

Summary of key findings from the Company Reporting: Gender Pay Data Study (2014) Commissioned by the Government Equalities Office and conducted by IFF Research

The Government's 'The Equality Strategy – Building a Fairer Britain' (GEO, 2010) set out a commitment to work with businesses and others to address the main challenges to equality in the workplace by developing a voluntary scheme for gender pay reporting in the private and voluntary sectors. The key findings from research commissioned by the Government Equalities Office to explore the extent to which employers reported and published data on pay by gender are presented here.

Key points

- The majority of employers considered that ensuring there was no gender pay gap was a priority for their organisation, however, only a small proportion had a planned approach for reducing the potential pay gap.
- Around two fifths of organisations had analysed pay data to explore the gender pay gap, an increase from previous years.
- Less than a third of organisations were currently or had previously conducted a formal pay gap review, however the majority believed that they already provided equal pay.
- Only a very small proportion of companies had published their results but in the main, those that had, found it to be a positive experience.
- Transparency around pay was an issue, with some staff being contractually bound not to discuss their pay with colleagues. However, openness appeared to be improving in the larger organisations.

Methodology

A telephone survey of 855 private and voluntary sector employers¹ across Great Britain was conducted in September 2014. Comparisons were drawn with previous research conducted in 2009 and 2011.

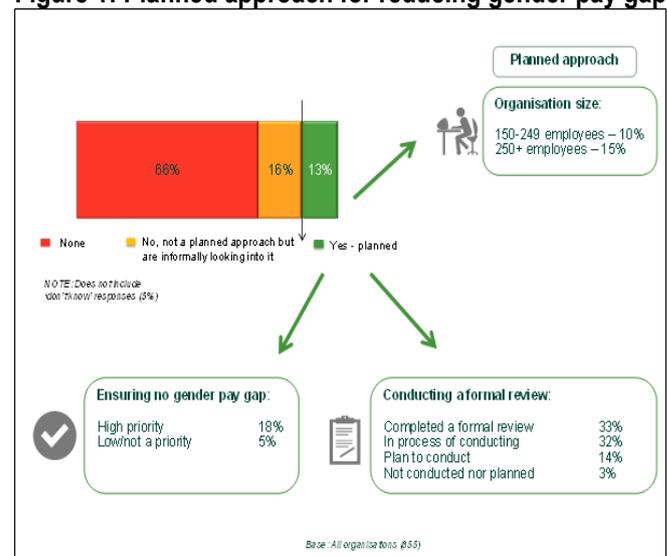
Employer contexts and cultures

Almost two in three medium and large employers (63%) considered that ensuring there was no gender pay gap was a 'very high' or 'fairly high' priority for their organisation, highlighted mainly by larger companies (250+ employees) and organisations with greater proportions of female staff.

However, only a small proportion (13%) had a planned approach for reducing the potential pay gap and two thirds (66%) had no approach at all (see Figure 1). Those who stated that ensuring there was no gap between men's and women's pay was a high priority were more likely to have a planned approach for reducing the gap than those who stated that it was a low priority or not a priority (18% compared with 5%).

Transparency around pay appeared to be an issue; although around one third (35%) of organisations made staff aware of the pay band into which their role fell, over two fifths (42%) of organisations did not provide this information and 3% of organisations reported that staff were contractually obliged not to discuss their pay with colleagues. However, openness about pay appeared to be improving in the larger organisations (250+ employees) with fewer reporting in 2014 that staff were discouraged from talking about pay (11%, down from 18% in 2009).

Figure 1: Planned approach for reducing gender pay gap



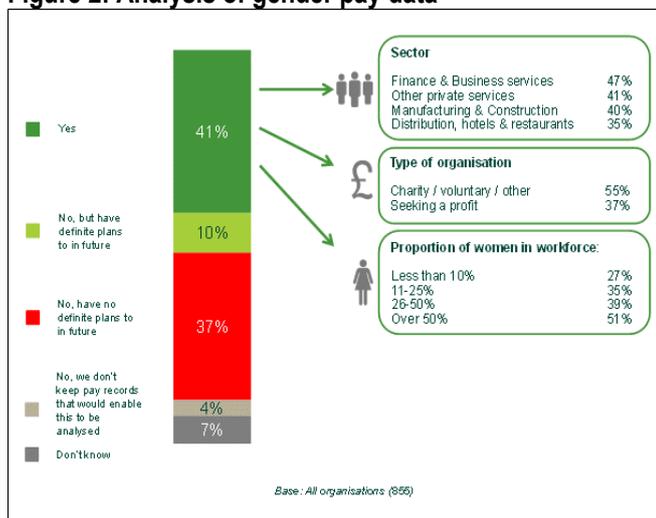
Analysis of gender pay gap data

Around two fifths (41%) of organisations analysed their pay data to explore gendered pay. The proportion of organisations that were analysing their gender pay data differed according to certain organisational characteristics. For example, those organisations in the finance and business services sectors and those organisations where a majority of the workforce was female were more likely than average to analyse gender pay data.

The proportion of organisations analysing gender pay data has increased over time, particularly amongst the large employers (250+ staff), from 36% in 2009 to 41% in 2014.

¹ 197 medium employers (150-249 employees) and 658 large employers (250+ employees).

Figure 2: Analysis of gender pay data



Just under one third (31%) of organisations were either in the process of conducting a formal gender pay review and/or had conducted one in the past. And although over two fifths (62%) of organisations had no current, past or planned future involvement in formal gender pay reviews, this was largely because of a lack of perceived need; the vast majority considered that they already provided equal pay.

Reporting of gender pay gap data

A minority of the employers that had conducted a formal review to examine the gender pay gap reported on the findings: of the 31% of organisations that had conducted² a formal review to examine the gap, only 13% reported the findings, equating to 4% of employers overall. Where reporting did take place, it was slightly more likely to be internal than external. However, in the main, those who reported found it to be a positive experience and none reported that it had a negative impact.

Employers often had concerns about how their data may be perceived externally and of those organisations that did not report gender pay gap data³, only 29% were open to the idea of publishing externally, compared to 47% internally. Larger organisations (250+ employees) appeared to be much more open to publishing internally than in the past, with just 11% against the idea in 2014 compared to 15% in 2009.

The main reasons for being open to the idea of reporting the information was a confidence in having nothing to hide, followed by having a company culture of transparency and fairness. The main reason for being against reporting was that it was company policy not to discuss pay, but there were also many employers who did not recognise the gender pay gap as an issue to address.

The most common reasons given for potentially encouraging organisations to undertake a review tended to be more reactive than proactive such as employees making a

complaint or taking action (37%) or if they needed to comply with legislation (13%).

Employers who did not currently publish gender pay gap information externally could be encouraged to do so by competitors doing the same (44%), being able to report with an explanation (44%) and being given advice on how to report clearly (39%).

To find out more

For further information on the prevalence of gender equality monitoring and reporting by medium and large employers across Great Britain, see report 'Company Reporting: Gender Pay Data'.

Reference

The Equality Strategy – Building a Fairer Britain (2010) HM Government.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85299/equality-strategy.pdf

² Currently conducting (10%) or had previously conducted (26%) a formal review.

³ Including those that had not conducted reviews as well as those that had collected the data but not published.