



CHEVIOTHR

GENDER PAY GAP REPORT

A COMPLETE GUIDE

BY CHEVIOT HR



SUMMARY

All employers with 250 or more employees must publish an annual gender pay gap report on their website and on the gender pay gap reporting portal on the gov.uk website disclosing their mean and median gender pay gaps.

The purpose of this reporting is so that it enhances transparency regarding salary disparities between men and women within the workplace with aim of closing the gender pay gap.

This guide informs you when and how to complete the report, how to understand results and suggested actions to take as a company to close the pay gap.



INTRODUCTION

WHAT IS EQUAL PAY?

Equal pay is when a person of one sex (normally female) is paid less than her (normally male) counterpart for doing the same or similar job. If this is evidenced, then the employee can bring an equal pay claim and possibly a discrimination claim to an employment tribunal.

If successful, their employer will be ordered to address the pay gap going back to a maximum period of four years as well as any other penalty arising out of further discrimination claims.

WHAT IS THE GENDER PAY GAP?

A gender pay gap is the difference between the average earnings of men and women over their period, regardless of their role or seniority. It highlights issues such as a lack of women in senior roles as well as any pay discrepancies.

Even if there are no equal; pay issues i.e. men and women are paid the same for doing the same or similar roles, this does not prevent a gender pay gap. There can still be a gender pay gap arising from the fact that there are a greater proportion of males in more senior roles.





TIMESCALES

- 5th April annually
- 12 months to publish



DATA

- % difference in mean and median pay
- % men and women paid bonuses
- % male and female in each pay quartile



NARRATIVE & STATEMENT

- Explanation of pay gap
- Statement of accuracy signed by board member

COMPLETING YOUR REPORT

TIMESCALES

Employers have 12 months to publish their gender pay gap report showing information correct as at 5th April each year.

WHAT TO REPORT

- Difference in mean and median pay between male and female employees (including and excluding any bonuses)
- Proportions of male and female employees paid bonuses
- Proportions of male and female employees in each quartile of their pay distribution.

NARRATIVE

Although not a legal requirement, an employer can provide a narrative to accompany its gender pay gap reporting, providing any explanation for the pay gap or put it into context which may help prevent or mitigate potential reputational damage. It may also describe an action plan to help address any issues.

STATEMENT OF ACCURACY

For private-sector and voluntary-sector employers, the report must include a written statement confirming that the information is accurate. This must be signed by a director, or board member.



UNDERSTANDING YOUR PAY GAP

Your Gender Pay Gap Report can give you an important insight into your company's gender pay balance.

HOW YOU COMPARE

You should identify how you compare to your industry's typical gender pay gap, to ascertain any industry specific trends, for example, a typically male dominated industry or male dominated skills e.g. women typically under-represented in STEM professions.

LEVEL OF SENIORITY

Examine the gender imbalance in your company using your own seniority structure. Also look at any gender imbalance in job types and departments.



RECRUITMENT

Analyse how many women compared to men apply for vacancies, and how many women are shortlisted for interview. How many women are appointed? This can provide you with a lot of information about your recruitment process.

Your recruitment process may be unconsciously biased towards men, so ensure there are women as well as men on the selection panel, and they are training in unconscious bias, which can unknowingly sway the decision to shortlist a male over a female applicant.

PROMOTIONS

If there is a good gender balance in your organisation, the same percentage of men and women in a particular grade should apply for promotion from that grade.

For example, you might have 60% women and 40% men in a particular grade. In that case, the pool of candidates who apply for promotion from that grade should also be 60% women and 40% men.

If only 20% of applicants were women, the gender imbalance would be more likely to get worse at the higher grade. This would mean fewer women in senior roles and a bigger gender pay gap.

To work out if this is a problem, look at the percentage of women in each grade or role who:

- apply for promotion
- make it through to any assessment stage or shortlist
- are selected for promotion



LEAVERS

If women typically don't have as great a length of service as men in your organization, it could be because they are leaving sooner. This could contribute to your gender pay gap. The effect will be greater if this happens in more senior positions.

To work out if this is a problem, look at the percentage of women and men leaving your organisation each year. For each grade, work out the percentage of women leaving out of all women in that grade.

For example, you might find that 20% of the women in a particular grade left over the last year. In the same period, only 10% of men in that grade left.

Carry out employee surveys and exit interviews to help understand any issues around retention.

BONUSES AND OVERTIME

Analysing information about pay and bonuses can help you work out if certain types of pay are affecting your gender pay gap.

Look at whether men and women doing comparable work get the same:

- overtime
- bonuses
- pay for unsociable hours

PAY POLICY

Another aspect of pay that can contribute to your gender pay gap is women having lower starting salaries than men doing similar jobs. This may be a problem if you allow negotiation of starting salaries.

To check whether this is a problem, compare starting salaries for men and women in comparable roles.

Research has found that women are less likely to negotiate their pay than men.

How do you give pay awards? Do you give a set percentage to all employees every year or do you allow negotiation of pay increases?

Ensure your pay policy is fair, transparent and evidence based. You should have a clear and fair process for how salaries are set, and how pay awards are allocated, which neither directly nor indirectly discriminate.

FLEXIBLE WORKING PRACTICES

More women than men tend to work part time because they take on more caring responsibilities.

If you don't support flexible working practices, a greater proportion of women compared to men are likely to leave the organization or not be considered for promotional opportunities if the promotion is full time with little flexibility.

It's a good idea to train managers in recognizing and supporting flexible working, and encouraging men to take shared parental leave, extended paternity leave etc.





EXAMPLE OF GENDER PAY GAP REPORT

A Manufacturing Company

2022/23 Gender pay gap report

Registered address:

Address 1, Address 2, Town, County, Postcode

Nature of business (SIC):

Administrative and support service activities, Construction, Manufacturing

Snapshot date:

5 April 2022

Employee headcount:

250 to 499 employees

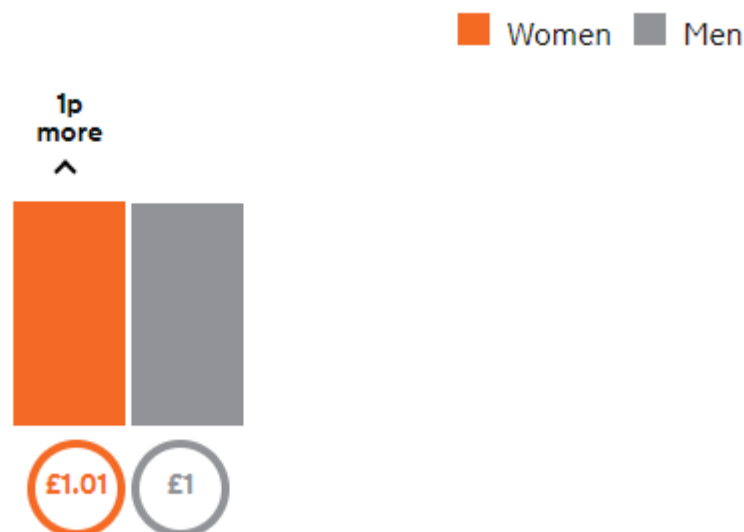
Person responsible:

Mrs. X (Chief Executive)

Hourly pay gap

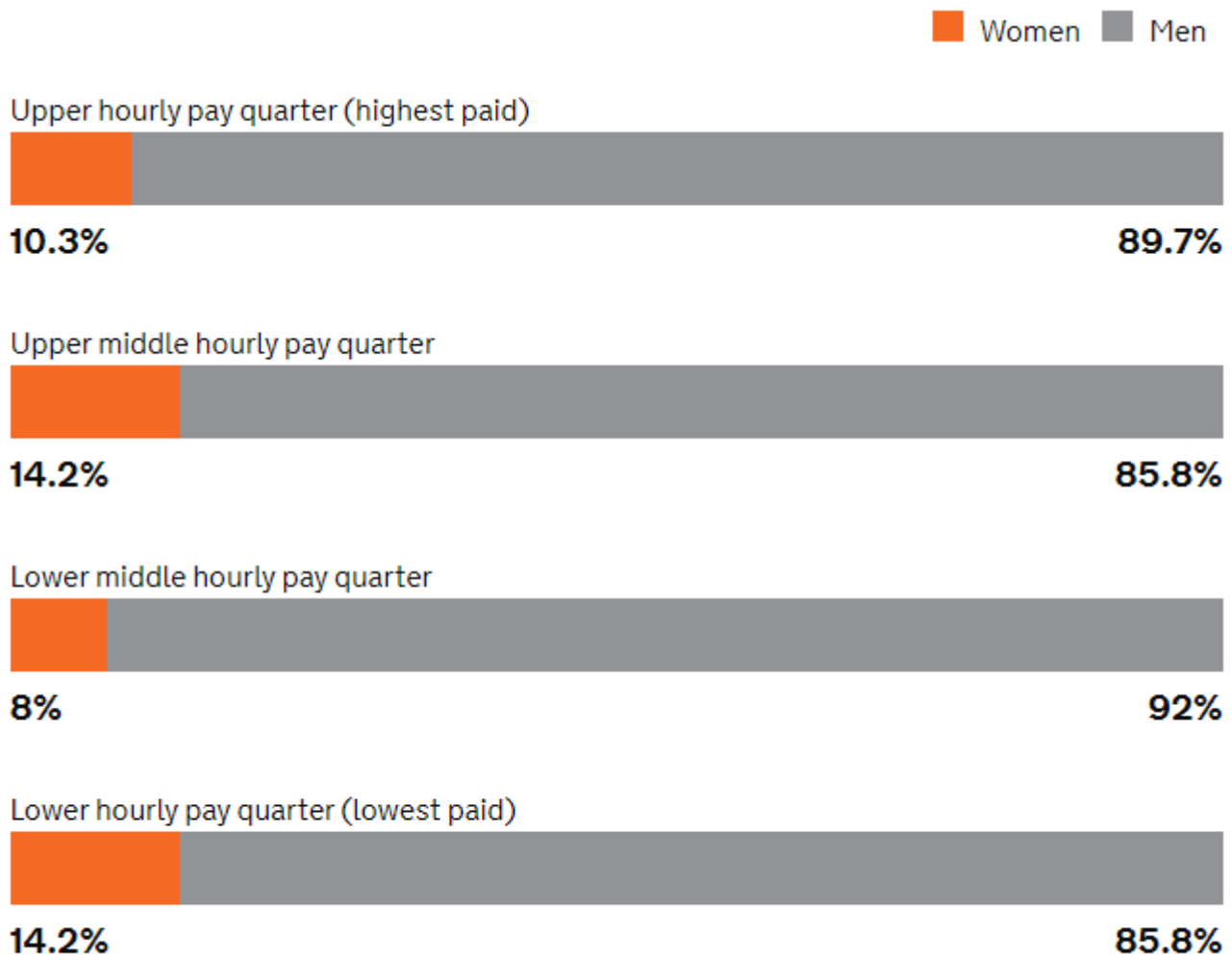
In this organisation, women earn £1.01 for every £1 that men earn when comparing median hourly pay. Their median hourly pay is 1.4% higher than men's.

When comparing mean (average) hourly pay, women's mean hourly pay is 3.6% lower than men's.



The percentage of women in each pay quarter

In this organisation, women occupy 10.3% of the highest paid jobs and 14.2% of the lowest paid jobs.



Bonus pay gap

In this organisation, women earn 95p for every £1 that men earn when comparing median bonus pay. Their median bonus pay is 4.9% lower than men's.

When comparing mean (average) bonus pay, women's mean bonus pay is 4.5% lower than men's.

Women Men



Who received bonus pay

98.5% of women
93.7% of men

Narrative

The data above shows that there is a gender pay gap, however this is not because we don't pay men and women the same for similar work. It is primarily because...

We are committed to equal opportunities and we have a clear policy of paying employees the same for equal work regardless of their gender or protected characteristics.

We ensure that we undertake regular pay reviews in line with the Equality of Human Rights Commission Guidelines and have an analytical job evaluation system in place to ensure a fair and objective method is used to determine pay grades.

Comparison with other organisations

Employer	% Difference in hourly rate (Mean)	% Difference in hourly rate (Median)
A Manufacturing Company	3.5	13.5
B Manufacturing Company	1.5	7.7
C Manufacturing Company	3.6	-1.4

We compare...

Actions to close our gender pay gap

e.g.

- Review our recruitment strategy to encourage more female applicants;
- Introduce equal opportunities monitoring to help understand why male and female employees are leaving and getting promotions;
- Revise our flexible working policy to help retain and attract more female employees;
- Review our bonus structure.

Statement of Accuracy

I, _____ confirm that the information in this statement is accurate.

Signed:

Date:

Cheviot HR can help you with your Gender Pay Gap Reporting and subsequent actions to reduce your gender pay gap.



CHEVIOTHR
HAPPY TRIBE, THRIVING BUSINESS

For more information, contact us on:



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