



Knowledge Sharing Event Advancing Gender Pay Gap Reporting



WISE May 2019

Introduction

In a joint Knowledge Sharing Event (KSE), WISE and the Royal Society of Chemistry (RSC) explored the challenges posed by mandatory Gender Pay Gap reporting. We are very pleased to summarise the discussions on the restrictions of standard reporting procedures and links to improvements through diversity and inclusion programmes.

Contents

Introduction	2
1. How has reporting moved forward since it was made mandatory?	3
2. What support is missing in the Gender Pay Gap Analysis?	4
3. Who takes responsibility for the Gender Pay Gap?	5
Acknowledgments	5

1. How has reporting moved forward since it was made mandatory?

Attendees agreed that the mandated Gender Pay Gap (GPG) data published by companies is simplistic, confusing, open to interpretation, and fails to supply sufficient quality information for true comparison between sectors and competitors. However, it was generally agreed that there are a number of actions that could improve reporting.

There was little appetite to report more than the mandated data or to gather data on a more regular basis given the fact that the GPG was unlikely to move significantly from month to month. However, attendees recognised the fact that when handled correctly, GPG data has the potential to offer significant insights into recruitment and diversity challenges. Some delegates expressed concern at the time lag between data collection and reporting and were considering the possibility of collecting data on a more regular basis.

Many attendees agreed that the true issue behind the GPG is related to recruitment and pipeline problems rather than pay. The percentages of women in senior levels can look very promising, but are often misleading when numbers are small. Upskilling, encouraging returners, re-training and encouraging career progression among existing staff will do far more to push the numbers of women at senior levels much more quickly than waiting for a pipeline of graduates and school leavers to reach maturity.

There was a general consensus that if the GPG is to be moved at all in significant terms, boundaries needed to be moved across many parts of the organisation, not just simply by accounting for how pay varies on an hourly basis. It was recognised that true change will only happen internally, not through changes in government reporting and that for a true reflection of working practices, suppliers, contractors and working conditions need to be taken into account.

Senior level engagement remains key to the success of many GPG initiatives – increasing the representation of senior women at board level could potentially help to address some of the issues faced.

Positive Actions to move your data reporting forward

- Quote numbers of women at senior levels rather than percentages.
- Review the GPG at bonus and pay review times to monitor any shifts / changes.
- Challenge increases in the GPG and review sticking points.
- **Engage staff on the problem of GPG:**
 - Explain the specifics of the GPG to your workforce – equal pay vs. equality.
 - Keep staff engaged with communications about your GPG, internally if not externally.
 - Make the GPG a topic at senior staff level – board meetings in particular.
- **It can be difficult to analyse the GPG data as a whole, so make that data work for you.**
Aim to:
 - Split by STEM / non-STEM roles / Department / Function / Group / Region.
 - Benchmark competitors / sectors / region.
 - Monitor actions taken by other firms in their GPG reports.
- **Recognise that action plans will need to be long term, but that does not need to mean that targets cannot be set.**
 - Set a realistic target for changes to be made and back it up with a strong D&I strategy.

“Things will not change until it is recognised that diversity is not the problem – it is actually the solution to many of the issues raised by the gender pay gap.”

2. What support is missing in the Gender Pay Gap Analysis?

Attendees confirmed that the mandated GPG reports were unclear – there is often confusion as to what data needs to be collected – guidance documents are long and complicated, companies have to allocate significant resources to produce their reports and many companies do the absolute minimum required.

Collection of data is complicated by non-conformant software which makes data collection more difficult than it should be. Data is also easily skewed by:

- **Bonuses** – will change year on year depending on financial performance – base salaries offer a better comparison.
- **Financial climate** – pay gaps increase in years of good performance due to performance related pay and bonuses.
- **UK-only reporting** – struggle to engage global partners in the issue in multinational companies.
- **Consistency of approach** – relies on integrity of company to report the same stats.

Pressure externally can create the temptation to skew reporting with data that offers a quick fix or reports that try to justify results but do not ultimately address the underlying issues. Advocates at senior level are crucial to success and having a diverse and inclusive senior board will offer both role models and advocates that are personally involved and keen to change the company from the top. Education and communication about what GPG reporting entails and the specific issues and problems surrounding the GPG were also recognised as crucial to the success of any interventions.

It is also key to recognise that without an inclusive culture that supports and nourishes female talent, retention will remain low and the GPG will not improve – cultural changes are critical to ensure the retention of women.

Positive support required if GPG reporting is to be taken seriously

- **Make GPG reporting easy to achieve.**
 - Look into software that could gather data automatically.
 - Ensure that the correct data is collected on a regular basis, even if not reported.
 - Be clear about what data you are gathering and why.
- **Be honest and clear about the data you are publishing.**
 - Do not be tempted to change the data to get better results.
 - Create action plans to fix the underlying issues.
- **Engage staff on the problem of GPG:**
 - Report data clearly, concisely and honestly.
 - Do not make the GPG a ‘blame game’ – be clear about the actions required.
 - Have advocates at senior board level.
- **Communication is key to success:**
 - Educate everyone from board level to shop floor about what the GPG is, what the implications to business are and why it is so important to address it.
 - Be clear about the differences between equal pay and equality.
- **To truly address the problems underlying the GPG, action plans need to be set in place that:**
 - Improve the attraction, promotion and retention of women.
 - Attract more women into STEM roles.
 - Improve the number of women in senior roles.

“Changing government reporting will not change anything until companies make action.”

3. Who takes responsibility for the Gender Pay Gap?

Responsibility for the GPG is unanimously placed on senior decision makers who ultimately dictate the direction the company takes. Their appetite for change dictates the speed and strategic direction of change and affects cultural change across the whole organisation.

Very few companies with less than 250 staff volunteer GPG information – until they are forced to comply with mandatory reporting like larger firms, the appetite for change will remain low.

A particularly critical insight offered by the attendees was that until men themselves see the need for change in the GPG and accept responsibility for positive actions for change, it is unlikely to move forward. Male champions are crucial to the success of positive action and until everyone accepts the need for change, nothing will significantly change.

Once again, it was pointed out that the only way forward for improving the GPG lies in improved communication, reporting, improved recruitment and cultural changes.

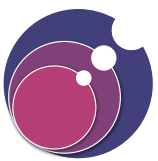
How can we encourage staff to take responsibility for the GPG?

- **Encourage male champions for change.**
- **Challenge stereotypes and promote role models.**
 - Make staff aware of their unconscious biases.
 - Challenge sexism.
- **Create a safe environment for discussion.**
 - Encourage discussion / challenge / change without prejudice.
- **Get employees to challenge for change.**
 - Communicate the need for change, including disclosure of any economic advantages in diverse organisations.
 - Communicate why men need to back improvements in the GPG.
 - Bring staff on board with cultural change.
- **Make the GPG personal and visible.**
 - Analyse the effect of the GPG on future business / recruitment / PDRs.
 - Bring D&I targets into reviews / on meeting agendas.
- **Bring women together to action change.**
 - Initiate a Women's Network.

“I already know my GPG figures for next year – any action will take longer than a year to show an effect – companies must accept that results will not be quick and action will inevitably be long-term.”

Acknowledgements

WISE and the RSC would like to thank all the attendees who gave up their time to contribute to these valuable discussions.



WISE

campaign for gender balance
in science, technology
& engineering

WISE
Leeds College of Building
Hunslet Campus
Cudbear Street
Leeds
LS10 1EF

T: 0113 222 6072
E: info@wisecampaign.org.uk
www.wisecampaign.org.uk

WISE Campaign is an independent
Community Interest Company
Company No. 07533934
VAT No. 136551320
Copyright © WISE 2019