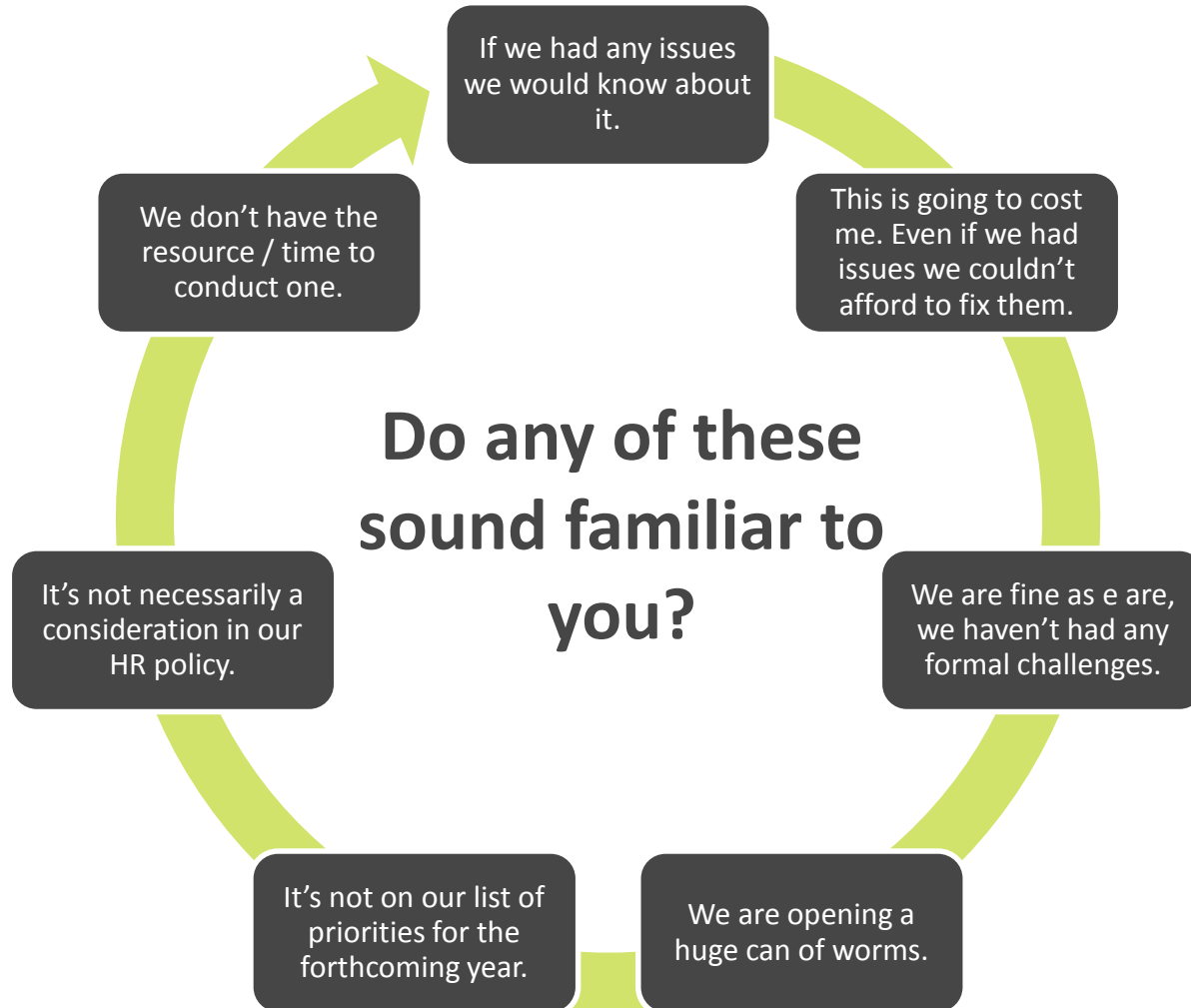
What is the picture in your organisation?

Can you answer with confidence:

- **Are men and women on average being paid equally within your organisation? How do you know this?**
- **Are there any instances where you have groups of people with similar job titles who earn different salaries?**
- **Is there a general cluster of females at the lower part of the pay spread within your organisation?**



What's stopping you?





Steps to conduct an EPA

Make the commitment to conduct an EPA.

Do you have a grade structure to enable a comparison?

Interpreting the results – are there justifiable reasons for differences?

What can you reasonably do to address any issues? Can you afford it? What are the implications of not addressing them?

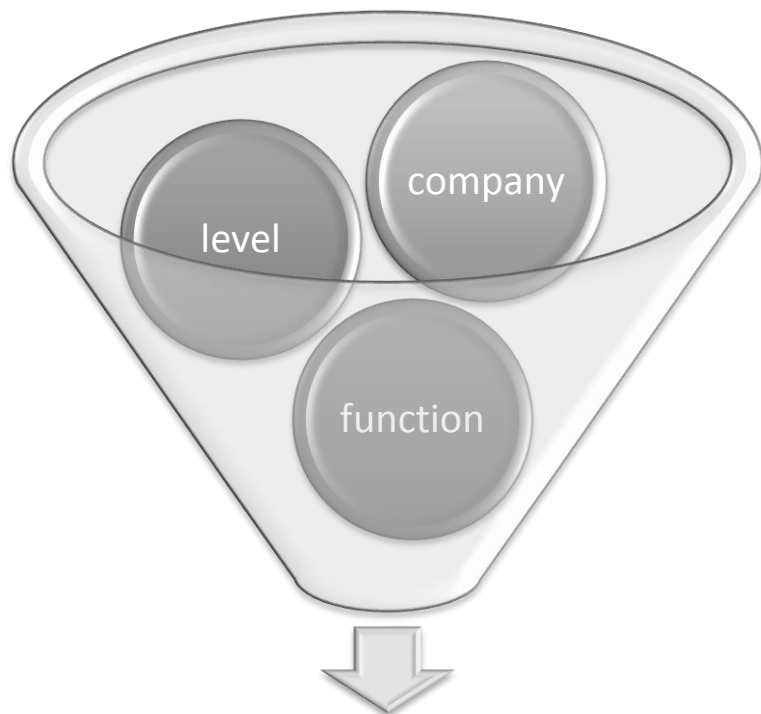


Do you have all the data captured? One of the biggest challenges is data availability

How much progress have you made? Are you still at risk?



Getting started



Do we have any gender pay gaps & can we explain them?

What is significant?

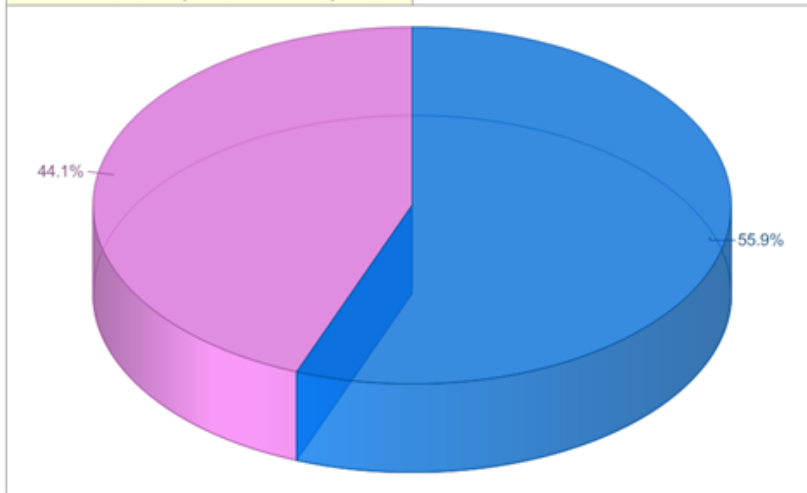
- **Red issues** (More than 10% differential observed) - immediate action required.
- **Amber** (More than 5% but less than 10% differential observed) - needs further investigation or requires longer-term change.
- **Green** – (Less than 5%) satisfactory, no action required at present.



High level EPA outputs

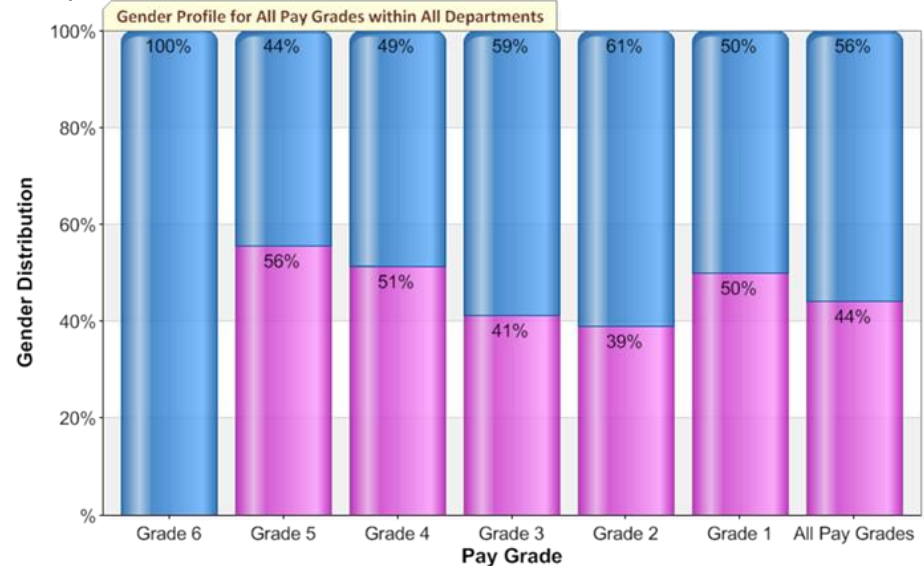
Test 1 | Analysis of Total Population

Gender Profile for All Pay Grades within All Departments



Analysis of total population
Picture of the overall gender split
in the whole organisation

Test 2 | Analysis of Pay Grade/Band

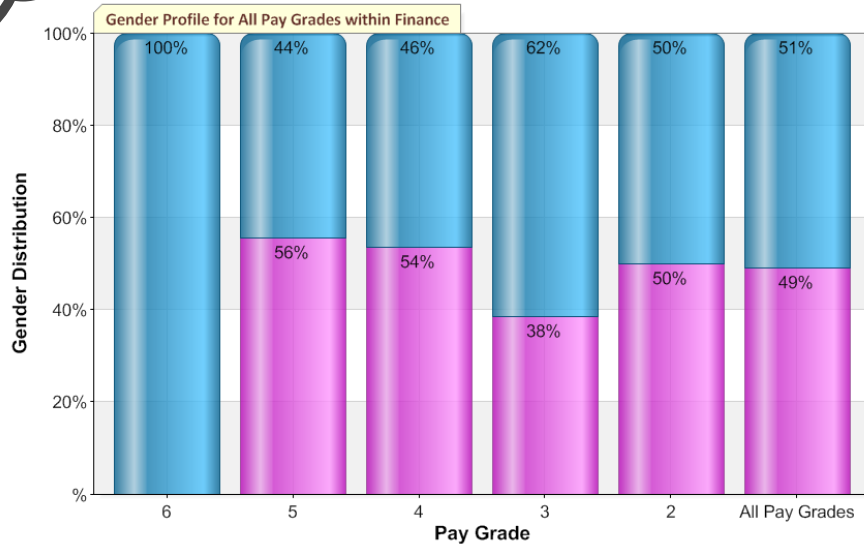


Analysis by pay grade/band
Picture of the gender split within
pay grades.



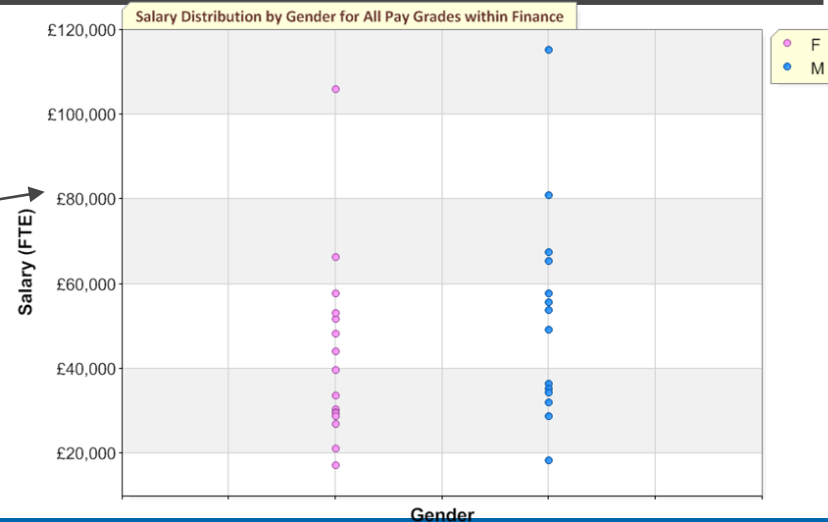
High level EPA outputs

Test 3 | Analysis of Functional Areas by Pay Grade/Band



Analysis of functional areas by pay grade/band
Whether promotion and progression is available to women by function

Test 4 | Equal Pay Test A



Equal Pay for Like Work /Value
Are men and women in similar roles paid equally?



High level EPA outputs

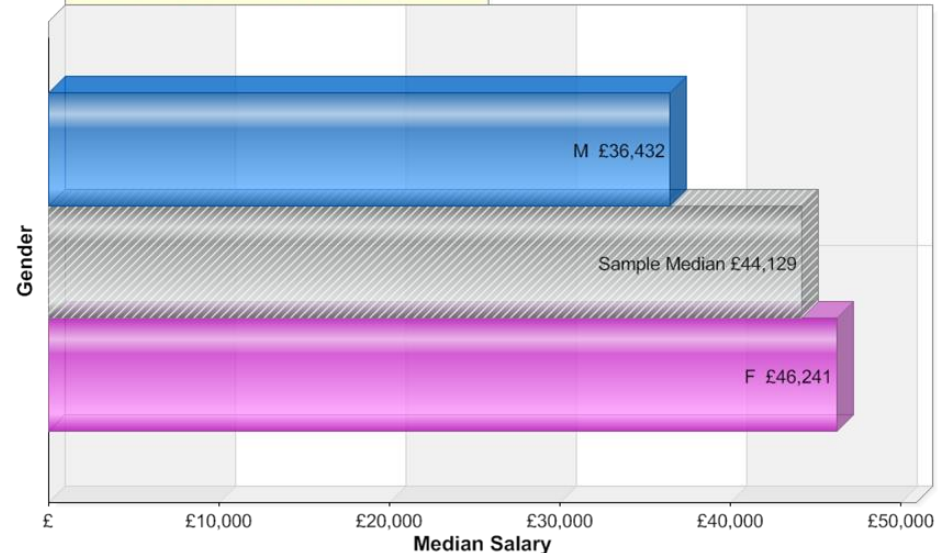
Test 5 | Equal Pay Test B

Gender Pay Gap for Grade 3 within Finance



Equal Pay for Like Work / Value
Are men and women in similar jobs
paid equally when compared by
grade & function?

Median Salary by Gender for Grade 3 within Finance



More detailed tests



If you don't have this data, think about starting to collate it now

Test 6 | Comparison of Career Progression

Test 7 | Comparison of Career Progression 2

Test 8 | New joiners comparison

Test 9 | Promotion

Test 10 | Salary upon Promotion

Test 11 | Do differences exist in total earnings to women and men?

Test 12 | Who is more likely to be paid overtime?

Test 13 | Who is more likely to be paid allowances?

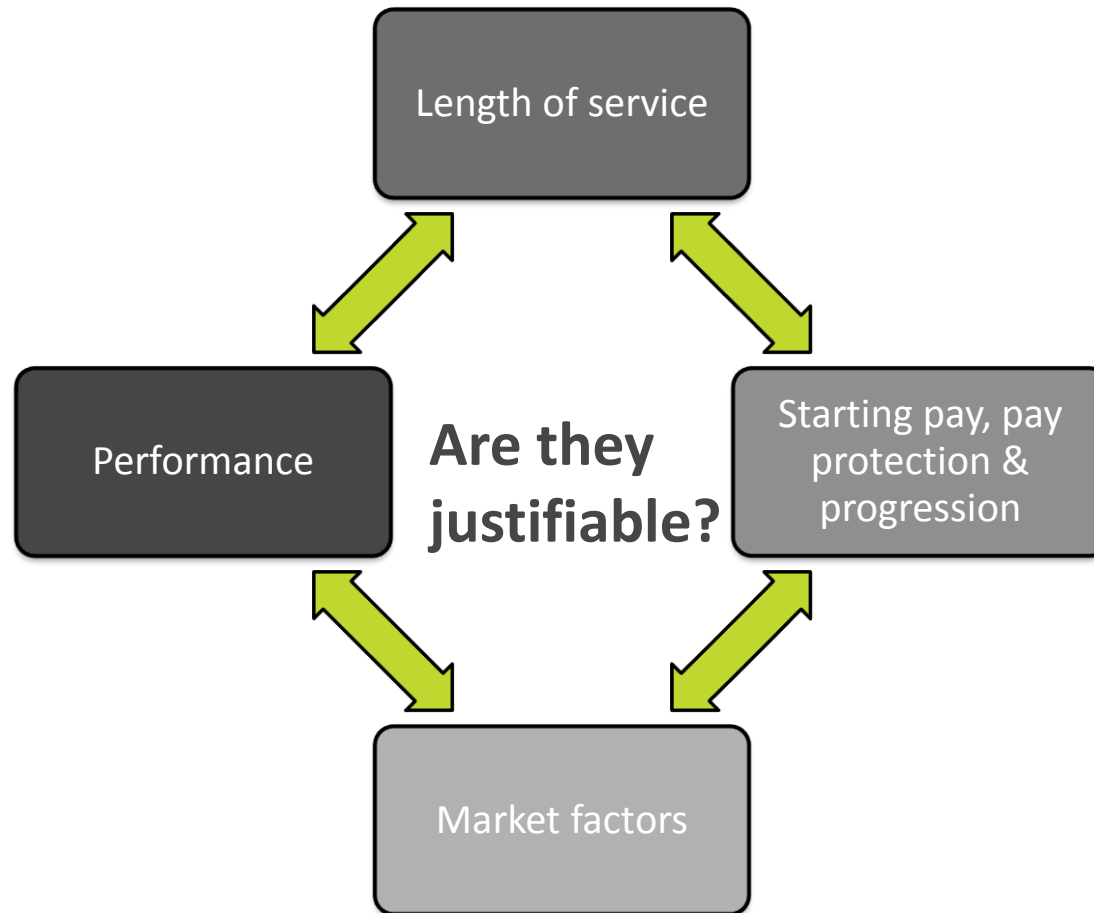
Test 14 | Do differences exist in allowance payments/taxable benefits to women and men?

Test 15 | Part-time Equality Test

Test 16 | Training



Most common causes of pay gaps





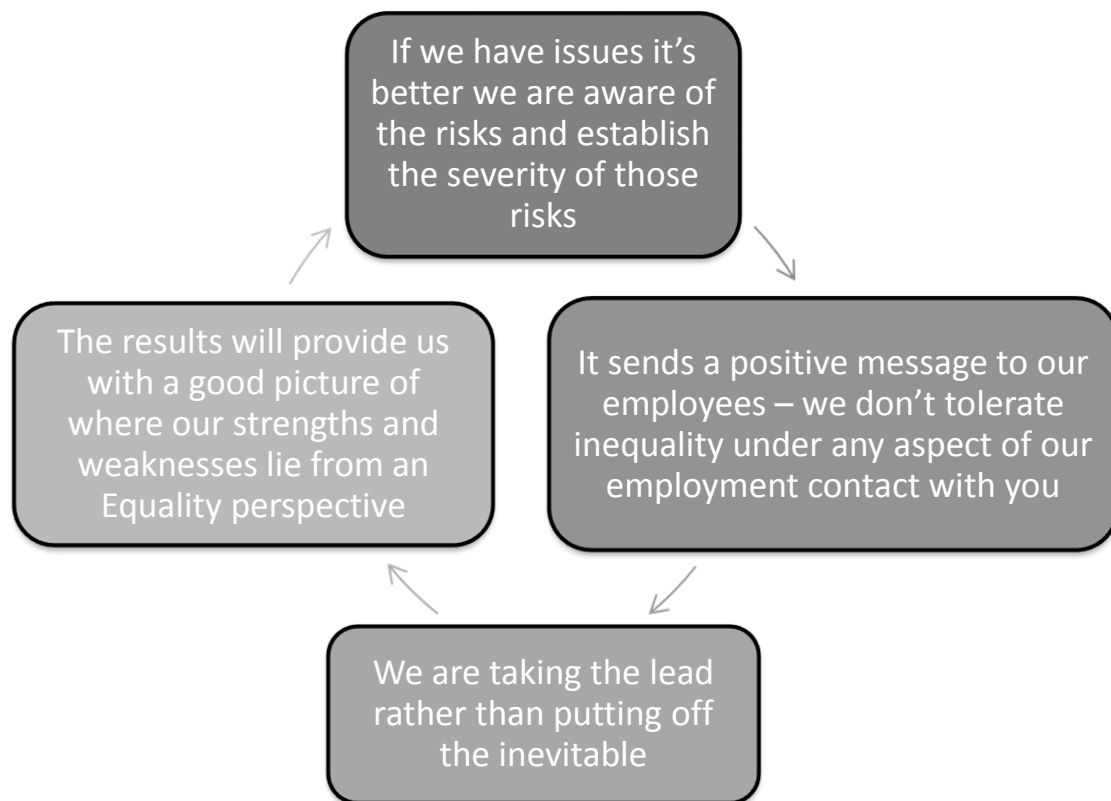
Interpreting the results



- Can you confidently say that your organisation strives to employ a fair and realistic balance of women and men across the board?
- Do you proactively sell your sector to both genders?
- Are you confident that your recruitment system is free from gender bias? Why are you confident?
- Do you monitor the ratio of female to male applications in comparison to the number of employees you actually hire?
- Are you comfortable with how many women were promoted within the past 2-3 years and does this compare favourably with your overall organisation's gender composition?
- Do your career progression plans take into account career breaks for women? How is this monitored and progressed?
- Have you audited according to gender the ratio of males to females being promoted in any given year or looked at it by manager to uncover any potential gender bias?



Benefits of conducting an EPA – the business case



Addressing underlying inequalities leads to

- improved engagement and career progression of women
- businesses are better able to retain talent
- organisations with a more engaged workforce outperform their peers (Kenexa 2012)

Companies that carry out regular audits of equal pay tend to have more women in senior positions (Benchmarking Trends Analysis Report 2012 for gender and race)



Tips for conducting an equal pay audit

Boost your understanding about what it entails.

Consider how much data you have available and more importantly the quality of it. Will it fulfil the requirements of a basic audit?

Determine the information you have and do as much as you can.

Analyse the data
By grade; By department; By division, By location, By job family, Part time V.s Full time and so on.

What will you do with the results? Don't let it be just a paper/PC exercise



Game changers

"men need to be better managers of women, ...men need to acknowledge bias ...all of us need to stop telling little girls they're bossy,". (Sheryl Sandberg COO Facebook)

We place great importance on diversity and inclusion, and have a sharp focus on the role that women play, in helping us to reflect and serve the growing numbers of customers who choose to do business with us.

"It's a simple fact that the majority of our staff are women, each hired on their own merit, ability and experience, so, for us, creating a supportive and progressive environment makes good business sense." (Nationwide)

...bring in a 'father's quota' on the parental leave scheme. "Add six weeks paid leave to the scheme only if it is accessed by the other partner". This proved to be the game changer in Norway, ensuring men and women took time out of the workforce to take care of their equally important family responsibilities. This included Audun Lysbakken, the Norwegian minister of childhood, equality and social cohesion, who took four months' paternity leave after the birth of his daughter. Imagine that in the House of Commons!
(Claire Braund , co-founder and executive director of Women on Boards)

The Times' Top 50 Employers for Women 2013. Ernst and Young recognised for its commitment to developing its talent pipeline, as well as mentoring and career-watch schemes
Nationwide Building Society has an employee-led Women's Network, which has a role in informing policy.
PwC has a female partner sponsorship programme, which provides senior women with tailored personal development plans and direct support from executive board member



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Our contact details

To discuss this work further or for more information on any of our other reward services please contact either:

Justine Woolf, Senior Consultant

Innecto Reward Consulting

33 Cavendish Square

London

W1G 0PW

Tel: 0207 268 3664

Email: justine@innectogroup.co.uk

Sources:

The Guardian

Boardsforum.co.uk

Office National Stats

30% Club

Davies Report | BIS

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