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Eight ways to understand your organisation's gender pay gap

**GENDER
PAY GAP**

Closing it together

Contents

Do people get ‘stuck’ at certain levels within your organisation?.....	5
Is there gender imbalance in your promotions?.....	6
Are women more likely to be recruited into lower paid roles in your organisation?.....	7
Do men and women leave your organisation at different rates?	9
Do particular aspects of pay (such as starting salaries and bonuses) differ by gender?	10
Do men and women receive different performance scores on average?.....	11
Are you doing all that you can to support part-time employees to progress?	13
Are you supporting both men and women to take on caring responsibilities?.....	14

Eight ways to understand your organisation's gender pay gap

The gender pay gap (GPG) data that you have reported provides a basic understanding of what the gender pay balance looks like within your organisation. However, to be able to target resources effectively to improve your GPG, it is essential to know more about the specific causes of any imbalance.

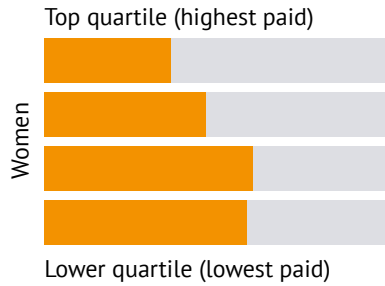
In this guide, you will find eight key questions to ask that will help you to identify different potential causes of the GPG. You will need some additional data to be able to answer these questions, but you may already collect this data as part of your human resources processes.

As 77% of organisations reporting in 2017/18 have a gender pay gap in favour of men, this guidance mostly refers to actions to support women. However, the majority of actions could equally be used to support men where the GPG is in favour of women.

1. Do people get 'stuck' at certain levels within your organisation?

The quartile breakdowns required under GPG reporting show the proportion of women and men at different pay levels. This approach allows different organisations to be compared. However, it does not take into account your particular organisational structure.

Proportion of women by quartiles



You should examine the gender balance in your organisation using your own seniority structure, and ideally also your job types and departments.

Gender balance by your seniority structure



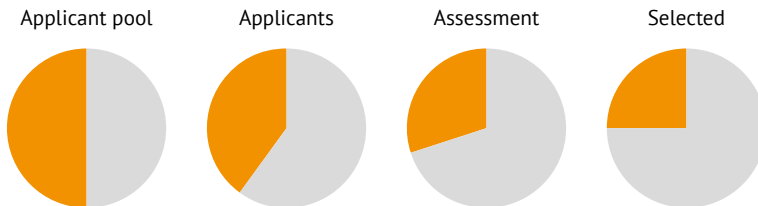
2. Is there gender imbalance in your promotions?

To avoid gender imbalances higher up in your organisation, men and women need to apply for promotion in proportions that match the composition of men and women at grades below. For example, in a particular grade you might have 60% women and 40% men. In that case, the pool of candidates who apply for promotion from that grade to a more senior grade should also be 60% women and 40% men. If, for example, only 20% of the applicants were women, the gender imbalance would be more likely to worsen at the higher grade, meaning fewer women in senior roles and a bigger GPG.



To identify whether this is an issue in your organisation, look at the proportion of women from a given grade or role applying for promotions, making it through to any assessment stage or shortlist, and being selected for promotion. Is this proportion lower than you would expect, given the proportion of women at that grade or in that role?

If you have internal recruitment processes (such as those where employees apply to open vacancies), look at these processes separately to see if there are any imbalances as candidates progress through the stages.





If you find a gender imbalance here:

- **Examine your promotion processes to establish at what stage women are falling out**
- **Are women not applying for promotion at all?** If so, why? Can you improve this, for example by offering flexible working at higher grades?
- **Are women not making it through short-listing processes or assessment rounds?** If so, why? Are your promotion processes clear and transparent so that bias cannot creep in and affect them? Are senior staff and hiring managers held accountable for hiring decisions by someone whose responsibility it is to monitor equality and diversity, such as a diversity officer, as well as by your leadership team?

3. Are women more likely to be recruited into lower paid roles in your organisation?

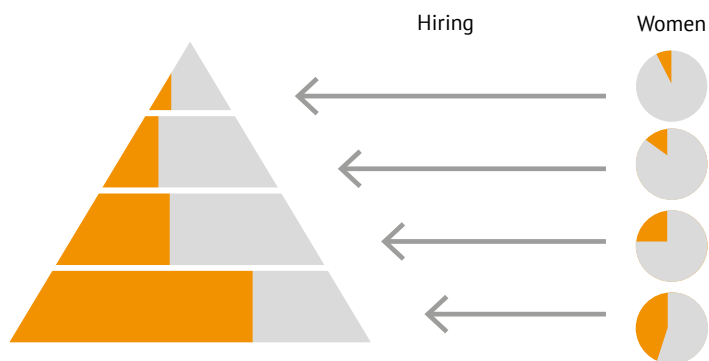
If women tend to enter your organisation at more junior levels, or if women are less likely to be hired when they apply to join your organisation at higher levels, this will impact your GPG.



You can do the following to work out if this is a problem in your organisation:

- **Look at the proportion of women applying for positions** and see if there are gender imbalances at different grades/levels.
- **For each grade/level, consider the proportion of women:**
 - applying for positions
 - making it through to any assessment stage or shortlist
 - being selected
 - accepting roles

Is the proportion of women decreasing throughout this process?



If you find a gender imbalance here:



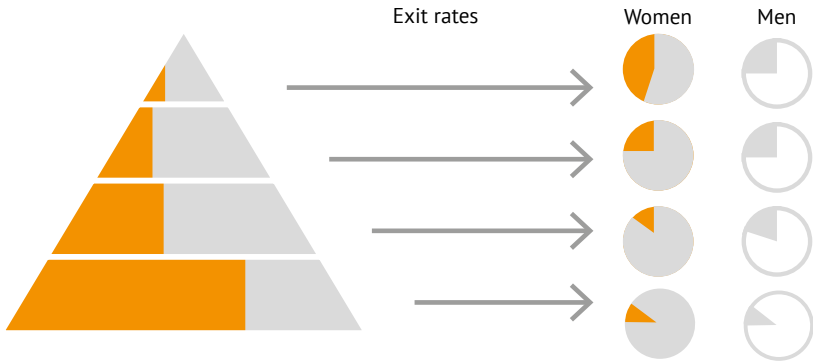
- **Examine your recruitment routes** – how transparent are the processes?
- **Understand how the potential applicant pool** in your field or industry compares to your applicants. For example, if 45% of people with appropriate qualifications and experience in your industry are women, but only 25% of your applicants are women, why might this be?
- **To go the extra mile**, you could look at ways to widen your potential applicant pool by re-thinking structural issues that can have a larger effect in preventing women from doing particular jobs. For example, do these jobs allow flexible working, so that people with caring responsibilities can do them? Can you help more women to get the required qualifications? If you use recruitment agencies, ask them to provide you with long-lists which include a certain minimum number of women. However, do take legal advice if you are considering positive action to benefit women (or men), to ensure that there is no unlawful discrimination.

4. Do men and women leave your organisation at different rates?

If women are leaving your organisation more quickly than men, this could contribute to your GPG, especially if this is occurring in more **highly-paid positions**.



To understand how this works, look at the percentage of women and men leaving your organisation each year, by seniority level. Make sure to look at the proportion of women leaving relative to the proportion of women in that grade. For example, you might find that 20% of the women in a particular grade left over the last year, whereas only 10% of men in that grade left over the last year.





If you find a gender imbalance here:

- **Staff surveys can be invaluable in identifying differences** in engagement, aspirations to progress or feelings of belonging, which may impact retention – analyse results by gender, and consider adding additional questions to help you get to the root of issues. Also, information from exit interviews – if delivered independently and in confidence – are likely to be useful.
- **Check whether there are structural issues** that may influence people's perceptions of how successful they can be at your organisation. For example, if senior positions are not offered with flexible working arrangements, people with caring responsibilities may not feel they can apply. This could result in talented people feeling that they cannot develop and succeed within your organisation, causing them to leave.

5. Do particular aspects of pay (such as starting salaries and bonuses) differ by gender?

As part of GPG reporting, you need to report information about the proportion of men and women receiving bonuses. Under the Equality Act 2010, employers must also ensure they are providing equal compensation for equal work. Analysing information about equal pay and bonuses can help you identify whether particular aspects of pay might be contributing to your GPG.



For instance, you should examine whether men and women doing comparable work receive different bonuses, pay for unsociable hours, or overtime.

Another aspect of pay that can contribute to the GPG is women having lower starting salaries than men doing similar jobs. This may be a problem for you if you allow negotiation of starting salaries, as some research has found that women are less likely to negotiate their pay than men, and that when women do negotiate their pay, they can be judged more harshly than men for doing so. These things mean that women's starting salaries might end up being lower than that of men doing the same job.



To check whether this is a problem in your organisation, compare starting salaries by gender within comparable roles.



If you find a gender imbalance here:

- **Introduce clear and fair processes for setting salaries and be transparent about these processes.** Where possible, communicate salary ranges, and indicate whether salaries are negotiable or not. This will provide a clear signal to all parties involved about whether or not it is acceptable to ask for more. This can put women and men on a more even footing.
- **Review how the different aspects of pay are allocated with your organisation** – are these processes clear and transparent? Are people being held accountable when allocating them?

6. Do men and women receive different performance scores on average?

Performance management scores can give you an indication of whether women and men are performing differently or being assessed differently. If there is a difference between performance scores, this can impact progression.



To check whether this is a problem:

- **Look at the difference between the performance scores of men and women.** If possible, break them down by grade and job, particularly if performance management approaches vary between these groups.
- **If your organisation asks employees to provide a self-assessment of their performance, examine it separately to look for imbalances.** Some research suggests that women tend to rate themselves lower than men and that men are overconfident in their self-ratings.



If you find a gender imbalance here:

- **Encourage managers to monitor the following things:**
 - **Are men and women being given equal opportunities to prove themselves?** For example, are they being assigned different types of projects that might not equally contribute to making someone promotable?
 - **Are men and women being given equal resources for their development?** For example, do they have access to similar training budgets?
 - **Are men and women being given equal professional support?** For example, do they have equal frequency and quality of performance feedback or career conversations?
- **If you find that there are gender imbalances arising from self-assessments,** consider removing self-assessments from the performance management processes. If you are unable to do this, ensure that managers do not see their employee's self-assessment before assigning a final performance score. This makes sure their score isn't influenced by the employee's self-assessment score.

7. Are you doing all that you can to support part-time employees to progress?

More women than men work part-time because most caring responsibilities within the home are still taken on by women. Ensuring that part-time employees are well supported and are given opportunities to progress means that well-qualified, experienced women (and men who also take on caring responsibilities) are better able to keep participating in the workforce.



To assess how part-time workers progress within your organisation:

- **Look at the number of part-time workers by grade and occupation** – it may be the case, for example, that senior roles are not being made accessible to part-time employees.
- **Many of the issues already raised in this guide can also be considered specifically for part-time workers.** For example, you could look at differences in performance scores and promotion rates between part-time and full-time employees.



If you find a gender imbalance here:

- **Consider offering more senior positions** on a part-time or flexible basis, including job shares.
- **Support managers to understand how roles can be done flexibly.** This might involve having a resourcing meeting to work out what arrangements might be possible, or giving managers advice and guidance on what flexible working might look like in practice in their team.
- **When advertising jobs, advertise them as flexible by default** (unless there is a strong business reason why this is not possible for a given job). This attracts a wider range of eligible talent.

- **Check whether part-time employees have equal access to training and development opportunities.** For example, are training opportunities offered at times that suit their needs? Are managers having career conversations with them and not making assumptions about their career aspirations?

8. Are you supporting both men and women to take on caring responsibilities?

Being able to care for others should be a choice open to both men and women, and is a core issue when it comes to gender equality. It is therefore worth reviewing your policies and considering your workplace culture to ensure that employees are supported to take on caring roles and responsibilities if they choose to.



To assess how well you are doing on this:

- **Look at the uptake of flexible working, Shared Parental Leave and paternity leave, including by gender.** If there is low take-up of these policies by men, this suggests that men and women in your organisation are working in quite different ways, which could contribute to your gender pay gap.
- **Use your staff survey to assess your organisational culture and look for differences between genders.** For example:
 - Do employees feel supported to take up flexible working?
 - Do employees feel that working flexibly (or part-time) is a barrier to progression?
 - Do employees know what flexible working and parental leave options are available to them?



If you find that this is a problem for you:

- **Raise awareness about your Shared Parental Leave, paternity leave and flexible working offer** by disseminating clear guidance, or launching a campaign.
- **Consider enhancing pay for those on paternity leave and Shared Parental Leave** to encourage male employees to play a role in childcare.
- **Advertise all jobs as flexible by default**, unless there is a strong business case otherwise.

Finally...

Once you have identified where any issues might lie, our Actions to Close the gender pay gap guidance provides more information to help you to develop a robust, evidence-based Action Plan and ensure you are doing all you can to reduce your organisation's GPG. These can be found on the gender pay gap [Viewing Service](#).



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