Diversity, Inclusion & Belonging

14th May 2019
<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Presenter(s)</th>
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<tbody>
<tr>
<td>9:00</td>
<td>Welcome &amp; the Story so far</td>
<td>Nick Hurley</td>
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<tr>
<td></td>
<td>Gender Pay Gap Yr 2, Family Friendly Policies &amp; Supporting Women's Progression in the Workplace &amp; Q&amp;A</td>
<td>Francine Hudson, Matt Croker, Tara Hutton</td>
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<td>Ethnicity / BAME Pay Gap</td>
<td>Nick Hurley</td>
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<td>BoE Update</td>
<td>Shelagh Prosser</td>
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<td>Expert Panel Q&amp;A</td>
<td>Francine Hudson, Matt Croker, Tara Hutton, Nick Hurley, Shelagh Prosser</td>
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<td>10:30</td>
<td>Close</td>
<td>Nick Hurley</td>
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UK Gender Pay Gap and Ethnicity
Pay Gap Reporting

Nick Hurley, Partner and Head of Group
UK Gender Pay Gap - The Story So Far…..

July 2015

• Government announces plans to close the GPG “in a generation”

April 2017

• GPG Regulations introduced

• Overall cost to business re implementation estimated at £3.93 million¹

• First reporting date set at 4 April 2018

¹ Regulation Policy Committee 22/01/16
UK Gender Pay Gap

Key requirements (by way of reminder)

• Affects organisations with over 250 employees who must publish and report:
  • Mean gender pay gap in hourly pay
  • Median gender pay gap in hourly pay
  • Mean bonus gender pay gap
  • Median bonus gender pay gap
  • Proportion of males and females receiving a bonus payment
  • Proportion of males and females in each pay quartile
UK Gender Pay Gap

• “Employees” include self-employed consultants and overseas employees (if employed by entity)

• Results must be signed off by a senior employee/officer/partner

• Published on Employer’s website and on Government site
UK Gender Pay Gap

First reporting year 2017/18

• Overall 10,560 reported, 444 in Financial and Insurance

• Median pay gap 11.8%

Second reporting year 2018/19

• Overall 10,738 reported, 440 in Financial and Insurance

• Median pay gap 11.9%

• Around 48% of employers did reduce the pay gap, meaning more than ½ were the same or worse

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2 GOV.UK Gender pay gap service – May 2019
3 Financial Times 05 April 2019
4 GOV.UK Gender pay gap service – May 2019
5 Financial Times 05 April 2019
## UK Gender Pay Gap


<table>
<thead>
<tr>
<th>Employer</th>
<th>Employer Size</th>
<th>Different in Hourly Rate</th>
<th>Proportion of women in each pay quartile</th>
<th>Who received bonus pay</th>
<th>Difference in bonus pay</th>
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<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Lower quartile</td>
<td>Lower middle quartile</td>
<td>Upper middle quartile</td>
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<tr>
<td>Barclays Bank</td>
<td>20,000 or more</td>
<td>26.00%</td>
<td>14.2%</td>
<td>73.0%</td>
<td>67.0%</td>
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<td>HSBC Bank Plc</td>
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<td>59.0%</td>
<td>29.0%</td>
<td>71.0%</td>
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<td>Hbos Plc</td>
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<td>25.9%</td>
<td>26.4%</td>
<td>73.6%</td>
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<td>Lloyds Bank Plc</td>
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<td>37.6%</td>
<td>42.7%</td>
<td>72.8%</td>
<td>66.0%</td>
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<tr>
<td>Lloyds Banking Group plc</td>
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<td>32.8%</td>
<td>32.8%</td>
<td>72.2%</td>
<td>66.2%</td>
</tr>
<tr>
<td>Santander UK Plc</td>
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<td>37.1%</td>
<td>29.1%</td>
<td>63.2%</td>
<td>71.7%</td>
</tr>
<tr>
<td>The Royal Bank of Scotland PLC</td>
<td>20,000 or more</td>
<td>37.2%</td>
<td>36.5%</td>
<td>69.6%</td>
<td>65.1%</td>
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UK Gender Pay Gap

Seven largest banks - comparison

• Reveals very little movement across the categories

• Perhaps not surprising in only the 2\textsuperscript{nd} reporting year

• Initiatives yet to take effect?
UK Gender Pay Gap

GPG Issues

• Lack of narratives and action plans
  ➢ A third of employers just published the minimum statistics

• Implausible results
  ➢ 8% of employers claim to have a zero pay gap – EHRC challenge

• Continued conflation between GPG reporting and Equal Pay

• Enforcement powers?
GENDER PAY GAP
Closing it together

Matthew Croker/Tara Hutton
Business Engagement
Gender Pay Gap Team
The Government Equalities Office works towards an inclusive society and an end to discrimination, by:

- Reducing the gender pay gap
- Tackling gender inequality in society
- Improving outcomes for LGBT people
- Ensuring a world class equalities framework

Other government departments are responsible for policy around:

- Race
- Disability
- Age
- Religion
- Pregnancy & maternity
Overall, women working in the UK are paid on average 17.9% less than men in the UK.

Women working full-time in the UK are paid on average 8.6% less than men in the UK.

What is the Gender Pay Gap?

Equal Pay vs Gender Pay Gap?

Unequal Pay

Paying men and women differently for the same work
Unlawful in the UK for over 45 years

Vs

Gender Pay Gap

Difference in average pay between men and women
- Data transparency can help drive change
- Over 10,000 employers reported by 5th April
- 56% employers pay gap remained the same or improved
- High media interest
- Employers are committed to taking action and want guidance
  - 3,500 engagements with our webinar & face to face engagement programme
### Support for employers

| Collating the data | • Acas guidance  
| | • The Gender Pay Gap Explained |
| Understanding what the data tells you | • Eight Ways to Understand Your Organisation's Gender Pay Gap |
| Linking problems to actions | • Evidence-based actions for employers |
| Understanding the evidence | • Four steps to developing a gender pay gap action plan |
| Evidence based actions and how to implement them | • Family Friendly Policies: actions for employers  
| | • Women’s Progression in the Workplace: actions for employers |
**WAGE PROGRAMME:** A two year, £1.1 million, research programme designed to build evidence base on effective actions to close the gender pay gap and improve gender balance in workplaces

**Aims:**
- Build the evidence base and increase our knowledge of what works to reduce the gender pay gap
- Support employers to understand their pay gaps and provide them with information on evidence-based actions to take to close them

**GABI Programme:** A collaboration between GEO and the Behavioural Insights Team to develop the evidence base on behavioural economics interventions to support gender equality, using large scale employer trials to test the evidence in UK companies

**Aims:**
- Share the results to support employers to take evidence based actions
- Translate evidence into clear, practical guidance for business
WAGE PROGRAMME - Themed research programme focusing on gender equality in the workplace

As part of each theme we have:
- Seminars with key academics, researchers and policymakers
- Opportunities for collaboration with GEO and policymakers across government
- Employer engagement events to understand employer’s needs
- Tenders for new research to build the evidence base
- Development and publication of practical evidence-based tools for employers

Six Key Themes:
- Family Friendly Policies
- Women’s Progression in the Workplace
- Women in Low Paid Low Skilled Roles
- Gender Norms and Sexual Harassment in the Workplace
- Intersectionality
- AI, Automation and the Future of Work

2018 - 2019

2019 - 2020
To support this work we have set up the WAGE Research Programme Network, a virtual group with over 240 academics, researchers and policymakers as members.

We currently have members from around the world, including members from leading UK and US universities and a range of experts in gender equality.
In order to build our evidence base we have:

Commissioned analysis to understand the **drivers of the gender pay gap**

Commissioned **priority evidence reviews** to deepen our understanding of the literature on Family Friendly Policies and Women’s Progression in the Workplace.

Commissioned quantitative research to understand **women's progression after becoming a parent**

Commissioned research on
- the impact of **within-family caring arrangements** on family wellbeing
- what motivates employers to **enhance their shared parental leave pay and policy**
Family Friendly Policies

Key themes:
- Increasing productivity and supporting talent through flexible working
- Supporting the equal sharing of childcare through parental leave
- Supporting parents with childcare

Key Actions:
- Clearly advertise flexible working options to new and existing staff
- Champion the change you want to see by highlighting managers and senior leaders who work flexibly or share caring responsibilities
- During recruitment think about designing the role to support flexible working
- Offer enhanced parental pay for mothers and fathers
- Clearly communicate your parental leave options and support for new parents
- Highlight the government’s childcare support and any additional support you offer
Women’s Progression in the Workplace

Key themes:
- Create an inclusive culture
- Support women’s career development
- Progression for part-time workers
- Improve recruitment and promotion processes
- Measure and evaluate policies to support diversity and inclusion

Key Actions:
- Make senior leaders accountable for addressing the barriers to women’s progression
- Clearly advertise that part-time working and job-sharing is available, particularly in senior roles.
- Implement standardised performance management processes that consider both performance and potential.
- Use name blind and skills based recruitment and structured interviews.
- Measure and evaluate policies and practices that support women to progress.
Women’s Progression in the workplace

Key themes - Progression For Part-Time Workers

Key Actions:

- Highlight managers and senior leaders who work part-time.
- Normalise part-time working and job-sharing for male employees.
- Clearly advertise that part-time working and job-sharing is available, particularly in senior roles.
- Provide training to line managers on how to support employees who want to work part-time and progress.
**Women's Progression in the Workplace**

**Key themes - Create An Inclusive Culture**

**Key Actions:**

- Make senior leaders accountable for addressing the barriers to women's progression.
- Senior leaders should role model positive and inclusive behaviour.
- Create and communicate guidance on the positive and inclusive behaviours everyone in your organisation is expected to demonstrate.
Eight ways to understand your organisation’s gender pay gap

- Do people get stuck at certain levels within the business?
- **Is there gender imbalance in promotions?**
- Are women more likely to recruited into lower paid roles?
- **Do men and women leave at different rates?**
- Are there aspects of pay that differ by gender?
- **Do men and women receive different performance scores?**
- Are you looking at PT progression for all employees?
- **Are you supporting both men and women with caring responsibilities?**
• **Understand** your GPG
• Produce an **action plan**
• Review recruitment practises
• Examine **women’s progression**
• Look at job design (**flexible working offer**) 
• Senior male role models and **agents for change**
Ethnicity Pay Gap Reporting (EPGR)

- The McGregor Smith Review recommended (inter alia) mandatory EPGR

- In October 2018 the Government launched a consultation on EPGR which closed in Jan 2019

- No response as yet from the Government

- Likely to be similar to GPG in some respects (e.g. probably apply to employers with 250+ employees)
EPGR Challenges

• No current legal duty to disclose ethnic group – should it be mandatory?

• How to compare data?
  ➢ Consultation suggests 4 alternatives:
    • A single pay gap based on average pay of white employees versus all ethnic minorities
    • Multiple % figures for different ethnic minorities against white employees
    • EPGR by £20,000 pay band
    • EPGR by quartile

• How to classify ethnic groups – need for standardisation – adopt 2011 Census classifications?
However

• EHRC research suggest 2/3rds of employers with over 250 employees already collect data on ethnicity

• Some employers are already doing it!

• See Involve’s Framework for EPGR (with signatories including Bank of England, Lloyds, Santander and Citi)
Diversity, Inclusion & Belonging

Shelagh Prosser
Head of Inclusion & Wellbeing
Our Approach

• Led from the top

• Inclusion Strategy 2017

• Transparency - Gender & BAME Targets

• Regular reporting and reviews
Gender & Ethnicity Targets

Women

2020 Target:
• 35% of senior management
• 50% below senior management

As at end Feb 2019:
• 31% of senior managers
• 46% below senior management

BAME

2022 Target
• 13% of senior management

2020 Target:
• 20% below senior management

As at end Feb 2019
• 5% of senior managers
• 19% below senior management

4502 Colleagues as at end of Feb 2019
Gender & BAME Pay Gap Reporting March 2018

Gender Pay Gap

21.2% Mean & 24.6% Median

- Women occupy 29% of highest quartile and 60% of lowest
- Women’s Median bonus pay 26.4% lower than men’s (Mean bonus pay 24% lower)
- 90.9% of women received bonus pay compared to 89.9% of men
- 18.8% Base pay gap (22% in 2013)

BAME Pay Gap

12.5% Mean & 6.6% Median

- BAME colleagues 13% of top quartile and 21% of bottom quartile
- BAME colleagues Median bonus pay 6.6% lower than non-BAME colleagues (Mean bonus gap 12.5% lower)
- 89% of BAME colleagues received a bonus compared to 91.3% of non-BAME colleagues
- BAME base pay gap 10.5% (13.9% in 2013)
Developing an inclusive culture

• Flexible working and no core hours
• Management competencies framework
• Inclusive leadership training
• Staff networks e.g. ‘Women in the Bank’ (WiB) set up in 2007
• Zero tolerance of harassment and bullying
• Wellbeing offer – Think well, live well, be well
Specific Interventions: Recruitment & Development

• Anonymised recruitment
• Gender neutral language & imagery
• Pooled recruitment for senior roles
• Diverse graduate intake
• Career Returners Programme
• Sponsoring & Mentoring
So what have we learnt?

• Not a ‘quick fix’
• Get the agenda ‘owned’ and led by the top of the organisation
• Importance of data
• Pilot interventions
• Learn from others
• Move from initiatives to making D&I part of the culture

• Don’t stand still!
Diversity, Inclusion & Belonging

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