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EMPLOYERS ASSOCIATION

# Gender pay issues in UK Higher Education

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May 2017



# Overview

- Gender Pay Gap – UK context
- Gender Pay Gap – UK HE context
- Tackling the pay gap
  - Bargaining and joint sector-level work
  - Understanding the problem
- Progress
  - Employer interventions
  - Examination of the data



# Gender Pay Gap

UK context



# Gender pay gap reporting is good but not the whole solution

It will still require an individual to stand up and take legal action against their employer to make a real difference

## Equal pay

The women's blog

## The gender pay gap won't just go away, but new regulations are a start

Lack of pay transparency and expensive tribunal claims perpetuate the imbalance in male and female salaries; we need a step change in employers' assumptions

Sam Smethers  
Friday 24 June 2016 09:00 BST



## Gender pay gap reporting for big firms to start in 2018

MPs and unions angered by delay after Cameron had promised to introduce new rules on pay transparency for companies with more than 250 employees in 2016



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## David Cameron to force companies to disclose gender pay gaps

Prime minister to bring forward rules to make firms with more than 250 workers reveal whether they pay men more than women

Rowena Mason and Jill Treanor  
Tuesday 14 July 2015 00:01 BST



## Gender pay gap revealed for part-time workers as women earn 18 per cent less than men

Research by the TUC shows the average woman has to wait nearly a fifth of the year before she starts to get paid the same as men

BY STEPHEN HAWKARD  
A woman looking stressed with her hands on her head.



Advertisement  
E E

## Women's 'Pessimism' Isn't To Blame For The Gender Pay Gap, Deeply Ingrained Sexism Is

## Pay for women lags by 11% in public sector

## Women could wait 15 years for equal pay

# Gender Pay Gap – UK Context

- Gender pay gap (GPG) is becoming an increasingly important issue in the UK
  - One with huge socio-political interest
- Introduction of mandatory gender pay gap reporting
  - The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017
  - Came into force 6 April 2017
  - First reporting deadline April 2018



# The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

**2017 No. 0000**

## **EQUALITY**

### **The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017**

*Made* - - - -

*2017*

*Coming into force* - -

*6th April 2017*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 78 and 207(1) and (4) of the Equality Act 2010(a).

In accordance with section 208(4), (5)(b) and (8) of the Equality Act 2010(b), a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

#### **Duty to publish annual information relating to pay**

**2.—(1)** A relevant employer must publish, for 2017 and each subsequent year, the following information—

- (a) the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees (see regulation 8);
- (b) the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees (see regulation 9);
- (c) the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees (see regulation 10);
- (d) the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees (see regulation 11);
- (e) the proportions of male and female relevant employees who were paid bonus pay (see regulation 12); and
- (f) the proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands (see regulation 13).

(2) The relevant employer must publish the information required by paragraph (1) within the period of 12 months beginning with the snapshot date.

(3) In compiling the information required by paragraph (1), the relevant employer is not required to include data relating to a relevant employee if—

- (a) the employee is employed under a contract personally to do work, and
- (b) the employer does not have, and it is not reasonably practicable for the employer to obtain, the data.



## What is a gender pay gap?

A gender pay gap is the percentage difference between the average pay of male employees and female employees for a given group. A gender pay gap above zero will show that, on average, males earn more while a pay gap below zero shows that females, on average, earn more.



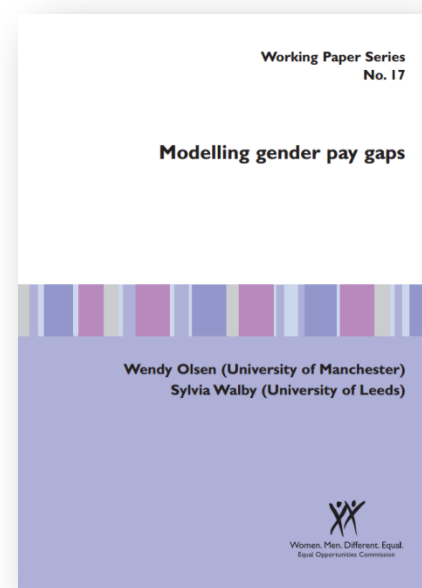
Note: The ONS uses median full-time hourly earnings excluding overtime as its primary benchmark. The use of gender pay gaps covering all staff, part-time staff and staff by job level are also common. The mean and the median are both used as the measure of central tendency (average).

# Why is there a gender pay gap in the UK?

Broadly, the research finds that gender differences in life-time working patterns account for 36% of the pay gap. Rigidities in the labour market, including those that concentrate women into particular occupations and mean that they are more likely to work in smaller and non-unionised firms, account for a further 18% of the pay gap. 38% is due to direct discrimination and differences in the labour market motivations and preferences of women as compared with men. The remaining 8% is due to women's lesser educational attainment in the past.

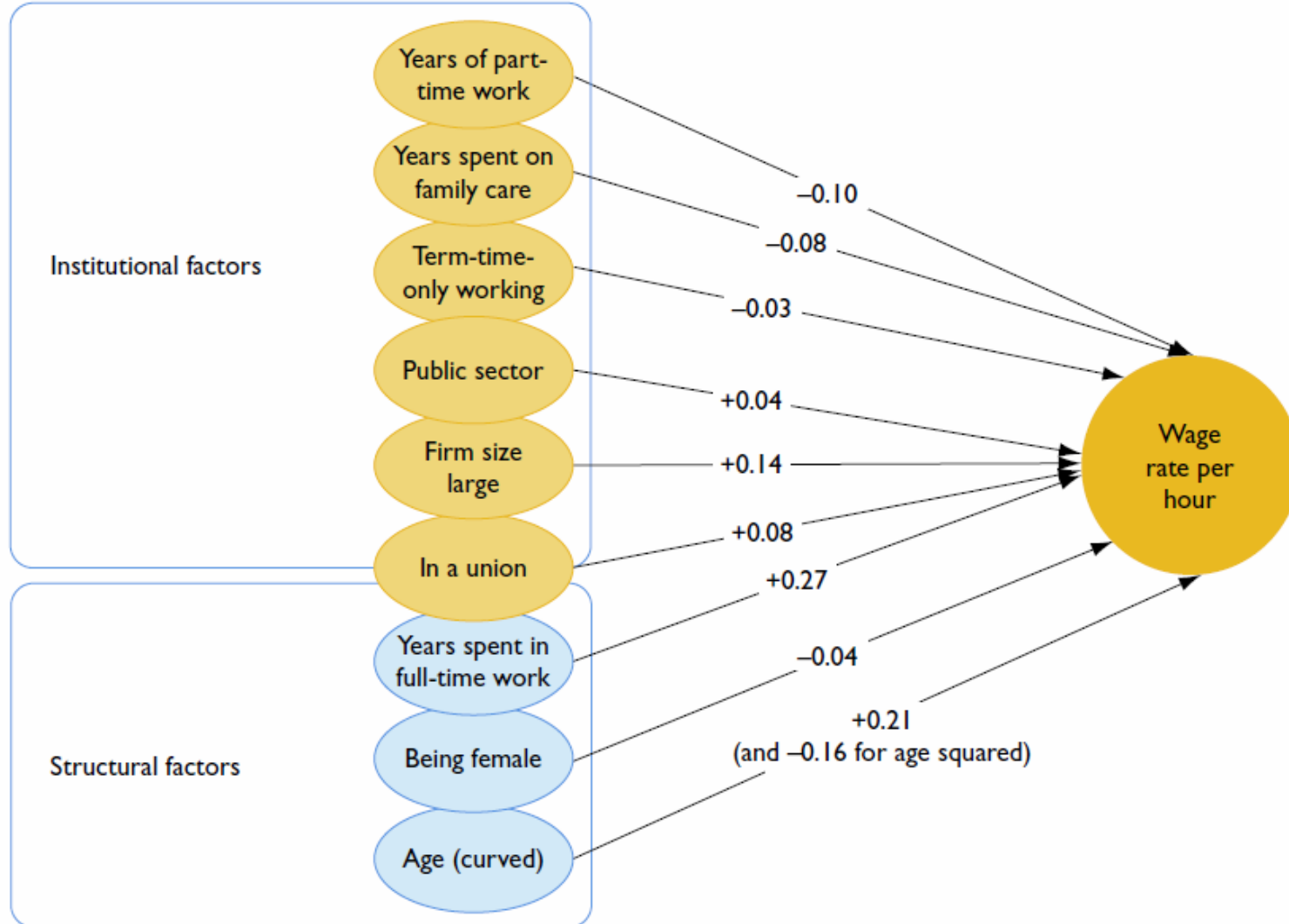
## Gender pay gap $\neq$ Unequal pay

<http://www.leeds.ac.uk/sociology/people/swdocs/Modelling%20gender%20pay%20gaps%20WP%2017.pdf>





# Factors influencing women's wages



Source: Olsen, Gash, Vandecasteele, Walthery and Heuvelman, 2010.

# Gender Pay Gap

UK HE context



# Gender Pay Gap – UK HE context

- Where is the problem?
  - On occasion unequal pay
  - Length of some grades
  - Procedural and unconscious bias
  - Underlying issues of:
    1. Occupational and vertical workforce segregation
    2. Societal/workplace cultural barriers
- Long history of equal pay reviewing
  - Voluntary GPG reporting as well
- Actions to tackle female progression



# Equal pay reviewing

2007 **30%** of HEIs had undertaken review in previous 12 months

2010 **80%** of HEIs had undertaken review since 2006

2013 **72%** of HEIs had undertaken review since 2010

Over half conduct a pay review every 2 years



# The reported 'benefits' of equal pay reviews

Keeping equal pay on the agenda

Reducing the gender pay gap

Ability to give evidence-based answers when challenged

Better understanding about equal pay issues

Supporting commitment to social justice (employer values)

Dispelling myths about pay inequities



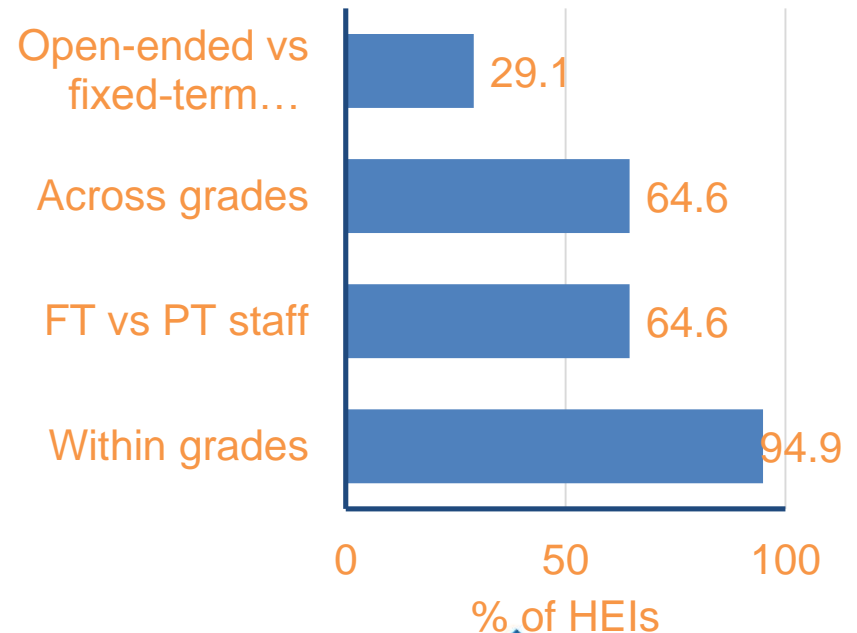
# Scope of equal pay reviewing

- Tend to exclude casual staff and hourly-paid teaching and support staff. Some exclusions seen: clinical academics and TUPE transferred staff.

## Protected characteristics covered

- Age 52%
- Disability 69%
- Gender 100%
- Race and ethnicity 73%
- Religion or belief 9%
- Sexual orientation 8%

## Type of pay gap analysis



# Action to tackle gender inequalities in HE

## Athena SWAN

- Established in 2005 to encourage and recognise commitment to advancing the careers of women in STEMM
- Charter of 10 commitments including ‘tackling the gender pay gap’
- Expanded in 2015 to recognise work undertaken in arts, humanities, social sciences, business and law
- Looks at representation, progression of students into academia, career development, working environment
- 138 Athena SWAN members holding 570 awards

[www.ecu.ac.uk/equality-charters/athena-swan](http://www.ecu.ac.uk/equality-charters/athena-swan)



## How are HEIs advancing women's careers?

ECU's Athena SWAN Charter recognises HEIs and their departments that demonstrate evidence addressing gender equality, including barriers to progression that affect women.

### Number of Athena SWAN Charter departmental awards

2011



2016



In 2015, UCEA and the HE trade unions jointly published a report including seven in-depth case studies investigating actions to improve gender balance and reduce gender pay gaps. The report highlights 68 distinct initiatives including setting university-level targets.  
[www.ucea.ac.uk/en/publications/index.cfm/njgender](http://www.ucea.ac.uk/en/publications/index.cfm/njgender)

Visit the ECU's website to find out more about Athena SWAN.  
[www.ecu.ac.uk/equality-charters/athena-swan](http://www.ecu.ac.uk/equality-charters/athena-swan)

Source: ECU. Excludes research institutes.



# Professor Dame Sally Davies, Chief Medical Officer, Department of Health, July 2011

“I now write to tell you therefore, that when we next run the competition for NIHR BRCs and BRUs we do not expect to short-list any NHS/University partnership where the academic partner (generally the Medical School\Faculty of Medicine) has not achieved at least the Silver Award of the Athena SWAN Charter for Women in Science. The present funding period of five years that we are about to enter gives both those who are funded, and those who are potential entrants next time four years to demonstrate this level of commitment to women in science.”



# Action to tackle gender inequalities in HE

## Concordat to Support the Career Development of Researchers

The UK Concordat to Support the Career Development of Researchers is an agreement between funders and employers of research staff to improve the employment and support for researchers and research careers in UK higher education.

### Principle 6 “Diversity and equality must be promoted in all aspects of the recruitment and career management of researchers”

- Encourage **recruitment** from widest pool of available talent
- Actively **address disincentives** and indirect obstacles to retention and progression
- Working conditions should provide **flexibility** necessary for successful research performance and should allow men and women to combine family and work
- Respond flexible to requests for **changed patterns of work**
- Aim for **representative** balance of staff at all levels
- Measures should exist to **address bullying and harassment**
- Employers should consider participation in **Athena SWAN**

# Tackling the pay gap



# Gender Pay Gap as a bargaining issue

- ‘Gender Pay’ used by unions to leverage pay claim campaigning:
  - “Fair Pay for Higher Education - Rate Your Pay!  
See how the value of your pay has been affected by below inflation pay rises.  
'Rate for the Job' is a new part of the UCU website you can use to:
    1. Compare your salary to similar staff in your and other universities
    2. See how the value of your pay has been affected by recent below inflation pay rises
    3. Check how big the gender pay gap is in your institution”
- 2017-18 pay claim (again) includes “Nationally agreed framework for action to close the gender pay gap by 2020”



# Our joint work with trade unions on equal pay and gender pay

- **2007** Survey on equal pay audits  
Guidance on equal pay auditing
- **2010** Survey on equal pay audits  
Literature review on the causes of the pay gap  
Case studies on equal pay auditing
- **2013** Survey on equal pay audits  
Revised guidance on equal pay auditing
- **2015** Case studies on action to address gender pay gaps
- **2016** Review of gender pay gap data in higher education
- **2017** *Review of Equal Pay Review guidance to incorporate new gender pay reporting requirements*



# Recent published work on Gender Pay

## Working Group Report

July 2015

- Case studies on action to address gender pay gaps

## Working Group Report

September 2016

- Review of gender pay gap data in higher education



[www.ucea.ac.uk/en/publications/index.cfm](http://www.ucea.ac.uk/en/publications/index.cfm)



# Working Group Report 2015 - recommendations

1. Consider actions to promote and use good practices
2. Take steps to gain line manager and employee support before rolling out a new policy or guidance
3. Consider actions to raise employee awareness of HEI policies and guidance in areas such as flexible working and promotion
4. Continue to monitor and publish equality data such as gender, ethnicity and disability (for example from equal pay reviews and staff survey results) on a regular basis.
5. Consider ways in which to evaluate the success of pay gap initiatives.



# How well do we understand the problem?

“Our colleges and universities promote equality as a core value, yet scratch beneath the surface and you find a sector bedevilled by shameful levels of inequality. Why is it that nearly 50 years after the Equal Pay Act we still have huge gaps in the pay of men and women?”

‘Holding down women’s pay’, UCU report March 2016

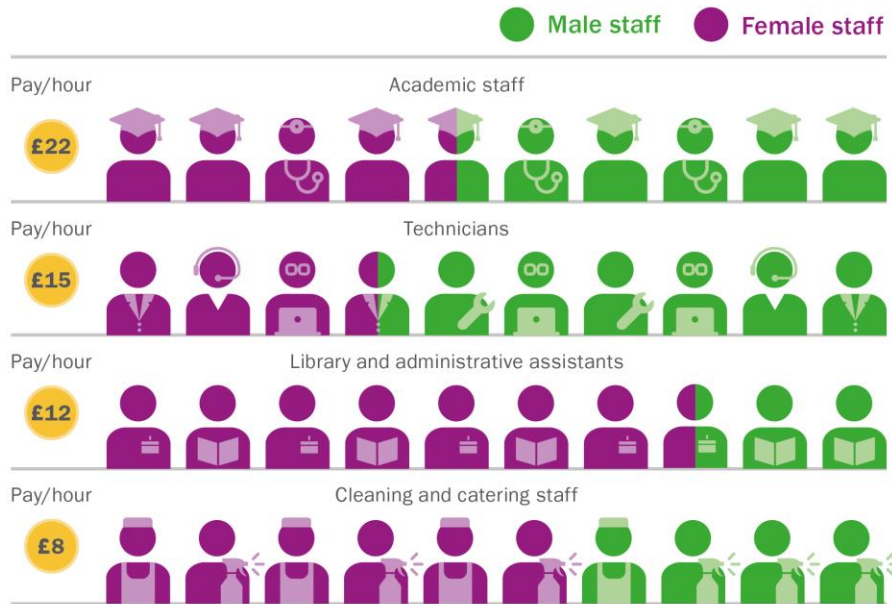




## Why focus on gender pay gaps?

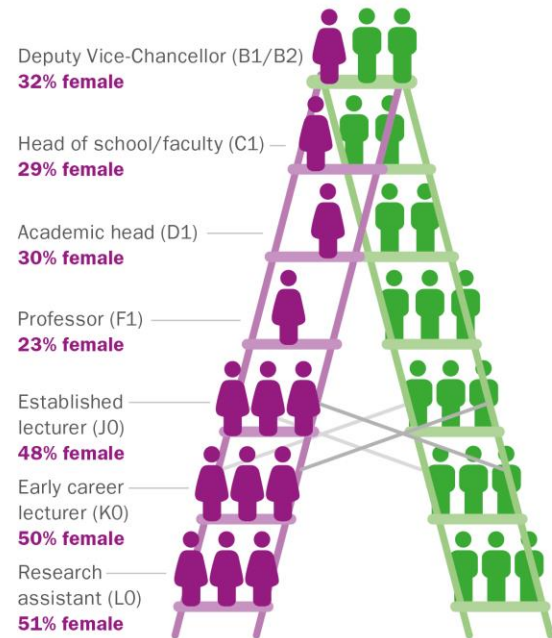
Examining a gender pay gap is not the same as doing an equal pay review; the latter focuses on whether men and women are paid equally for doing work deemed of equal value. The Equal Pay Act 1970 made paying differently for work of equal value illegal. Directly or indirectly discriminating based on gender (or other protected characteristics) is also against the law.

An organisation-wide gender pay gap analysis covers all levels of work. Gender pay gaps can therefore occur where men and women are distributed differently across the workforce. Gender pay gaps, while not of themselves unlawful, can spotlight areas that require investigation by employers. Differential distribution of women and men in the workforce is often referred to as 'occupational segregation'. **Horizontal segregation** is the tendency for women and men to be concentrated in different occupations.



Source: HESA, 2014–15. Hourly rate based on median earnings for full and part-time staff and a 36 hour working week. Gender distribution rounded to nearest 5%.

**Vertical segregation** is the tendency for women and men to be concentrated differently in different job levels within an occupation. This is not about equal pay – as men and women should be paid equally on the ranges for each job level – but typically women are underrepresented in the senior levels and may be overrepresented in the lower levels.



For more information: *Results of the 2013 survey of equal pay reviews*, New JNCHES, 2014 [www.ucea.ac.uk/en/publications/index.cfm/jnchsep2013](http://www.ucea.ac.uk/en/publications/index.cfm/jnchsep2013)

*New JNCHES – The Gender Pay Gap – A Literature Review*  
[www.ucea.ac.uk/en/publications/index.cfm/njgpygap](http://www.ucea.ac.uk/en/publications/index.cfm/njgpygap)

Source: HESA, 2014–15.



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# Progress



# Employer intervention examples - recruitment

- Clarify criteria for appointing above bottom of grade
- Policy to recruit to bottom of grade is stated in job adverts and starting salaries are approved by Principal
- Use recruitment system to flag appointments above bottom of grade, to monitor applicant demographics, and to track vacancy from advertisement to offer
- Automatically add positive action statements to job adverts for roles where there is underrepresentation
- Improve gender representation in key decision-making committees
- More balanced recruitment practices to increase number of female PVCs and security staff
- Recruitment form amended so all roles can be part time



# Employer intervention examples - reward

- Funds to minimise impact of extended leave on research for male or female carers, or following maternity
- One-off team awards for junior staff to increase the total number of staff receiving bonuses
- Professor bands to limit pay gaps within grades and avoid getting involved in recruitment and retention bidding situations
- Childcare payments for 'keep in touch' days
- Single pay spine created to VC level, no merit progression or accelerated increments, and plans for a new re-grading procedure
- Minimised pay gaps through implementing Framework Agreement, job evaluation and having only two main grades for teaching staff
- Reduced overtime pay in favour of better work life balance
- Engaged independent party to examine and confirm progression pay is performance-based and not gender biased



# Employer intervention examples – promotion

- Clearly define and communicate line manager's role in supporting staff development
- Mentoring for female academics and for early career researchers
- Academic promotion workshops
- Alternative paths to professorship not solely based on research contributions
- Mainstreamed leadership programme for both men and women
- Protected research time following maternity
- Targets to increase percentage of female and BME senior academics and female professors
- Promotion to Principal Lecturer depends on business need and due process
- Athena SWAN application generated data to support the case to do more in advancing women's careers in the university
- Monitor shortlists to ensure fair talent identification (Financial Services)



## Employer intervention examples – others

- Women's networking groups to support and inspire role models for women
- Equality and Diversity forum represented by management, trade unions, student union and staff network groups as an additional channel to gather diverse views
- Flexible working request granted unless there is a valid business reason for not doing so
- Equality and diversity embedded in key performance indicators
- Unconscious bias awareness



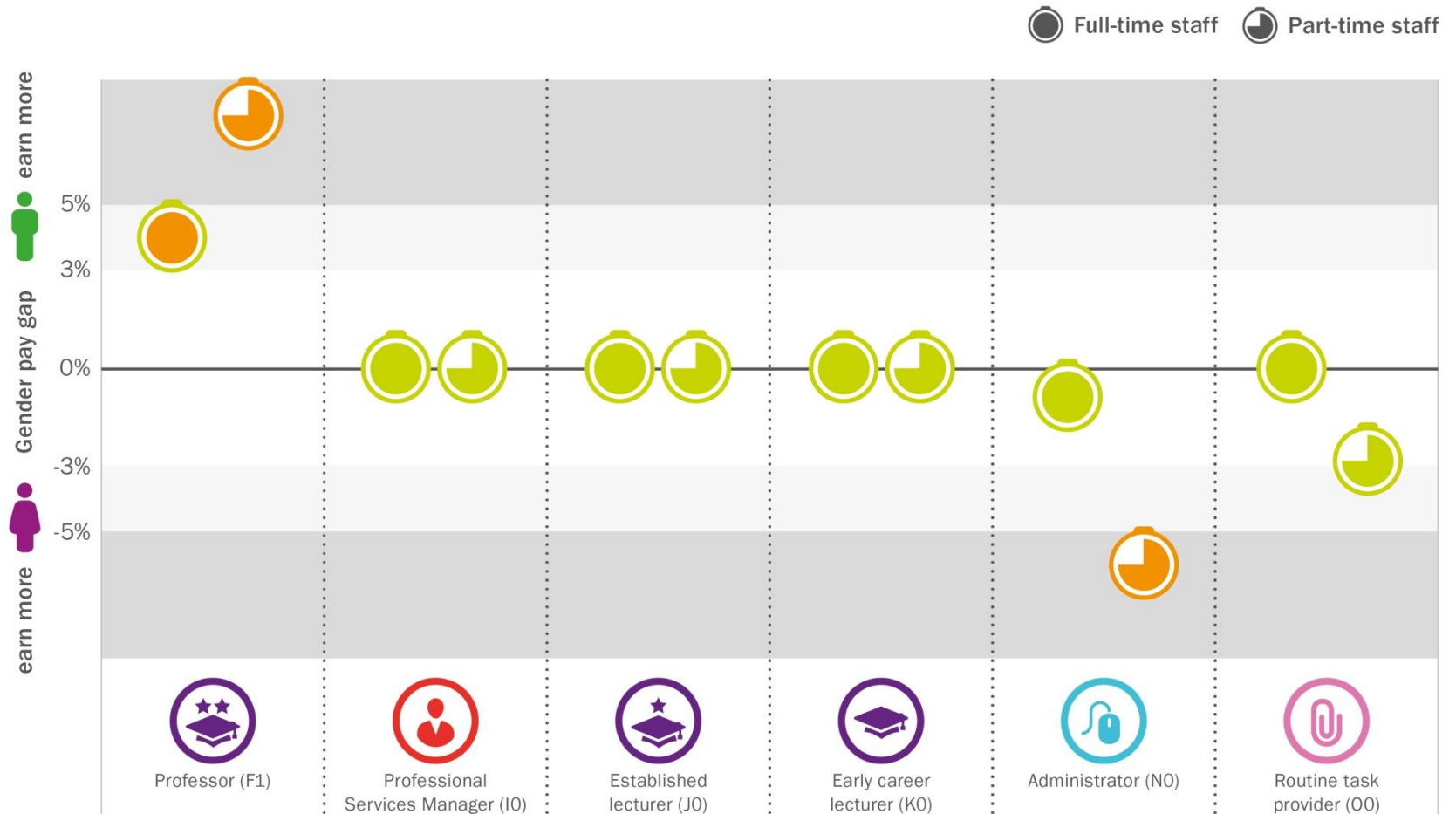
# Sector gender pay gap data report 2016

- Report analyses the 2015 data on sector-level gender pay gaps and balance within HE and compares them with other parts of the UK economy where data are available.
  - The gender pay gap for fulltime staff has narrowed for both academic and professional services staff groups between 2003-4 and 2014/15
  - The pay gap in the HE sector has fallen more rapidly compared to the whole economy particularly in the last five years
  - There are more significant pay gaps (outside  $\pm 5$  per cent boundaries) for full-time senior staff than full-time staff on the 51-point pay spine
  - There were no pay gaps within contract levels for part-time staff on the 51-point pay spine in 2014/15, except in four levels where pay gaps were in favour of women
  - Unlike in the whole economy, pay gaps in the HE sector do not significantly vary by overtime pay or bonuses
  - Data typically show that no significant median pay gaps appear where women made up at least 40 per cent of the full-time employee group
  - Seven out of eight HE major occupations have gender pay gaps which are in line with or lower than 'Not HE' counterparts based on full-time hourly earnings excluding overtime. The exception is elementary occupations where the pay gap is 20 per cent in HE compared to 13.3 per cent for 'Not HE' comparators
- Analysis by contract level important to understanding the numbers
- Will be greater complexities at HEI level, e.g. discipline distinctions
- Consideration of gender balance alongside pay gap numbers highlights the progression issues
- The report recommended a set of sector benchmark data for future monitoring of progress
  - UCEA has obtained sector support for producing these data
  - Report (on 2016 data) to be produced in April/May 2017



## Where do we see gender pay gaps within the HE workforce?

A sector-level analysis conducted by UCEA and the five HE trade unions (EIS, GMB, UCU, UNISON and Unite) found that full-time and part-time gender pay gaps by job level were in most cases zero. The Equality and Human Rights Commission defines a significant gap as a gender pay gap of 5% while recurring differences of 3% or more merit further investigation.



Source: HESA, 2014–15 – based on median basic annual full-time equivalent salary. Selected job levels. For more information: *New JNCHES – Higher Education gender pay gap data, 2016* [www.ucea.ac.uk/en/publications/index.cfm/hegenderpaygap](http://www.ucea.ac.uk/en/publications/index.cfm/hegenderpaygap)



# A professorial Gender Pay Gap: the Essex approach




PROFESSIONAL JOBS SUMMITS RANKINGS

## University closes gender pay gap by giving women a pay rise

### University of Essex hikes salaries for female professors to eliminate pay gap

Radical action to erase disparity comes as new figures show lingering gender pay deficit across UK universities

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### University wipes out gender pay gap with salary hike

🕒 3 June 2016 | Education & Family

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Analysis by Times Higher Education magazine found an average pay gap in academia of £5,629, with women earning £45,704 on average  
CHRIS ISON/PA

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Female academics at the University of Essex are to receive a one-off pay rise this year to bring their salaries up to those of male colleagues.



# A professorial Gender Pay Gap: the Essex approach

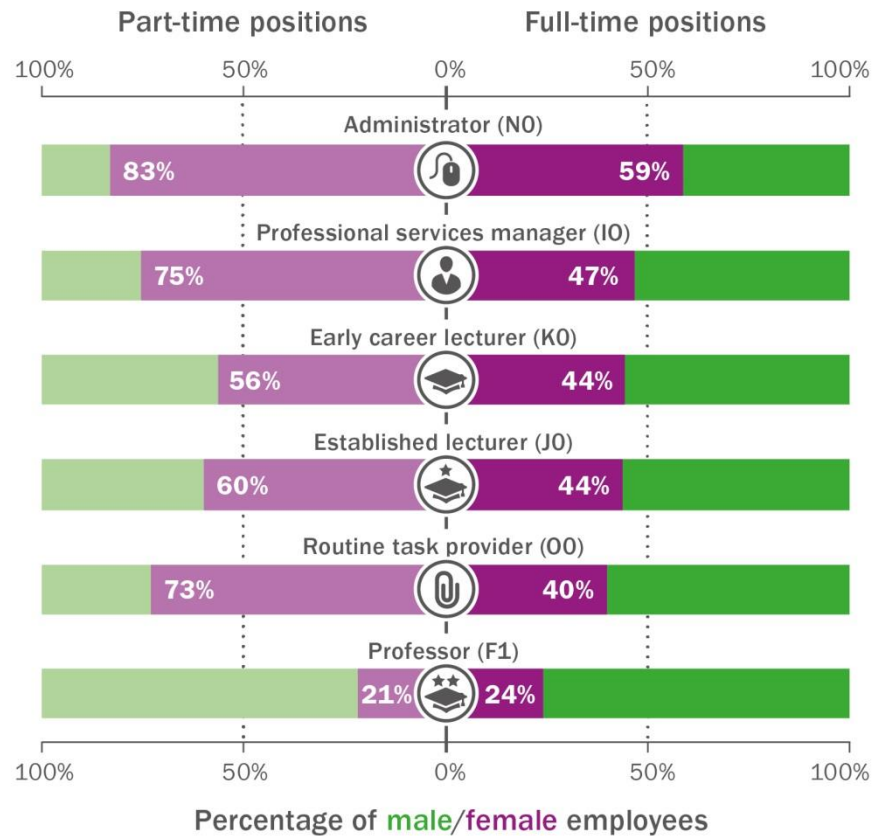
- 2015 professorial pay gap was 5.49%
- Pay gap could not be explained by individual performance and length of service
- Action taken to uplift pay of all female professors
- Continue to conduct 'forward monitoring'

An equal pay intervention or addressing the gender pay gap?



## How does the gender balance differ by job?

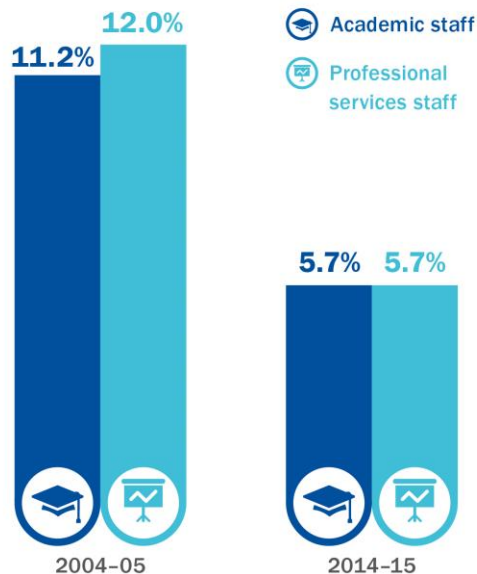
The balance between **male** and **female** employees varies across jobs and between full-time and part-time work.



Source: HESA, 2014–15. HESA contract level shown in brackets. Selected job levels. For more information: *New JNCHES – Higher Education gender pay gap data*, 2016 [www.ucea.ac.uk/en/publications/index.cfm/hegenderpaygap](http://www.ucea.ac.uk/en/publications/index.cfm/hegenderpaygap)

# Progress and momentum

Is the HE gender pay gap narrowing?



Source: HESA. Based on median basic salary for full-time employees. For more information: *New JNCHES - Higher Education gender pay gap data, 2016* [www.ucea.ac.uk/en/publications/index.cfm/hegenderpaygap](http://www.ucea.ac.uk/en/publications/index.cfm/hegenderpaygap)

- We can acknowledge some good progress
- Employer actions can make a difference
- Commitments matter but may not 'close' every gap
- Public reporting will shine a new spotlight
  - but perhaps not illuminate much





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# Questions

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