

Gender pay
activity in large
non-public
sector
organisations:
Baseline report 2009



Equality and
Human Rights
Commission

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1. Preface

In the spring of 2009 the Equality and Human Rights Commission (the Commission) was invited, along with the Confederation of British Industry and the Trades Union Congress and other key partners, to help improve gender pay transparency in the private sector by working with the business community and key stakeholders to propose ways of measuring and sharing information on the difference between men's and women's pay by private sector organisations (including the voluntary or third sector) employing 250 or more employees, which would be promoted on a voluntary basis. The invitation was framed in terms of securing greater voluntary reporting of the differences between men's and women's pay and, although the Equality Bill contains a power enabling regulations to be introduced at a later date, the initiative stands on its own merits as a driver towards greater transparency.

This is the first annual report produced by the Commission to examine the nature and extent of existing measuring and publishing information on progress in closing the gender pay gap. The aim of this initial report is to establish a baseline from which the proposals for gender pay reporting can grow. We will produce similar reports on an annual basis for the next four years.

In parallel to this report, we launched a consultation in order to identify the most appropriate and least burdensome way for employers to report on progress in recognising and challenging gender pay inequality. We consulted employers in the private and voluntary sectors, as well as representative bodies and trade unions, and women working in these sectors. The consultation closed on 28 October, and a report of the findings is available on our website: www.equalityhumanrights.com

2. Executive summary

This is the first annual report produced by the Commission to examine the nature and extent of existing measuring and publishing progress in closing the gender pay gap among organisations in the private and voluntary sectors with over 250 employees. The aim of this initial report is to establish a baseline from which the proposals for gender pay reporting can grow.

The report draws upon several **sources of information**, which are outlined in section 3. The main sources are:

- Newly extracted ONS data from the Annual Survey of Hours and Earnings (ASHE) 2008 providing gender pay gap figures for private and voluntary sector organisations with over 250 employees across industry, occupation, age group and government office region.
- IFF research report *Gender Pay Gap Reporting* (2010) prepared for the Equality and Human Rights Commission (publication forthcoming). The research comprised telephone surveys with 900 private and voluntary sector organisations with 250 or more employees.

Section 4 of the report sets out our **analysis of the ONS data**. The key findings highlighted are (percentages refer to mean-based figures):

- When compared with the overall gender pay gap and the pay gap in the public sector, pay gaps are higher for employees of large organisations (250 or more employees) in the private and voluntary sectors. The full time gender pay gap in 2008 was 22.2% in large private and voluntary organisations, compared with the overall figure for organisations of all sizes in the wider economy of 17.4%.¹ Figures for the part time gender pay gap are particularly high in the combined private and voluntary sector, standing at 47.2%, compared with the 36.9% overall figure.
- Considerable differences can be observed when comparing gender pay gaps across industrial sectors and occupational groups, with one of the highest full time gender pay gaps occurring in financial and insurance services (37.7%) and one of the highest part time pay gaps in wholesale and retail (49.1%). Part time pay gaps are lower in the voluntary sector.
- There are also interesting differences between different age groups, with pay gaps steadily growing as employees get older. The full time pay gap then flattens out from age 40, when it reaches 27%. The part time pay gap increases at an earlier age and is particularly high for

¹ This report uses 2008 figures on the gender pay gap. The overall full time gender pay gap for 2009 is 16.4%.

older age groups, climbing to 36.3% at age 22-29, and again to 50.4% in age group 40-49. Further exploration is needed to consider these differences further.

- Analysis of the data on pay gaps for Scotland, Wales and the English regions showed minimal variation between areas. There are, however, significant differences between the full time pay gaps in the private/voluntary and public sectors in some regions, demonstrating that differences between sectors outweigh those by region.

The report then goes on to consider the results of our survey on gender pay reporting (IFF, 2010), along with other sources of information that have provided evidence in this area. First of all, section 5 examines the **level of private and voluntary sector activity on collection and reporting of gender pay information**. The key findings in this section are:

- Half of organisations taking part in our gender pay reporting survey (IFF, 2010) stated that reducing the pay gap between women and men was either a very or fairly high priority for them.
- 43% of organisations in this survey had conducted or were conducting some sort of analysis of their pay gap. When organisations planning future analysis are added, the figure becomes 57%.
- 43% of organisations have combined HR and payroll systems. Of those that do not combine these in one system, 61% think that it would be very or fairly easy to combine the two sets of records for gender pay analysis. A substantial proportion of organisations would therefore be technically able to measure gender pay gaps.
- Only a third of employers provide training on avoiding sex bias in pay, and 67% of organisations that do so only run one off or occasional sessions.
- Around half of organisations included in our survey on gender pay reporting (IFF, 2010) have carried out some form of job evaluation. 23% have completed an equal pay audit, and 28% have plans to conduct an audit in the future.
- Only 19% of all organisations surveyed report gender pay data to an audience outside of the HR team. Only 16% of organisations that have completed an equal pay audit report the results internally, and this decreases to 6% reporting externally.
- 18% of organisations discourage or forbid discussions about pay between colleagues and 49% give staff no information at all about pay. 35% make staff aware of the pay band they are in, but only 4% formally make employees aware of how much colleagues in the same role are paid.

Section 6 of the report then goes on to consider the **barriers for organisations around gender pay data analysis and reporting**.

The main points we make here are:

- While many organisations are technically set up to measure gender pay gaps among employees, there is still a lot of work to do in ingraining specific action on equal pay into the human resources culture of the organisations.

- The evidence suggests that many employers do not see any benefits from collecting, analysing and reporting on gender pay information and see no perceived need for it. 85% of organisations in our survey (IFF, 2010) who had not engaged in equal pay activity and were not planning to do so believed that they already offered equal pay and therefore did not need to take action.
- There are different ideas among employers about what the gender pay gap is and what measuring it involves. Many organisations do not know which method of measuring pay by gender is standard and they have different preferences on which to use. They are concerned about using a different method than their competitors, and coming off badly in comparison.
- The most common reason given by those in the survey expressing opposition to reporting of gender pay data was that they had a policy not to discuss pay (37% when applied to internal reporting and 48% in relation to external reporting).
- Only a small proportion of organisations that have not undertaken equal pay audits (around 13%) have concerns about the financial and people resources that equal pay activity would require.
- The challenges that increased regulation for employers could bring was cited as one of the potential challenges they faced by 55% of organisations.

In section 7, **motivation for pay data analysis and reporting** is explored. The key points made in this section are:

- At the present time, the factors most likely to encourage more action from organisations not currently involved in pay data collection and analysis are the 'push' factors: employee complaints, equal pay cases or legislative requirements.
- However, developing a stronger business case for transparent gender pay activity could be a potential motivating factor. Recognition of the business benefits of transparent activity on gender pay issues is low, and more work is needed in developing and promoting the business case if it is to help raise the profile of equal pay as a business priority within organisations.
- Another potential motivating factor is competitor activity. In our survey on gender pay reporting (IFF, 2010) 52% of organisations opposed to external reporting felt they would be more likely to do so if their competitors did the same.
- It is also possible that with encouragement through clear guidance and advice, the number of employers involved in gender pay data reporting could be increased. While many organisations say they do not require help with measuring gender pay gaps, when those opposed to reporting were asked what could encourage them to do so, 47% would require advice on how to report clearly, and 72% stated that they would need this advice should reporting become a legislative requirement. When organisations not currently engaging in formal equal pay activity were asked which sources of advice they would be most likely to make use of to help them measure pay gaps by gender, 63% gave their preference as the

Chartered Institute of Personnel and Development (CIPD), and 60% chose the Advisory, Conciliation and Arbitration Service (Acas).

Finally, in section 8 of the report a number of **conclusions** are drawn. While 57% of all organisations in our gender pay reporting survey (IFF, 2010) are doing some sort of measuring of the gender pay gap or plan to do so in the future, and half of respondents stated that reducing the pay gap between women and men was either a very or fairly high priority for them, it is clear that once the collection and analysis of pay data has been done, far fewer companies go on to report their findings. Of course, as we have seen, there are significant differences in activity on gender pay gaps across sectors. In general, the voluntary sector demonstrates more activity on collection, analysis and reporting of gender pay data, and the survey results that have informed this report illustrate the tendency of voluntary sector organisations to have more positive attitudes towards equal pay activity and transparency in pay.

However, within non-public sector organisations as a general group, and within certain sectors of this group, there appear to be significant levels of reluctance towards gender pay activity, and reporting in particular. Exploring the reasons behind this reluctance has provided an insight into the barriers to reporting that employers feel they face and the factors that could motivate them to do more.

The low priority afforded to pay transparency within the human resources and corporate cultures of many organisations represents a major barrier. When equal pay is not recognised as a business priority it is perhaps not surprising that a significant proportion of employers remain unclear about what the gender pay gap is, and what measuring or publishing it involves.

We have seen that the factors most likely to encourage more action from organisations not currently engaged in equal pay activity are 'push' factors such as employee complaints or legislation. However, we have also identified a number of 'pull' factors that could be used to encourage more awareness of gender pay issues, to highlight the business case for transparency and equal pay, and to increase the amount of activity on collecting, analysing and reporting on pay gap data. Developing a strong business case for transparent gender pay activity could be a powerful motivating factor, but given the opinions expressed in our gender pay reporting survey (IFF, 2010) on what would encourage more activity in organisations, there is still a considerable way to go in making this case.

Other interrelated 'pull' factors that may encourage more activity on gender pay reporting include the availability of clear guidance and advice on reporting, and parallel competitor activity, so that organisations do not feel at risk from making any gender pay gaps public. Many private and voluntary organisations not currently undertaking gender pay gap activity do show some openness to the possibility of reporting, with 47% of this group in our gender pay reporting survey (IFF, 2010) being open to the idea of internal reporting and 30% to the idea of external reporting. There are a number of possibilities that could build on this openness,

further developing the pull factors that could motivate organisations to take more action. However, this may be a much more difficult process for the remaining 53 and 70% respectively, who may remain more predisposed to action prompted by push factors only. The biggest challenge will be engaging these organisations, and convincing them of the positive arguments for gender pay reporting.

3. Information sources

A number of sources have informed this report. They are set out below.

Analysis of Office for National Statistics (ONS) data

The Annual Survey of Hours and Earnings (ASHE) is the source of national statistics on the gender pay gap. Figures are published each year on the levels, distribution and make-up of earnings and hours paid for employees within industries, occupations and regions.

As the gender pay reporting project is looking specifically at employment in large enterprises in the private and voluntary sectors, we needed data that could focus specifically on these areas. In order to obtain this specific information, the ONS extracted data from the ASHE 2008 figures for us to analyse. This means that we now have new information on hourly pay in the above sectors that can be broken down by industry, occupation, age group and government office region, and can be compared with public sector figures.

IFF research report *Gender Pay Gap Reporting (2010)*, prepared for the Equality and Human Rights Commission (publication forthcoming)

This report seeks to:

- Establish baseline information on the number of non-public sector employers taking steps to measure and make information public on the gender pay gaps in their organisations.
- Investigate how steps taken by employers to measure and make information public on gender pay gaps differ by sector, size of organisation, and in England, Scotland and Wales.
- Explore reasons for measuring or making information public, or not doing so, among these organisations.
- Investigate what could be done to encourage employers to measure and make information public on their gender pay gap.

The research comprised telephone surveys with 900 private and voluntary sector organisations with 250 or more employees during September 2009. This is a relatively large sample because there are only around 6,900 of this type and size of organisation in Great Britain.² Collectively these organisations account for 10 million of the UK's 25.7 million employees.

² BERR, October 2007, *Small and medium enterprise statistics for the UK and regions 2007*.

Organisations were distributed across three broad sectors: manufacturing and construction; distribution, hotels and restaurants; and banking, finance and insurance. These categories were chosen because we wanted to make sure that we could make comparisons between different parts of the private sector. They correspond with the larger sections of the Standard Industrial Classification system.³ In addition, there were also a smaller number of organisations within the 'other private services' category. 84% of the organisations included were private sector companies seeking a profit and the remaining 16% were charities or voluntary sector organisations.

Of the weighted survey population, 90% were in England, 7% in Scotland and 3% in Wales. The number of organisations in Wales with 250 or more staff is small (190 in total from which 37 interviews were achieved) making it difficult to draw reliable comparisons with the rest of Great Britain.

In addition, we also drew on:

IFF research report *Private Company Reporting of Workforce Diversity Data*, prepared for the Government Equalities Office (2009)

This report set out to investigate current levels of reporting of equality data among large private sector businesses and how and why companies collect and report data on their workforce diversity. It is based on the findings of desk research on 300 private sector companies employing over 250 staff in the UK, and in-depth interviews with 45 of these.

IRS survey *Equality and Diversity in the Workplace* (2009), IRS Employment Review 923

A report based on responses to an online questionnaire by HR professionals and diversity specialists in 140 organisations. 42% of respondents were from public sector organisations, 11% were from the manufacturing and production sector and 47% from private sector services organisations. 27% were organisations with one to 249 employees, 30% had 250-999 employees and 44% employed 1,000 or more.

Equality and Human Rights Commission research report two, *Equal pay reviews survey* (2008), conducted by IFF Research

This report presents the findings of a survey investigating the use of equal pay audits to assess the pay gap between men and women, as well as audits of the pay of employees from ethnic minorities and with disabilities. 866 telephone interviews were conducted in Great Britain, covering employers in three size bands: 25 to 99, 100-499 and 500 or more employees. The sector definitions used were manufacturing, construction, private services and public sector.⁴

³ Our manufacturing and construction category corresponds with sections C and F. Distribution, hotels and restaurants corresponds with most of sections G and H, and banking, finance and insurance with section K.

⁴ The terminology used in the 2008 report is 'equal pay review'. Although throughout the rest of this report we refer to equal pay audits, the two terms have the same meaning.

4. ONS data on pay gaps in the private and voluntary sector

4.1 Introduction

We undertook this analysis of ONS data not just to inform our own view on the situation on gender and pay in the private sector, but also to encourage the private sector itself to explore why variations in pay by gender occur across different sectors.

The findings below are the result of a special analysis of the ASHE 2008 figures on pay,⁵ looking specifically at pay within private and voluntary sector organisations with 250 or more employees. They reflect the level of analysis that both the ONS and the Commission were able to achieve within the given timescale. It is clear, however, that there is still a range of information to be further explored, and we hope to be able do this in the future.

4.2 Definitions

In the discussion below the following definitions for hourly pay in the UK are used:

- The full time gender pay gap compares women's average full time pay and men's average full time pay.
- The part time gender pay gap compares women's average part time pay with men's average full time pay.
- The combined gender pay gap compares average women's pay with average men's pay, in both cases including full time and part time employees.

A complete range of tables are presented in the annex to this report, and show full time, part time and combined figures using both the mean and the median measurement. Where figures are referred to within the text of the report the mean is used. Where possible, data is shown for the private and voluntary sectors both combined and separately. However, due to the lower number of voluntary sector organisations with over 250 employees, in some cases it is not possible to provide robust statistics for this group on its own.

⁵ ONS, 2008, Annual Survey of Hours and Earnings 2008.

4.3 Pay gaps in the private and voluntary sector

The current overall full time gender pay gap figure for 2008 was 17.4% (12.6% median) and the part time figure 36.9% (39.9% median).⁶ As the table below shows, pay gaps are higher for employees of large organisations (250 or more employees) in the private and voluntary sectors, where 40% of all employees work.⁷

**Table 1: Pay gaps in the private and voluntary sectors combined
Employees working for large employers, ASHE 2008**

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)
Mean-based	22.2	47.2	26.4
Median-based	21.6	49.8	30.8

It is possible to separate out the figures for the private and voluntary sectors to some extent, although the data are not robust enough to make complete comparisons (see annex: table 11). Part time pay gaps in particular are lower in the voluntary sector: 37.4% compared with 49.7% in the private sector.

When the combined private and voluntary figures are compared with those in the public sector as in the next table, we can see how much higher the pay gaps are in the private sector.

⁶ The 2009 figure for the full time overall gender pay gap is 16.4% and the part time overall figure is 35.3%.

⁷ A further 40% of employees work for organisations in all sectors with fewer than 250 staff, and 20% of employees work for large central and local government organisations (BIS, 2009, SME statistics for the UK and regions 2008 – data tables: <http://stats.berr.gov.uk/ed/sme/>).

**Table 2: Pay gaps in the private/voluntary and public sectors
Employees working for large employers, ASHE 2008**

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)
Mean-based			
Private/voluntary	22.2	47.2	26.4
Public	13.8	31.1	18.2
Difference	8.3	16.0	8.2
Median-based			
Private/voluntary	21.6	49.8	30.8
Public	10.9	39.5	21.7
Difference	10.8	10.4	9.1

4.4 Pay gaps by industry sector and occupational group

Information on pay gaps across private and voluntary industry sectors demonstrates how the differences between men and women’s pay varies across these sectors (annex: tables 4 and 14). One of the highest full time pay gaps is in financial and insurance services (37.7%). While overall the figures for manufacturing and services are close to the average, the full time figure for all manufacturing industries is 19.9% and for all service industries 23.2%. One of the highest part time pay gaps is in the wholesale and retail trade (49.1%). This reflects a difference between manufacturing and service sectors. The part time figure for all manufacturing industries at 32.2% is lower than that for all service industries at 48.5%. The part time figures for some sectors, such as financial and insurance activities and construction, are not available.

Separating these figures to show separate private and voluntary sector pay gaps is not possible in all areas. However, we can see differences in the figures for all service industries, where the part time pay gap is 51.2% for the private sector and 37.3% for the voluntary sector. When the separate private and voluntary sector figures are compared to those for the public sector, further comparisons can be made, as the table below shows.

**Table 3: Comparisons between the private, voluntary and public sectors
Employees working for large employers, ASHE 2008**

	Private sector full time (%)	Voluntary sector full time (%)	Public sector full time (%)	Private sector part time (%)	Voluntary sector part time (%)	Public sector part time (%)
All industries and services	22.7	22.4	13.8	49.7	37.4	31.1
All service industries	23.8	22.3	13.6	51.2	37.3	18.0

*These are mean-based figures

There are also significant differences across occupational groups (annex: tables 5 and 15). There is a full time gender pay gap of 29.4% among managers and senior officials in the private and voluntary sectors and of 27.1% in skilled trades (the part time figures for these categories are not available). While the full time pay gap in the administrative and secretarial category is relatively low at 7.1%, the part time figure is 21.8%. A similar picture can be seen in sales and customer service, with the full time and part time figures being 7.6% and 21.5%. Other occupational groups with high part time pay gaps include associate professional and technical (30%) and process, plant and machine operatives (30.5%). It is not possible to provide meaningful separate figures for the voluntary sector in these categories.

4.5 Pay gaps by age

Analysis of the data by age provides some very interesting results. The full time gender pay gap in the private and voluntary sectors combined is lowest for the under 30s, starting at 4.3% for workers aged 18-21, then steadily growing as workers get older. It flattens out from age 40, when the full time gender pay gap reaches 27%. The part time pay gap increases at an earlier age and is particularly high for older age groups, climbing to 36.3% at age 22-29, and again to 50.4% in age group 40-49 (annex: table 2).

It is difficult to make robust comparisons between the private and voluntary sectors concerning age, but some comparisons can be made between the private and voluntary combined figures and the figures for the public sector. For example, the full time gender pay gap in the 40-49 age range is 27% in the private/voluntary sector, compared with 17.9% in the public sector (annex: table 7). The part time pay gap increases at an earlier age in the private/voluntary sectors compared with the public sector. The greatest difference is for the 22-29 age group where the part time gender pay gap is 36.3% in the private/voluntary sector and 14.3% in the public sector.

4.6 Pay gaps by region

Analysis of the data on pay gaps for Scotland, Wales and the English regions showed minimal variation between areas. For example, full time pay gap figures for the private and voluntary sectors combined only ranged from 18.6% in the North West to 25.8% in the South East and were not significantly different from average (annex: table 3). There were, however, significant differences between the full time pay gaps in the private/voluntary and public sectors in Scotland, Wales, London, the South East and North East (annex: table 8). It appears therefore, that differences between sectors outweigh those by region.

4.7 Summary

- When compared with the overall gender pay gap, and with the pay gap in the public sector, pay gaps are higher for employees of large organisations (250 or more employees) in the private and voluntary sectors.
- Figures for the part time gender pay gap are particularly high in the private sector.
- Considerable differences can be observed when comparing gender pay gaps across industrial sectors and occupational groups, and part time pay gaps are lower in the voluntary sector.
- There are also considerable differences between different age groups, with both full and part time pay gaps increasing with age. Further exploration is needed to consider these differences further.
- The significant differences between the full time pay gaps of private/ voluntary sector organisations and public sector organisations in different regions demonstrate that differences between sectors outweigh those by region.

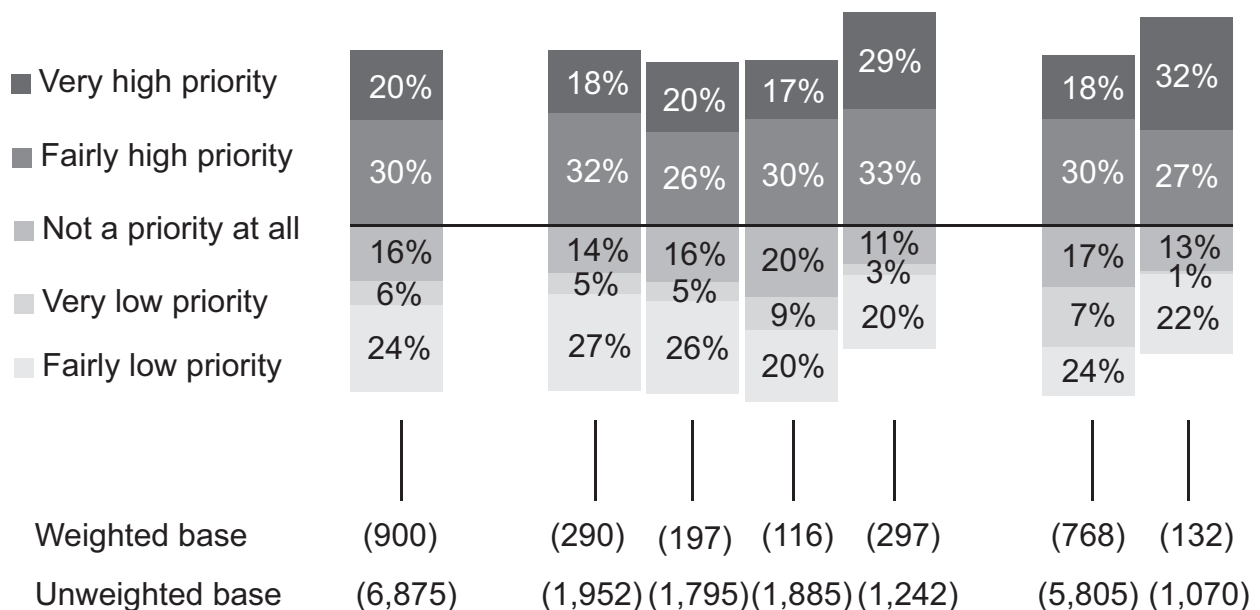
5. Level of private and voluntary sector activity on collection and publishing of gender pay information

5.1 General practice and prioritising of gender pay issues

All organisations taking part in our gender pay reporting survey (IFF, 2010) were asked how much of a business priority reducing the gap between women and men’s pay was for them. Half answered that it was a very or fairly high priority. Almost a quarter (22%) stated that it was low priority and for a further quarter (24%), reducing the pay gap was not included in priorities at all.

Charity and voluntary sector organisations were more likely see reducing the pay gap as a very high priority (32%), compared with 18% of those seeking profit. Across the sectors, manufacturing and construction sectors were least likely to choose this option (18%) and ‘other private services’ the most likely (28%).

Table 4: Priority attached to reducing the pay gap by sector



Source: *Gender Pay Gap Reporting*, IFF, 2010

23% of all organisations stated that they had a planned approach for reducing their gender pay gap and 17% did not have a planned approach but stated they were informally looking into developing a strategy. 49% did not have any strategy and a further 10% were unsure. The organisations who had previously answered that reducing the pay gap was a very or fairly high priority for them were more likely to have a planned approach for doing this. Again, the charity and voluntary sectors were more likely to have a plan in place or in development (51%, compared with 39% of profit seeking organisations).

39% of organisations had a member of staff with responsibilities for ensuring equal pay between men and women, and these organisations were more likely to see reducing the pay gap as a very high priority (27%), compared with 17% of those with no such individual in post. They were also more likely to have a planned approach for tackling the pay gap (31%, compared with 19% of organisations without a designated individual).

Organisations with planned approaches to reducing their pay gap were asked about the content of their plans. For 39%, the plan was based on closing gender pay gaps at the level of individual job roles. For 60%, the plan detailed a general strategy to be applied at an overall level.⁸

37% of organisations taking part in the Commission's survey of equal pay reviews (IFF, 2008) stated that they had a corporate objective on closing the gender pay gap. In the public sector this percentage rose to 63%, while in the private sector it ranged between 31 and 36%. Larger organisations were more likely to have such an objective (56% in the over 500 employees band). Organisations in Scotland were also more likely to have an objective on the pay gap: 62% overall.

For those organisations in the survey of equal pay reviews (IFF, 2008) that had an objective related to closing the gender pay gap, the most commonly cited was based on having an equal pay policy, where pay is related to position, status or value. 51% of organisations' objective fell into this category. The next most popular type of objective (13% of organisations) involved having an equality policy or statement.

5.2 Collecting and analysing information on gender pay gaps

Overall, 43% of all organisations in our gender pay reporting survey (IFF, 2010), had conducted or were conducting some form of analysis of their pay gap. When the number of organisations who said they planned to conduct analysis in the future is added (14%), the total is 57% of organisations surveyed. This leaves 33% of organisations who have not conducted any analysis and do not intend to do so.⁹

⁸ These figures are not mutually exclusive.

⁹ And 10% who answered that they did not know what their equal pay activity was.

Differences by size and sector can be observed among organisations engaged in some form of pay gap analysis activity. Activity by sector is highest in banking, finance and insurance (51%) and lowest in distribution, hotels and restaurants (37%). As discussed in section 4 however, despite being the most active sector, finance and insurance has a high full time gender pay gap of 37%. In addition, the Commission’s financial services inquiry, published earlier this year, found substantial gender differences in both pay and career paths within the sector.¹⁰

52% of organisations with over 1,000 staff reported some form of activity, compared to 41% of those employing 500-999 staff, and 40% of those with 250-499. Overall activity was higher in the voluntary sector (57%, compared with 40% of profit seeking organisations), and in organisations with a designated individual responsible for equal pay (62%, compared to 31% of those without).

Table 5: Incidence of any type of pay gap analysis by sector

	Manufacturing and construction	Distribution, hotels and restaurants	Banking, finance and insurance	Other private services	TOTAL
Currently doing or have done pay gap analysis (formal or informal)	38%	37%	51%	46%	43%
Have plans to do pay gap analysis, never have previously	14%	12%	20%	10%	14%
Have never done and have no plans to do pay gap analysis	38%	39%	22%	34%	33%
Don't know	10%	12%	7%	10%	10%
TOTAL	100%	100%	100%	100%	100%

Source: *Gender Pay Gap Reporting*, IFF, 2010

¹⁰ <http://www.equalityhumanrights.com/legislative-framework/formal-inquiries/inquiry-into-sex-discrimination-in-the-finance-sector/>. Research informing the inquiry (Metcalf and Rolfe, 2009) found that gender pay gaps for full time employees in gross annual, weekly and hourly pay range from 39 to 55%. Annual and weekly part time gender pay gaps for part time employees are between 80 and 90%, and the hourly part time gender pay gap is 53%.

Table 6: Incidence of any type of pay gap analysis by size

	250-499	500-999	1,000+	TOTAL
Currently doing or have done pay gap analysis (formal or informal)	40%	41%	52%	43%
Have plans to do pay gap analysis, never have previously	15%	15%	12%	14%
Have never done and have no plans to do pay gap analysis	38%	33%	24%	33%
Don't know	8%	11%	13%	10%
TOTAL	100%	100%	100%	100%

Source: *Gender Pay Gap Reporting*, IFF, 2010

Table 7: Incidence of any type of pay gap analysis by private or voluntary sector

	Seeking a profit	Charity/ voluntary sector	TOTAL
Currently doing or have done pay gap analysis (formal or informal)	40%	57%	43%
Have plans to do pay gap analysis, never have previously	15%	9%	14%
Have never done and have no plans to do pay gap analysis	34%	26%	33%
Don't know	10%	7%	10%
TOTAL	100%	100%	100%

Source: *Gender Pay Gap Reporting*, IFF, 2010

Organisations were then asked how frequently they conducted this analysis. 58% said they did this annually, and 20% more than once a year. 19% considered the data less frequently than annually. In 94% of organisations, this type of pay analysis was done by the HR department.

5.3 Systems and procedures in place

Respondents in our survey on gender pay reporting (IFF, 2010) were asked a range of questions about the systems they had in place to help equal pay activity.

They were asked about the ways in which their payroll and HR systems are aligned and how this could allow for analysis of gender pay gap data. 99% of organisations had electronic HR records, and 43% had combined HR and payroll systems. Of the 55% that kept separate records, 61% said it would be very or fairly easy to combine them in order to analyse pay gap data. It appears therefore, that a substantial proportion of organisations in these sectors would be technically able to measure gender pay gaps.

Organisations were also asked whether they had a particular team or individual responsible for work around equal pay. As mentioned earlier, 39% of organisations in this survey had a member of staff with part of their job role defined as 'ensuring equal pay between men and women'. This rose to 55% in the voluntary and charity sector and shrank to 36% in profit seeking organisations. The percentage was also higher in organisations where over 50% of the workforce is female.

When asked about the availability and provision of training on equal pay, only a third of employers provided training on avoiding sex bias in pay. This figure did not vary substantially across sector, although it was slightly higher in the largest organisations with more than 1,000 employees. 67% of organisations that provide training on avoiding sex bias in pay only run one off or occasional sessions, and 36% had a regular training programme.

This training was largely targeted toward senior managers (90%) and staff involved in recruitment (83%). 75% of organisations offer this training to staff involved in setting pay, and 73% to line managers. Organisations with a designated member of staff were more likely to provide training in avoiding sex bias when setting rates of pay. 52% of these organisations did so, compared with 35% of all organisations in the survey.

Table 8: Employers with a designated person responsible for equal pay and employers providing training in avoiding sex bias in setting rates of pay

	Base: Unweighted	Weighted	Designated person (%)	Provide training (%)
Sector				
Manufacturing and construction	290	1,952	43	35
Distribution, hotels and restaurants	197	1,795	36	35
Banking, finance and insurance	116	1,885	37	35
Other private services	297	1,242	43	32
Size				
250-499	364	3,445	41	32
500-999	238	1,794	35	33
1,000+	298	1,636	41	42
Total	900	6,875	39	35

Note: Row percentages used

Source: *Gender Pay Gap Reporting*, IFF, 2010

5.4 Methods of analysis

There are several ways in which organisations could measure and analyse pay gaps among their employees. The parallel work that the Commission has been undertaking involving consultation with employers, representative bodies and unions has considered a range of measures that employers could use to collect and analyse data and the forthcoming consultation report will discuss these further. Job evaluation and equal pay audits are two of the most common options, and are discussed below.

Job evaluation

Around half of the organisations included in our survey on gender pay reporting (IFF, 2010) have carried out some form of job evaluation and 9% planned to do so in the future. 21% of these had looked only at job titles and 36% had carried out an analytical job evaluation.

Equal pay audits

23% of organisations included in our survey (IFF, 2010) had completed an audit, 12% were in the process at the time of interview, and 28% had plans to conduct an audit in the future.¹¹ The

¹¹ Note there could be overlap between the first two categories, if organisations have completed an audit in the past and are currently undertaking another.

likelihood of having completed an equal pay audit increases with size of organisation, but the number of organisations with some audit activity in place are broadly similar across different sizes.

The Commission's equal pay reviews survey (IFF, 2008) showed that 23% of private sector organisations had either completed an audit, had one in progress or were planning to conduct one (compared to 43% of public sector organisations). It is important to remember, however, that this survey included all sizes of private sector organisations from 25 staff members upward, so direct comparisons cannot be made with our survey on gender pay reporting (IFF, 2010), which focuses on those with over 250 employees.

When equal pay audit activity is considered across sector, some noticeable differences can be found. In our survey on gender pay reporting (IFF, 2010), the banking, finance and insurance sector displays the highest level of equal pay audit activity, with 26% of organisations having completed an audit and 30% with an audit in progress or planned. This is compared to organisations in the distribution, hotels and restaurants sector, among which 21% had completed an audit and 15% were planning an audit or had one in progress. As discussed earlier, however, the finance and insurance sector also displays high gender pay gaps.

In the Commission's survey on equal pay reviews (IFF, 2008) the manufacturing sector showed the lowest levels of overall activity on pay audits, with 9% having completed an audit and 17% reporting some form of activity. The largest increase in audit activity between 2005 and 2008 was found in private services, where the number of employers reporting activity rose from 15% to 25%.¹²

Numbers are generally higher in the voluntary sector, with 28% of organisations in our gender pay reporting survey (IFF, 2010) having completed an equal pay audit and 29% with an audit planned or in progress. When the Commission's equal pay reviews survey (IFF, 2008) considered the voluntary sector, 28% had completed an equal pay audit, compared to the GB average of 17%, and 19% had plans to conduct an audit but didn't currently have one in progress, compared to the GB average of 17%.

Equal pay audit activity also appears to be influenced by the composition of the workforce concerned. Our survey on gender pay reporting (IFF, 2010) found that the likelihood of activity increases along with the proportion of employees who are female. 73% of organisations where women make up less than 10% of the workforce are not engaged in any pay audit activity, compared with half of those where more than 26% of employees are female. Where

¹²Again it is important to remember that the 2008 survey on equal pay reviews included all sizes of private sector organisations from 25 staff members upward, so direct comparisons cannot be made with our survey on gender pay reporting, which focuses on those with over 250 employees.

women made up the majority of employees there were higher levels of reviews in progress or planned. This finding was echoed by the Commission's survey on equal pay reviews (IFF, 2008), which found that 18% of organisations with more than 50% female employees had completed an audit, compared to 7% of those where 20% or less of the workforce were women.

Organisations' human resource approaches also influence the likelihood of pay audit activity. Our survey on gender pay reporting (IFF, 2010) found that organisations with a HR representative on the board are more likely to have completed an audit (31%), whereas only 10% of organisations where there is no HR representation on the board, and HR does not report to the board, have completed an audit. In organisations with a designated equal pay representative the figures were highest, with 38% having completed a review. When considering these findings it is important to note that there are gaps in our understanding of these relationships between higher incidences of gender pay activity and having a designated member of staff or a senior HR representative on the board. We do not know if the presence of these staff members encourages high levels of activity, or if the higher levels of activity result in recognition that these member of staff need to be appointed.

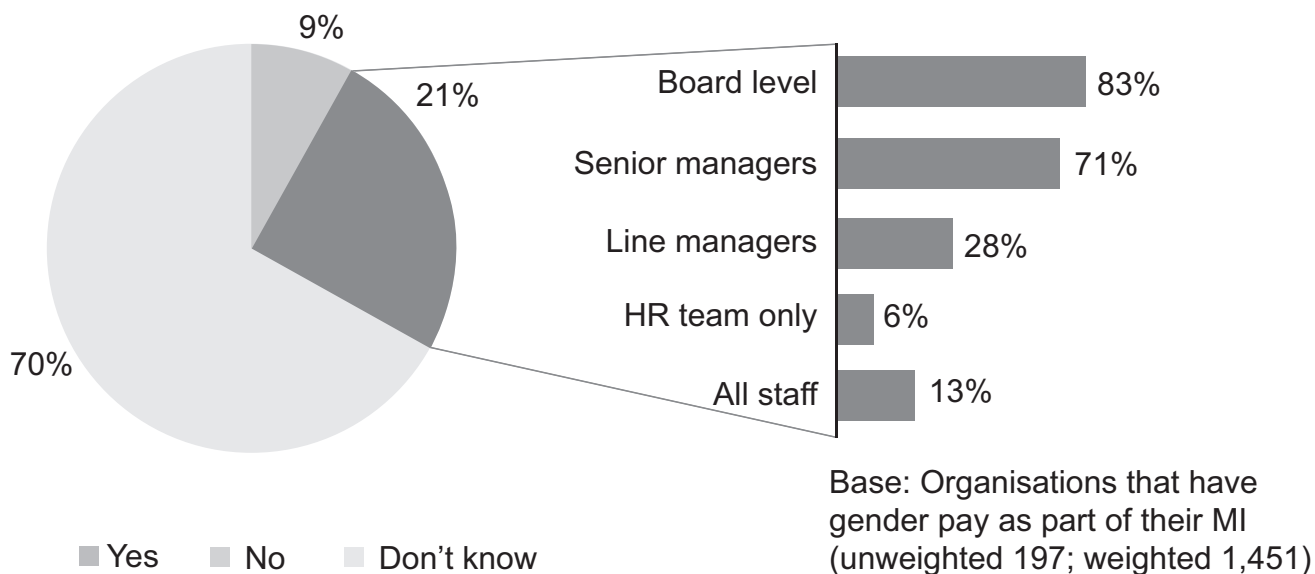
5.5 Reporting of information on gender pay gaps

In general, levels of openness around pay are low within non-public sector organisations. But figures vary across sectors and differ when internal and external reporting on pay are considered separately.

The recent IFF survey on private company reporting of workforce diversity data (IFF, 2009) found that only 8% of large companies were publishing data externally about the diversity of their workforce, and what was published was often very basic. One third of companies collected data for internal use but did not publish it. On further breakdown it emerged that publication was highest in the financial and business, and education and health sectors (11% in each), and lowest in manufacturing and construction (4%).

Our survey on gender pay gap reporting (IFF, 2010) showed that only 19% of all organisations surveyed share pay gap information with an audience outside of the HR team. 21% of all organisations surveyed collect pay gap data as part of their management information, and as the chart below shows, 83% of these organisations share the figures with board members, 71% with senior managers, 28% with line managers, and only 13% with all staff.

Table 9: Employers who have gender pay gap as part of their management information, and who this data is shared with



Base: All organisations (unweighted 900; weighted 6,875)

Source: *Gender Pay Gap Reporting*, IFF, 2010

Only 16% of organisations that have completed an equal pay audit report the results internally, and this decreases to 6% making the information available externally. These figures remain low across all sectors, although the banking, finance and insurance sector, along with other private services and voluntary and charity organisations, are more likely to share pay gap information internally, and the 'other private services' sector more likely to do so externally. Organisations in Scotland were also more likely to publish information both externally and internally.

Table 10: Employers reporting results of pay audits internally and externally by size

Sector	Base:		Internal reporting (%)	External reporting (%)
	Unweighted	Weighted		
GB (All)	900	6,785	3.7	1.3
250-499 employees	364	3,445	3.6	1.1
500-999 employees	238	1,794	2.6	1.2
1,000 or more employees	298	1,696	4.8	2.0

Note: Row percentages used

Source: *Gender Pay Gap Reporting*, IFF, 2010

Table 11: Employers reporting results of pay audits internally and externally by sector

Sector	Base:		Internal reporting (%)	External reporting (%)
	Unweighted	Weighted		
GB (All)	900	6,875	3.7	1.3
Manufacturing and construction	290	1,952	2.4	1.4
Distribution, hotels and restaurants	197	1,795	1.7	0.9
Banking, finance and insurance	116	1,885	4.3	1.2
Other private services	297	1,242	7.5	1.9
Organisations seeking a profit	768	5,805	2.6	1.1
Charities and voluntary organisations	132	1,070	9.5	2.6

Note: Row percentages used

Source: *Gender Pay Gap Reporting*, IFF, 2010

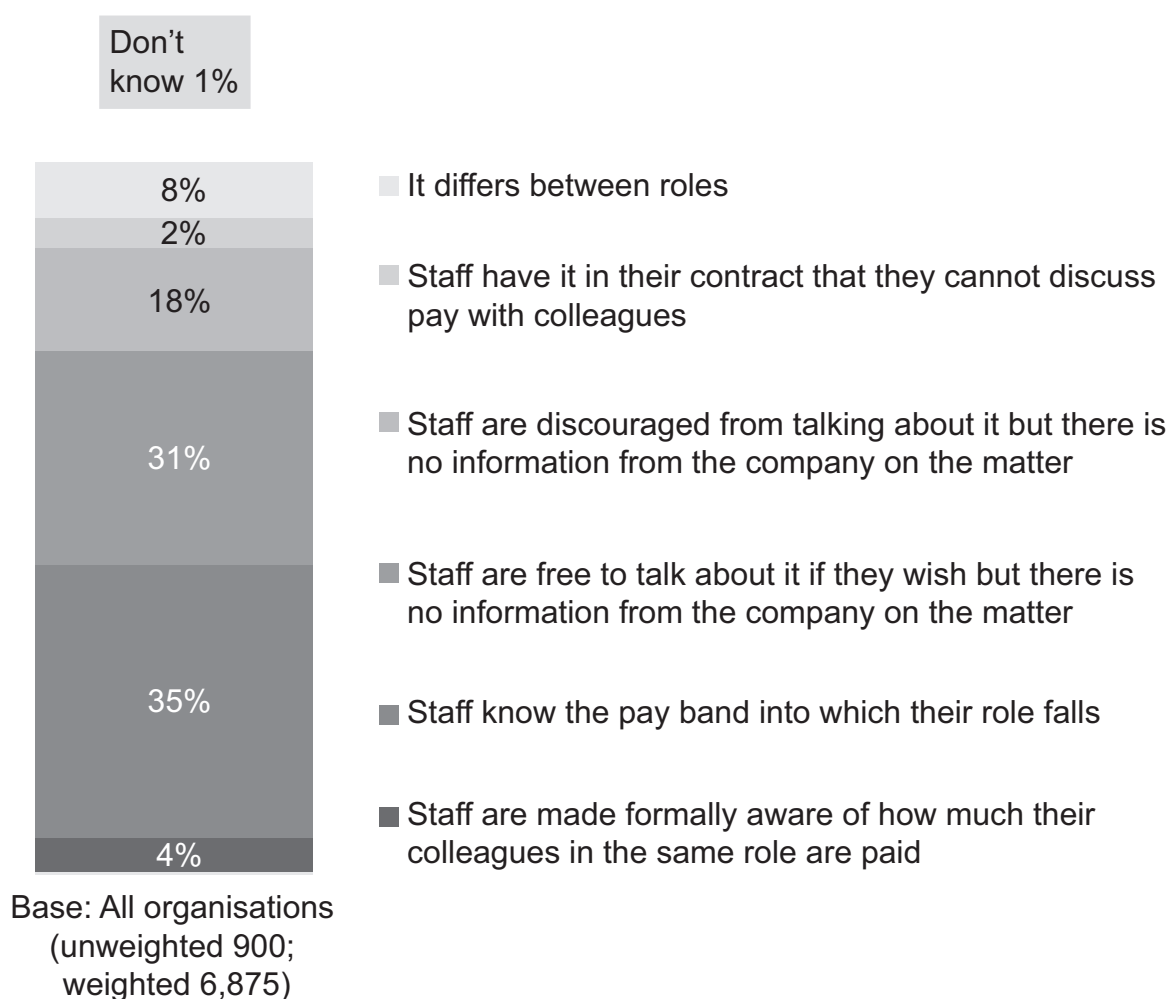
The survey also indicates that the more senior the head of HR is within an organisation, the higher likelihood there is of internal sharing of pay data. A similar increase can be observed within those organisations with an individual specifically assigned to ensuring equal pay between women and men. This factor does not appear to significantly influence the likelihood of external sharing of information, and the IFF survey on workforce diversity data (IFF, 2009) found that the percentage of workforce that is female does not influence whether a company is more likely to publish data externally either.

External publishing of pay audit data, where it does take place, is most often found in organisations' annual reports or on their websites. Most organisations engaged in this form of reporting preferred to include some narrative or detail along with the figures. None of these organisations reported any negative consequences as a result of external reporting. In fact around two thirds said that it had been a positive experience (the remainder were neutral). The IFF survey on private company workforce diversity data (IFF, 2009) found that external publishing of diversity information could be difficult to locate on organisations' websites. It appeared in a variety of places, including the 'about us' and careers sections, or more often, as part of lengthy diversity or corporate social responsibility documents. In these cases the data was not usually featured in contents pages and so was difficult to pick out. Only a minority of organisations had a specific equality or diversity section of their website. The report points out that when organisations were contacted by telephone, it could be difficult to locate a member of staff with knowledge on the organisation's diversity figures. However once this person was located, they were often much more willing to speak about their actions around diversity than they were to publish concrete and clearly visible information on their website. In the IFF survey on private company reporting of workforce diversity data (IFF, 2009) only four out of 300

companies reported (either on their website or in their annual reports) that they had conducted an equal pay audit. None of these four provided information on the results of their audit but two reported that the outcome had satisfied them that they did not discriminate.

When considering general transparency around pay, of all the organisations included in our survey on gender pay reporting (IFF, 2010), 20% discourage or forbid discussions about pay between colleagues and 49% give staff no information. 35% make staff aware of the pay band they are in, but only 4% formally make employees aware of how much colleagues in the same role are paid. The survey also showed that openness around pay is more likely to occur among less senior colleagues, and less likely to be encouraged or allowed at senior levels. As discussed in section 4, the gender pay gap is particularly high at manager and senior official level within the private and voluntary sectors, with a full time figure of 29.4%.

Table 12: Employer openness about pay



Source: *Gender Pay Gap Reporting*, IFF, 2010

Openness around pay also varies by sector, with the charity and voluntary sector reporting higher transparency. Here 12% formally tell employees what their colleagues earn and 69% tell staff which pay band they are in. Among profit making organisations these figures are 3% and 28%. The gender make-up of the workforce also appears to affect transparency levels. Organisations in which up to 50% of the workforce were women were more likely to say that they discouraged discussion of pay among employees.

5.6 Summary

- Half of organisations taking part in our gender reporting survey (IFF, 2010) stated reducing the pay gap between women and men was either a very or fairly high priority for them.
- 43% of organisations in this survey had conducted or were conducting some sort of analysis of their pay gap. When organisations planning future analysis are added, the figure becomes 57%.
- 43% of organisations have combined HR and payroll systems, and 61% of those who do not, think it would not be difficult to combine the two sets of records for gender pay analysis. A substantial proportion of organisations would therefore be technically able to measure gender pay gaps.
- Only a third of employers provide training on avoiding sex bias in pay, and 67% of organisations that do so only run one off or occasional sessions.
- Around half of organisations included in our survey on gender pay reporting (IFF, 2010) have carried out some form of job evaluation. 23% have completed an equal pay audit and 28% have plans to conduct an audit in the future.
- Only 19% of organisations share their gender pay data with an audience outside of the HR team. Only 16% of organisations that have completed an equal pay audit share the results internally, and this decreases to 6% externally.
- 20% of organisations discourage or forbid discussions about pay between colleagues and 49% give staff no information at all. 35% make staff aware of the pay band they are in, but only 4% formally make employees aware of how much colleagues in the same role are paid.

6. Barriers around gender pay data analysis and publishing

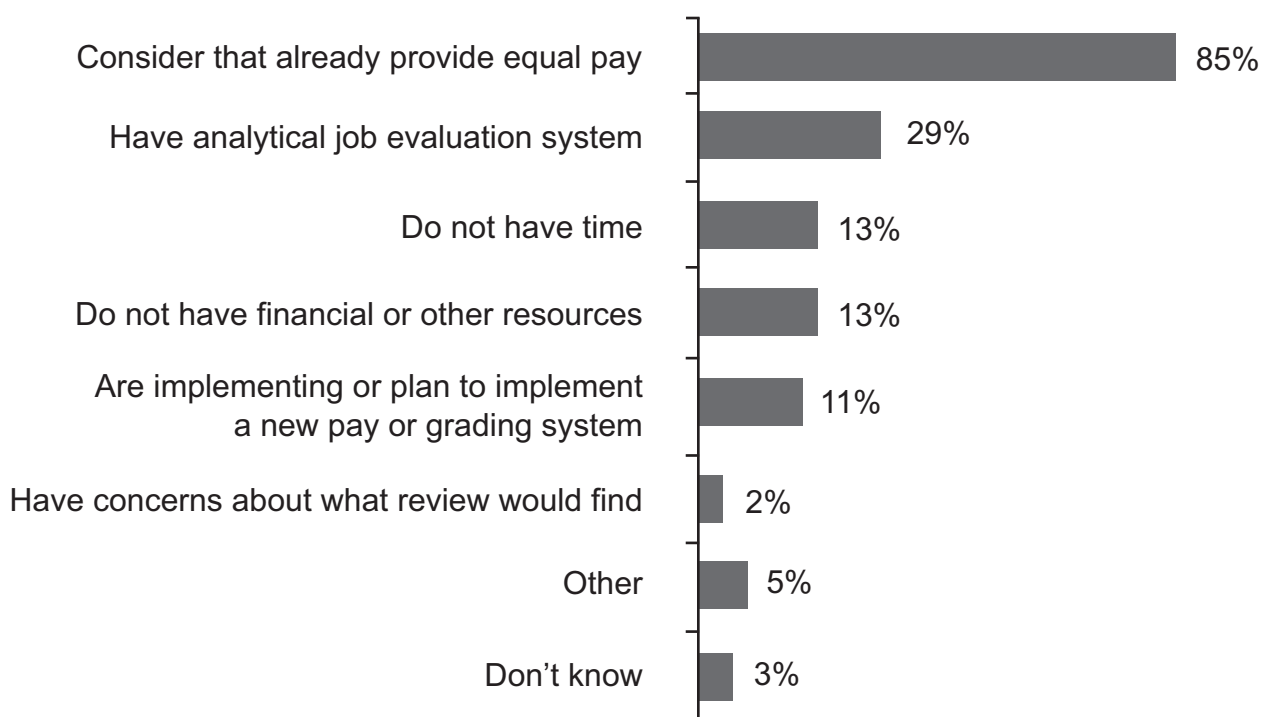
While our survey on gender pay reporting (IFF, 2010) found that overall, organisations were technically set up to measure gender pay gaps among employees, it also revealed that there is still a lot of work to do in ingraining specific action on equal pay into the human resources culture of the organisations. A number of specific barriers currently preventing this have been identified by the sources informing this report.

6.1 Levels of recognition of unequal pay as a problem

The most common reason given for not collecting or publishing diversity data in the IFF survey on workforce diversity data (IFF, 2009) was that employers did not see any benefits from doing so and saw no perceived need for it. Companies simply did not see any profitability from making the data available.

Those organisations included in our survey on gender pay reporting (IFF, 2010) who had not engaged in equal pay activity and were not planning to do so were asked for the reasons behind this decision. The most common answer (used by 85% of this group) was that the organisation believed it already offered equal pay and therefore did not need to take action. The next most common reason given was that there was already an analytical job evaluation system in place.

Table 13: Reasons for not undertaking pay analysis



Base: All organisations with no current or planned formal review activity (unweighted 468; weighted 3,565)

Other sources back up these findings. The Commission's survey on equal pay reviews (IFF, 2008) found that the most common reason given by employers across all sectors for not engaging in equal pay activity was that they considered they already provided equal pay (93% of the sample). The report concluded from this that work still needs to be done to convince employers about unconscious or institutional bias in their pay structures.

6.2 Levels of understanding of gender pay gaps

The IFF survey on private sector workforce diversity data (IFF, 2009) reported a lack of clear understanding among employers on what was involved in calculating pay gap figures, and the report states the need for clear guidance on this if employers are to be encouraged to publish such data. There were different ideas among respondents in this survey about what the gender pay gap is and what it involves. Companies did not know which method of measuring pay by gender is standard and they had different preferences on which to use. Many companies 'felt it was fair to say they did not have a gender pay gap because they did not have males and females in the same job roles, or that by having pay bands related to job grades they were avoiding having a gender pay gap' (IFF, 2009:24). They did not question why they had men and women in different roles, or where women and men fell within pay bands.

Another barrier around equal pay activity is employers' concerns about being compared to their competitors. In many cases 'employers generally would only consider publishing this data if every company was using the same definition, and they could be fairly benchmarked against their competitors' (IFF, 2009:43).

6.3 Secrecy policies

We saw in section 5 that a significant proportion of organisations in our survey on gender pay reporting (IFF, 2010) discourage or forbid discussions about pay between colleagues. In addition, the most common reason given by those in the survey expressing opposition to reporting of gender pay data (both internal and external reporting) was that they had a policy not to discuss pay (37% when applied to internal reporting and 48% in relation to external reporting). The next most common reason was concerns about uncovering problems (24% for internal reporting and 12% for external). Some employers in the IFF survey on workforce diversity data (IFF, 2009) were concerned that reporting on could lead to difficult questions and requirements on them to take action. This was especially the case around gender pay data, where 'historical differences may mean they have a gap they cannot afford to bridge with short term plans' (IFF, 2009:43).

6.4 Resource issues

Some employers in the survey on private sector workforce diversity data cited resourcing issues as barriers to reporting and publishing, with problems finding the staff time to do it. The Commission's survey of equal pay reviews (IFF, 2008) found that 12% of employers not engaged in equal pay audit activity said that they did not have the financial resources to do it, and 11% said they did not have enough time. The 2009 IRS survey on equality and diversity in the workplace found that public sector organisations are more than three times more likely to have a dedicated budget for equality and diversity issues than private sector services organisations (41% compared with 12%). Our survey on pay gap reporting (IFF, 2010) found that 42% of organisations were concerned about finding skilled staff over the next twelve months, and 37% saw reduced funding as a potential challenge. Both of these factors could influence organisations' willingness to put resources into pay data analysis and reporting. 13% of organisations in the survey that had not conducted an equal pay audit nor had one currently in progress mentioned time and the same proportion cited resource issues as a reason why they had not conducted pay gap analysis.

6.5 Increased regulation and legislation

The extent to which increased regulation or legislation on pay gap analysis and reporting would act as a barrier for organisations was explored in our survey on gender pay reporting (IFF, 2010). Organisations were asked about the challenges they feel they will face in the next 12 months. The most common anticipated challenges were a lack of orders or reduction in customer spending and increased regulation, cited by 54% and 55% of organisations respectively as one of the challenges they anticipated. In addition, 38% of respondents cited the first reason and 13% the second reason as the main challenge they anticipated facing.

6.6 Summary

- While many organisations are technically set up to measure gender pay gaps among employees, there is still a lot of work to do in ingraining specific action on equal pay into the human resources culture of the organisations.
- The evidence suggests that many employers do not see any benefits from collecting, analysing and publishing on gender pay information and see no perceived need for it. 85% of organisations in our survey (IFF, 2010) who had not engaged in equal pay activity and were not planning to do so believed they already offered equal pay and therefore did not need to take action.
- There are different ideas among employers about what the gender pay gap is and what measuring it involves. Many organisations do not know which method of measuring pay by gender is standard and they have different preferences on which to use. They are concerned about using a different method than their competitors, and coming off badly in comparison.
- At least 37% of the organisations in our survey on gender pay reporting (IFF, 2010) that expressed opposition to publishing of gender pay data, had a policy not to discuss pay.
- Only a small proportion of organisations (around 13%) have concerns about the financial and people resources that equal pay activity would require.
- The challenges that increased regulation for employers could bring was cited one of the potential challenges they faced by 55% of organisations.

7. Motivation for pay data analysis and publishing

The information sources considered for this report suggest several factors that motivate action around equal pay from employers and organisations.

7.1 The business case

For those companies taking part in the IFF survey on private company reporting of workforce diversity data (IFF, 2009) that did publish diversity data, the main motivations for doing so were to appear ethical, to attract a diverse range of applicants, and to demonstrate to clients that the company reflects the customer base. Similarly, the Commission's survey on equal pay reviews (IFF, 2008) found that the reasons most often cited for conducting a pay audit was because it was seen as good business sense, and because organisations wanted to be seen as good practice employers. Only 5% of organisations mentioned 'to investigate or close gaps in pay' as a reason for undertaking an audit.

The most commonly given reason by respondents in our survey on gender pay reporting (IFF, 2010) for being potentially open to the idea of publishing information on the gender pay gap was that the organisation was confident that it didn't have a pay gap and so had nothing to hide. 32% of those open to internal sharing of information also stated that it was part of the organisation's culture to be fair. And echoing the findings above, only 6% gave the reason that sharing information on pay gaps could help them start to reduce these gaps.

Developing a strong business case for transparent gender pay activity could therefore be a potential motivating factor. Many respondents in the IFF survey on workforce diversity data (IFF, 2009) did not see a tangible benefit for the organisation itself in sharing information; they felt that if they were required to publish data, it would only be so that the government could 'check up' on them, not because it would aid their own business strategies. When the organisations in our survey on gender pay reporting (IFF, 2010) with no history or plans to carry out equal pay audits were asked what support they would need in order to encourage them to measure gender pay gaps, 49% stated explicitly that they did not need any support and a further 23% were not able to think of any support that would be of benefit. The barriers here appear to be around a lack of motivation and low recognition of the issue as a business priority, rather than a need for external support.

When respondents in our survey on gender pay reporting who were not currently engaged in equal pay activity (IFF, 2010) were asked about the factors that would encourage them to undertake pay gap analysis, only 4% answered that they would consider it if it made good business sense. Only 6% would be encouraged if it improved their rating as a good practice employer, and 2% would consider action as a result of leadership from employer bodies or as a result of government or Commission publicity (see table 14, below). This does suggest that more work is needed in developing the business case if it is to become a stronger motivating factor in encouraging greater gender pay transparency.

Raising the profile of equal pay as a priority within an organisation may require changes in human resources structures. Attitudes among respondents in our survey on gender pay reporting (IFF, 2010) toward gender pay issues were likely to be more positive if someone in the organisation had equal pay issues as a specific part of their job role. 53% of these organisations were open to internal reporting and 37% to external reporting. Raising the profile of gender pay issues may also lead to links with other business priorities and concerns. For example, it is possible that the 42% of organisations that, as mentioned earlier, anticipate challenges in finding skilled staff over the next 12 months, may be more open to the arguments that having a transparent equal pay strategy can be a powerful recruiting tool.

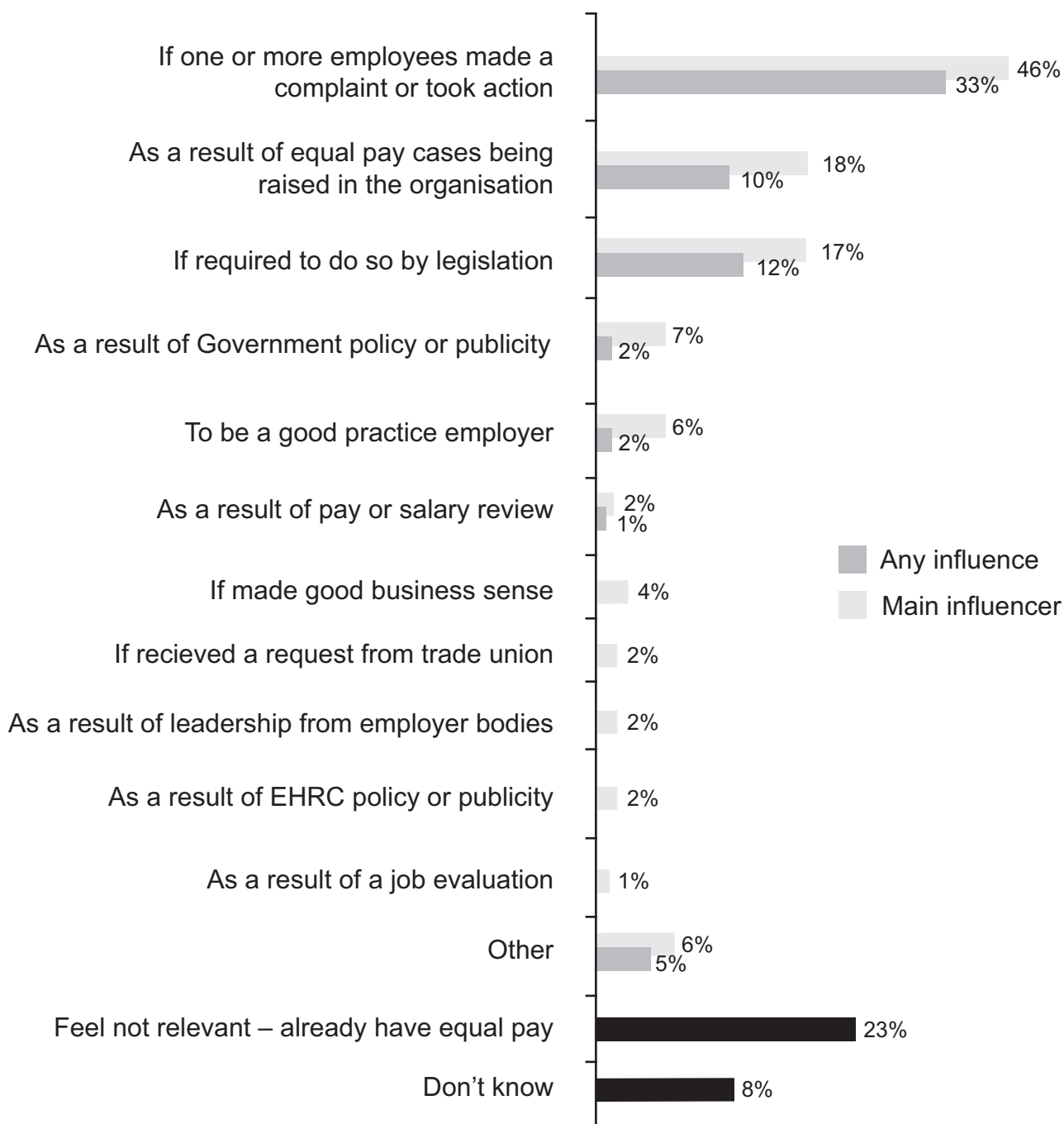
7.2 Employee action

In both our survey on gender pay reporting (IFF, 2010) and the IFF survey on private company diversity reporting (IFF, 2009), organisations that do not currently report their pay gap data stated that the factor most likely to motivate them to do so would be if complaints of unequal pay were made by employees. Our survey revealed that only 5% of organisations had ever had an equal pay claim filed against them, and 4% had ever received an equal pay questionnaire from an employee. Similarly, only 2% of employers in the Commission's survey on equal pay reviews (IFF, 2008) had been presented with a questionnaire, and only 1% had had an equal pay claim filed against them.

These figures begin to explain the views of many organisations that they provide equal pay, and are therefore not motivated to delve deeper into gender pay issues. However, as our analysis of ONS data shows, gender pay gaps are higher than average in non-public sector organisations and it is highly unlikely that the low number of equal pay claims experienced by respondents in the survey is the result of equal pay already having been achieved.

Following on from this, our survey on gender pay reporting (IFF, 2010) found that among organisations where pay data collection and analysis did not take place, the factors most likely to encourage this to happen more were 'push' factors; if employees made a complaint of unequal pay (mentioned by 46%); if equal pay cases were raised within the organisation (18%); or if required to do so by legislation (17%). 'Pull' factors such as pay analysis in order to be a good practice employer or as making good business sense, were less influential. In addition, 23% of organisations asked this question answered that it was not relevant because they already provided equal pay.

Table 14: Factors that would encourage pay gap analysis



Base: All organisations with no current or planned formal review activity (unweighted 468; weighted 3,835)

Source: *Gender Pay Gap Reporting*, IFF, 2010

7.3 Competitor activity

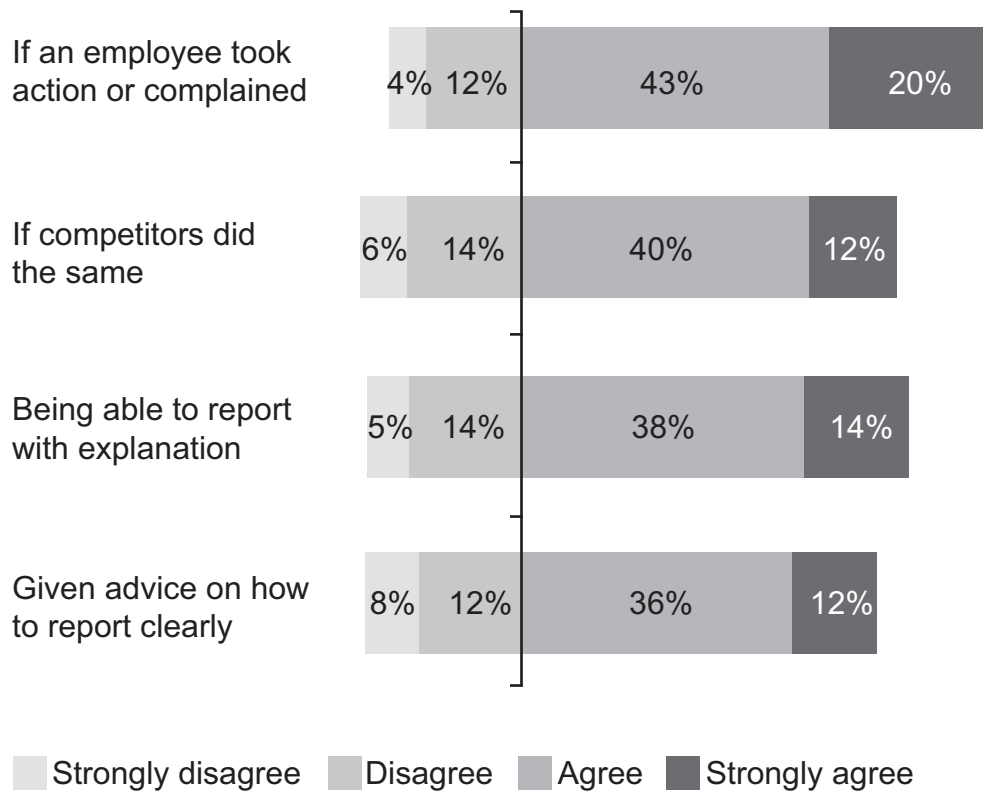
Another strong motivating factor for these organisations is competitor activity. As mentioned above, employers are reluctant to report if their competitors are not, as they are concerned about how they will be compared with competitors. In our survey on gender pay reporting (IFF, 2010) 52% of organisations opposed to external reporting felt they would be more likely to do so if their competitors did the same. A similar finding was reported in the IFF survey on private company workforce diversity data (IFF, 2009). Organisations do not want to be the first in their industry to 'stick their neck out', and they reported concerns about what would happen if they analysed and published their pay by gender, and as a result compared unfavourably to competitors who did not, or who used different methods that produced more favourable figures.

7.4 Advice and guidance on measuring and publishing

It is possible that motivation could also be developed through the availability of guidance and advice on pay transparency. Those employers taking part in our survey on gender pay reporting (IFF, 2010) who do not currently report on the pay gap in their organisation were asked for their views on the idea of reporting. 47% stated that they would be open to internal reporting, but only 30% gave the same answer on external reporting. It is possible that with encouragement through guidance and advice, these numbers could be increased. As discussed above, many organisations had already stated that they did not require help with measuring gender pay gaps. However, when organisations opposed to external reporting were asked what could encourage them to do so, 52% felt that being able to report with an explanation would help, and 47% would require advice on how to report clearly.

When organisations not currently engaged in formal activity on measuring gender pay gaps were asked what sources of advice they were likely to call on to help them do so, 63% mentioned the Chartered Institute of Personnel and Development (CIPD), and 60% chose the Advisory, Conciliation and Arbitration Service (Acas).

Table 15: Scenarios that would encourage external reporting



Base: Employers who have not conducted a review or reported externally on paygap: unweighted 707; weighted 5,311

Source: *Gender Pay Gap Reporting*, IFF, 2010

These results show that if greater transparency for the gender pay gap is to be achieved, the availability of advice on how to report clearly is important. This was emphasised further when organisations were asked what support they would need if reporting became a legal requirement, and 72% stated that they would need advice on clear reporting. In addition around half said that they would require additional resources (people and financial) and software in order to do it.

7.5 Summary

- At the present time, the factors most likely to encourage more action from organisations not currently involved in pay data collection and analysis are the ‘push’ factors: employee complaints, equal pay cases or legislative requirements.
- However, developing a stronger business case for transparent gender pay activity could be a potential motivating factor. Recognition of the business benefits of transparent activity on gender pay issues is low, and more work is needed in developing the business case if it is to help raise the profile of equal pay as a business priority within organisations.
- Another potential motivating factor is competitor activity. In our survey on gender pay reporting (IFF, 2010) 52% of organisations opposed to external reporting felt they would be more likely to do so if their competitors did the same.
- It is also possible that with encouragement through clear guidance and advice, the number of employers involved in gender pay data reporting could be increased. While many organisations say they do not require help with measuring gender pay gaps, when those opposed to reporting were asked what could encourage them to do so, 47% would require advice on how to report clearly, and 72% stated that they would need this advice should reporting become a legislative requirement.

8. Conclusions

This first annual report has highlighted a range of issues around gender pay gaps and activity on pay gap data collection, analysis and reporting in the private and voluntary sectors. The need for further exploration of some of these issues has been shown, and the considerable differences by industry sector and occupational group, and between the private and voluntary sectors have been highlighted. The report provides a baseline from which future developments can be measured.

Our analysis of the ONS data on pay for private and voluntary sector organisations with over 250 employees illustrates that there are higher gender pay gaps in the private and voluntary sectors, when compared to figures for the overall pay gap and the public sector pay gap. There is considerable variation by sector within the figures with, for example, finance and insurance services displaying the highest full time pay gap and wholesale and retail having the highest part time pay gap. Part time figures in particular are much higher in the private and voluntary sector than in the public sector.

The ONS data also highlights some interesting information on the way that gender pay gaps increase with employee age, particularly among part time workers. This merits further exploration, and we intend to look further at the relationships between pay, gender, age, education and qualification level in different sectors.

Despite the existence of higher full and part time gender pay gaps in the private and voluntary sectors combined, this report has shown that in general, the voluntary sector demonstrates more activity on collection, analysis and reporting of gender pay data. Where the ONS data permits meaningful conclusions to be drawn by looking at private and voluntary sector organisations separately, some lower pay gaps can be observed in the voluntary sector. In addition, the survey results that have informed the report illustrate the tendency of voluntary sector organisations to have more positive attitudes towards equal pay activity and transparency in pay.

We have established that 57% of all organisations in our gender pay reporting survey (IFF, 2010) are doing some sort of measuring of the gender pay gap or plan to do so in the future. Also, that around half of the respondents stated that reducing the pay gap between women and men was either a very or fairly high priority for them.

However, once the collection and analysis of pay data has been done, far fewer companies go on to report their findings. Exploring the reasons behind this reluctance provides an insight into the barriers to reporting that employers feel they face and the factors that could motivate them to do more.

The low priority on pay transparency within the human resources and corporate cultures of many organisations represents a major barrier. When equal pay is not recognised as a business priority it is perhaps not surprising that a significant proportion of employers remain unclear about what the gender pay gap is, and what measuring or reporting it involves. The fact that only a third of employers in our gender pay reporting survey (IFF, 2010) provide training on avoiding sex bias in pay, and that 67% of these organisations only run one off or occasional sessions is likely to augment this lack of clarity.

We have seen that the factors most likely to encourage more action from organisations not currently engaged in equal pay activity are 'push' factors such as employee complaints, and that the vast majority of respondents in our survey on gender pay reporting (IFF, 2010) have not been party to any such complaints. However, these complaints are unlikely to occur in organisations without transparent pay practices or recognition of equal pay as a priority issue. For this reason, it is not difficult to see the logic behind the argument of the 85% of respondents not currently engaged in equal pay activity that they do not have a gender pay gap and therefore do not need to take action.

However, we have also identified a number of 'pull' factors that could be used to encourage more awareness of gender pay issues, to highlight the business case for transparency and equal pay, and to increase the amount of activity on collecting, analysing and reporting on pay gap data. Those organisations that do measure and report on gender pay or wider diversity data do so because they feel it makes good business sense; they wish to be seen as good practice employers who are able to attract a wider range of potential employees and customers. Developing a strong business case for transparent gender pay activity could be a powerful motivating factor, but given the opinions expressed in our gender pay reporting survey (IFF, 2010) on what would encourage more activity in organisations, there is still a considerable way to go in making this case.

Other interrelated 'pull' factors that may encourage more activity on gender pay reporting include the availability of clear guidance and advice on reporting, and parallel competitor activity, so that organisations do not feel at risk from making any gender pay gaps public. Many of the private and voluntary organisations in our survey on gender pay reporting (IFF, 2010) not currently undertaking gender pay gap activity did show some openness to the possibility of reporting, with 47% being open to the idea of internal reporting and 30% to the idea of external reporting. There are a number of possibilities that could build on this openness, further developing the pull factors that could motivate organisations to take more action. However, this may be a much more difficult process for the remaining 53% and 70% respectively, who may remain more predisposed to action prompted by push factors only. The biggest challenge will be engaging these organisations, and convincing them of the positive arguments for gender pay reporting.

Annex: Analysis of the Annual Survey of Hours and Earnings 2008

The following analysis draws on data from the Office for National Statistics' Annual Survey of Hours and Earnings 2008 and relates to employees working for large organisations with 250 or more employees.

The definitions used in all the tables are:

- the full time gender pay gap compares women's average full time pay with men's average full time pay
- the part time gender pay gap compares women's average part time pay with men's average full time pay
- the combined gender pay gap compares average women's pay with average men's pay, in both cases including full time and part time employees.

Each of the above measures is calculated using first mean and then median estimates of hourly pay excluding overtime for the relevant groups of employees. Both are shown in the following tables which are divided into three sections. Section 1 relates to private and voluntary sectors combined, section 2 relates to the public sector (with comparisons with private/voluntary sectors where possible), and section 3 provides separate figures where possible for the private and voluntary sectors. The voluntary sector comprises non-profit making organisations not in the public sector.

The Commission would like to thank the Office for National Statistics for providing the tables on which this analysis is based.

4 1. Gender pay gaps for employees working for large employers (250+ employees) in the private and voluntary sectors

Table 1 Pay gaps in the private and voluntary sectors combined

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based	22.2	47.2	26.4	1.2	1.9	1.1
Median-based	21.6	49.8	30.8	1.3	1.3	1.0

SE = standard error, pp = percentage points

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 2 Pay gaps by age, private and voluntary sectors combined

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
18-21	4.3	15.4	4.5	1.7	1.8	1.3
22-29	6.6	36.3	9.0	1.4	2.6	1.4
30-39	12.7	39.9	17.6	1.7	3.3	1.7
40-49	27.0	50.4	31.9	2.2	4.0	2.2
50-59	29.0	[50.9]	34.5	3.9	5.5	3.8
60+	[25.0]	[44.9]	32.2	5.3	5.4	4.4
Median-based						
18-21	NS	14.6	2.9	2.5	2.1	1.3
22-29	5.9	36.2	10.4	1.9	2.8	1.7
30-39	12.1	47.0	22.9	2.3	4.2	2.3
40-49	27.6	53.4	37.4	3.3	4.6	2.9
50-59	29.2	52.6	40.2	3.1	3.0	2.7
60+	[22.3]	[42.1]	32.6	5.7	5.2	4.0

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, NS = not significant at 95% level based on estimated standard error

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 3 Pay gaps by Government office region, private and voluntary sectors combined

Employees working for large employers, ASHE 2008, GB

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
North East	23.4	[43.5]	27.9	4.1	5.5	3.8
North West	18.6	45.7	23.8	2.9	3.8	2.8
Yorks. and Humber	19.0	40.5	22.8	2.9	5.0	2.8
East Midlands	21.6	[45.3]	25.9	3.9	5.3	3.6
West Midlands	22.8	46.6	27.4	3.0	4.7	2.8
South West	[23.5]	[42.5]	[26.6]	6.0	5.5	5.3
East	20.2	46.8	25.4	3.9	4.8	3.7
London	24.4	[48.9]	26.7	2.9	6.9	2.9
South East	25.8	47.9	29.1	2.7	5.0	2.5
Wales	22.0	[42.2]	26.2	4.5	7.0	4.2
Scotland	22.6	[44.3]	25.9	3.0	5.5	3.0
Median-based						
North East	[25.8]	[47.1]	[33.0]	6.0	6.1	5.9
North West	22.1	48.1	30.5	3.5	4.8	3.3
Yorks. and Humber	22.8	[46.5]	29.1	4.3	5.2	4.0
East Midlands	24.5	[47.4]	32.3	4.5	5.4	4.9
West Midlands	23.1	49.3	32.9	4.1	4.1	4.2
South West	25.7	47.1	30.8	4.4	4.7	4.7
East	20.9	47.6	30.0	4.3	4.7	4.2
London	17.1	[58.1]	23.4	3.1	6.6	3.4
South East	24.4	52.1	31.4	3.3	5.0	3.3
Wales	[26.4]	X	[31.0]	6.5	X	6.3
Scotland	23.7	[49.1]	28.7	4.3	5.6	3.9

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 4 Pay gaps by industry sector, private and voluntary sectors combined

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
All Index of Production industries	19.3	[29.4]	20.2	2.4	6.9	2.3
All Manufacturing	19.9	[32.3]	21.0	2.6	7.1	2.5
All Service industries	23.2	48.5	27.1	1.3	2.1	1.3
Construction	[24.5]	X	[26.2]	5.4	X	5.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	23.2	49.1	28.7	2.8	3.3	2.5
Transportation and storage	6.8	-10.8	NS	2.6	4.4	2.5
Accommodation and food service activities	X	X	X	X	X	X
Information and communication	18.9	X	21.0	3.7	X	3.7
Financial and insurance activities	37.7	X	39.5	4.5	X	4.4
Professional, scientific and technical activities	25.0	X	25.0	3.6	X	3.6
Administrative and support service activities	NS	31.6	5.9	3.0	3.3	2.8
Education	19.0	32.7	21.2	2.6	4.2	2.4
Human health and social work activities	[22.2]	[34.7]	[24.6]	5.3	6.4	5.2
Arts, entertainment and recreation	[26.3]	X	[27.9]	6.4	X	6.2
Other service activities	X	X	[17.7]	X	X	7.4

4 **Table 4 Pay gaps by industry sector, private and voluntary sectors combined (continued)**

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Median-based						
All Index of Production industries	24.1	X	26.0	2.8	X	3.1
All Manufacturing	24.3	X	26.5	3.4	X	3.7
All Service industries	19.2	48.3	27.1	1.4	1.5	1.3
Construction	[26.4]	X	[30.3]	5.5	X	5.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	19.0	38.1	20.3	2.3	2.4	1.2
Transportation and storage	NS	X	NS	3.2	X	3.2
Accommodation and food service activities	7.0	23.8	5.7	3.4	3.3	2.3
Information and communication	17.5	X	22.9	4.3	X	4.1
Financial and insurance activities	[40.3]	[51.5]	43.3	5.4	6.5	4.7
Professional, scientific and technical activities	[24.4]	X	[24.9]	5.1	X	5.4
Administrative and support service activities	NS	26.0	8.3	2.5	2.6	2.1
Education	17.5	X	22.9	4.1	X	3.7
Human health and social work activities	[19.2]	[32.0]	[21.0]	6.1	7.2	5.9
Arts, entertainment and recreation	X	X	[15.3]	X	X	5.9
Other service activities	X	X	X	X	X	X

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available, NS = not significant at 95% level based on estimated standard error

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 5 Pay gaps by occupational group, private and voluntary sectors combined

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Managers and senior officials	29.4	X	29.9	2.6	X	2.5
Professional	9.6	NS	8.9	1.8	2.9	1.6
Associate professional and technical	18.4	30.0	20.2	2.2	3.7	2.1
Administrative and secretarial	7.1	21.8	7.9	2.4	2.2	2.1
Skilled trades	27.1	X	28.6	4.2	X	3.9
Personal service	13.5	10.7	12.4	2.6	3.0	2.3
Sales and customer service	7.6	21.5	8.9	1.6	1.7	1.2
Process, plant and machine operatives	18.8	30.5	20.2	2.0	4.3	1.9
Elementary	13.3	24.5	15.3	1.2	1.1	0.9
Median-based						
Managers and senior officials	29.0	X	29.8	3.2	X	2.8
Professional	9.2	NS	7.9	2.2	3.2	2.0
Associate professional and technical	13.6	24.9	16.0	2.2	4.9	2.1
Administrative and secretarial	3.4	17.9	3.6	1.6	2.0	1.5
Skilled trades	[33.9]	X	[36.7]	7.4	X	5.3
Personal service	13.7	16.6	12.1	3.7	3.8	2.5

Table 5 Pay gaps by occupational group, private and voluntary sectors combined (continued)

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Median-based (continued)						
Sales and customer service	6.0	19.7	5.3	1.7	1.6	0.9
Process, plant and machine operatives	19.5	[32.3]	21.1	3.3	5.8	2.7
Elementary	15.4	25.0	15.0	1.8	1.5	1.0

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available, NS = not significant at 95% level based on estimated standard error
Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

2. Comparisons with the public sector

Table 6 Pay gaps in the private/voluntary and public sectors

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Private/voluntary	22.2	47.2	26.4	1.2	1.9	1.1
Public	13.8	31.1	18.2	0.8	1.3	0.9
Difference	8.3	16.0	8.2	1.5	2.3	1.4
Median-based						
Private/voluntary	21.6	49.8	30.8	1.3	1.3	1.0
Public	10.9	39.5	21.7	1.1	1.7	1.3
Difference	10.8	10.4	9.1	1.7	2.1	1.6

SE = standard error, pp = percentage points

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 7 Pay gaps by age, private/voluntary and public sectors

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Private/voluntary						
18-21	4.3	15.4	4.5	1.7	1.8	1.3
22-29	6.6	36.3	9.0	1.4	2.6	1.4
30-39	12.7	39.9	17.6	1.7	3.3	1.7
40-49	27.0	50.4	31.9	2.2	4.0	2.2
50-59	29.0	[50.9]	34.5	3.9	5.5	3.8
60+	[25.0]	[44.9]	32.2	5.3	5.4	4.4
Public						
18-21	NS	10.8	NS	3.5	4.0	3.0
22-29	NS	14.3	NS	1.3	2.9	1.2
30-39	9.3	25.2	13.8	1.4	2.2	1.4
40-49	17.9	36.7	23.7	1.7	2.5	1.7
50-59	16.2	35.6	21.3	1.9	3.0	1.9
60+	NS	[26.0]	15.3	4.7	5.4	4.2
Difference						
18-21	NS	NS	NS	3.9	4.4	3.3
22-29	6.8	22.0	7.5	1.9	3.9	1.9
30-39	NS	14.7	NS	2.2	4.0	2.2
40-49	9.1	13.7	8.2	2.8	4.7	2.8
50-59	12.8	[15.3]	13.2	4.3	6.3	4.2
60+	[17.2]	X	[16.9]	7.1	X	6.1

Table 8 Pay gaps by Government office region, public sector

Employees working for large employers, ASHE 2008, GB

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Private/voluntary						
North East	23.4	[43.5]	27.9	4.1	5.5	3.8
North West	18.6	45.7	23.8	2.9	3.8	2.8
Yorks. and Humber	19.0	40.5	22.8	2.9	5.0	2.8
East Midlands	21.6	[45.3]	25.9	3.9	5.3	3.6
West Midlands	22.8	46.6	27.4	3.0	4.7	2.8
South West	[23.5]	[42.5]	[26.6]	6.0	5.5	5.3
East	20.2	46.8	25.4	3.9	4.8	3.7
London	24.4	[48.9]	26.7	2.9	6.9	2.9
South East	25.8	47.9	29.1	2.7	5.0	2.5
Wales	22.0	[42.2]	26.2	4.5	7.0	4.2
Scotland	22.6	[44.3]	25.9	3.0	5.5	3.0
Public						
North East	9.4	[28.1]	14.4	3.6	5.1	3.6
North West	13.5	31.4	17.7	2.5	4.0	2.6
Yorks. and Humber	13.3	32.7	18.6	3.5	4.9	3.5

Table 8 Pay gaps by Government office region, public sector (continued)

Employees working for large employers, ASHE 2008, GB

East Midlands	14.8	[34.0]	19.6	3.7	5.4	3.7
West Midlands	16.4	34.2	20.4	3.4	4.9	3.3
South West	17.0	25.0	20.3	3.4	4.2	3.2
East	14.0	29.2	20.4	3.3	4.6	3.5
London	11.5	29.3	14.8	2.1	4.1	2.1
South East	17.0	33.3	21.5	2.8	3.9	2.7
Wales	17.1	[36.3]	20.5	4.2	6.1	4.2
Scotland	10.7	29.0	14.3	2.3	3.4	2.2
Median-based						
Private/voluntary						
North East	[25.8]	[47.1]	[33.0]	6.0	6.1	5.9
North West	22.1	48.1	30.5	3.5	4.8	3.3
Yorks. and Humber	22.8	[46.5]	29.1	4.3	5.2	4.0
East Midlands	24.5	[47.4]	32.3	4.5	5.4	4.9
West Midlands	23.1	49.3	32.9	4.1	4.1	4.2
South West	25.7	47.1	30.8	4.4	4.7	4.7
East	20.9	47.6	30.0	4.3	4.7	4.2
London	17.1	[58.1]	23.4	3.1	6.6	3.4
South East	24.4	52.1	31.4	3.3	5.0	3.3
Wales	[26.4]	X	[31.0]	6.5	X	6.3
Scotland	23.7	[49.1]	28.7	4.3	5.6	3.9

Table 8 Pay gaps by Government office region, public sector (continued)

Employees working for large employers, ASHE 2008, GB

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Public						
North East	[NS]	X	[21.6]	6.7	X	6.7
North West	10.5	[40.2]	21.3	3.9	6.0	4.3
Yorks. and Humber	12.8	[41.3]	[22.0]	4.7	6.2	5.3
East Midlands	NS	[37.1]	[21.9]	4.9	7.2	5.9
West Midlands	12.1	[42.1]	26.5	4.3	5.9	5.0
South West	[15.1]	[34.3]	[23.1]	5.3	7.1	5.4
East	13.8	[40.7]	[27.3]	4.9	7.3	5.9
London	11.8	[40.5]	17.2	2.9	7.3	2.8
South East	12.4	[42.1]	25.4	4.0	5.6	4.6
Wales	[15.9]	X	[23.5]	6.7	X	6.2
Scotland	NS	[33.0]	15.2	3.6	5.3	3.6

SE = standard error, pp = percentage points, [,] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available, NS = not significant at 95% level based on estimated standard error

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 9 Pay gaps by industry sector, public sector
Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
All Service industries	13.6	30.9	18.0	0.8	1.3	0.9
Transportation and storage	NS	24.9	NS	3.9	3.1	3.6
Public administration and defence; compulsory social security	19.2	29.0	20.5	1.6	2.5	1.5
Education	9.2	34.8	16.9	1.3	2.1	1.2
Human health and social work activities	26.9	34.5	29.6	2.7	3.3	2.7
Median-based						
All Service industries	10.5	39.2	21.6	1.1	1.7	1.3
Transportation and storage	NS	17.5	7.5	4.0	3.3	3.0
Public administration and defence; compulsory social security	21.0	33.8	24.0	2.2	2.8	2.0
Education	7.5	46.9	28.7	2.5	3.5	2.8
Human health and social work activities	15.8	27.4	18.8	2.8	4.1	3.0

SE = standard error, pp = percentage points, NS = not significant at 95% level based on estimated standard error
Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 10 Pay gaps by occupational group, public sector

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Managers and senior officials	14.8	[30.5]	16.1	2.7	7.1	2.6
Professional	16.8	9.4	17.1	1.7	2.1	1.7
Associate professional and technical	7.5	8.2	7.4	0.9	1.2	0.8
Administrative and secretarial	9.6	18.1	11.0	1.3	1.5	1.2
Skilled trades	[22.7]	X	[27.7]	6.2	X	5.2
Personal service	6.3	13.4	7.5	1.9	2.0	1.6
Sales and customer service	10.7	[16.9]	10.6	4.4	5.2	4.0
Process, plant and machine operatives	[NS]	X	[15.4]	6.5	X	6.1
Elementary	16.0	32.2	24.3	2.6	1.8	1.9
Median-based						
Managers and senior officials	14.5	X	15.5	3.7	X	3.6
Professional	7.9	NS	7.4	1.9	1.8	1.8
Associate professional and technical	7.0	7.3	6.8	1.4	2.0	1.3
Administrative and secretarial	10.7	19.4	12.0	2.0	2.4	2.0
Skilled trades	X	[38.2]	[33.0]	X	7.3	6.6
Personal service	NS	13.5	5.6	2.1	2.3	1.7
Sales and customer service	[NS]	X	X	7.5	X	X
Process, plant and machine operatives	X	X	X	X	X	X
Elementary	13.3	34.9	29.9	3.0	2.2	1.5

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available, NS = not significant at 95% level based on estimated standard error

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

3. Comparisons between private and voluntary sectors

Table 11 Pay gaps in the private and voluntary sectors

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Private	22.7	49.7	27.4	1.3	2.2	1.2
Voluntary	22.4	37.4	25.2	2.4	3.6	2.4
Difference	NS	12.3	NS	2.7	4.2	2.7
Median-based						
Private	23.3	51.0	33.3	1.4	1.5	1.1
Voluntary	21.4	[43.4]	28.3	4.0	5.6	3.7
Difference	NS	[NS]	NS	4.2	5.8	3.8

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, NS = not significant at 95% level based on estimated standard error

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 12 Pay gaps by age, private and voluntary sectors

Employees working for large employers, age 18 or over, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Private						
18-21	4.8	16.1	5.2	1.7	1.7	1.3
22-29	6.3	38.0	8.8	1.4	2.8	1.5
30-39	11.6	41.0	16.9	1.9	3.9	1.8
40-49	28.0	53.1	33.2	2.6	4.9	2.5
50-59	[32.2]	[55.2]	38.1	5.2	6.8	4.9
60+	[31.6]	47.2	37.3	5.2	5.0	4.4
Voluntary						
18-21	X	X	X	X	X	X
22-29	10.2	[23.8]	11.8	3.7	5.4	3.4
30-39	16.2	[31.5]	19.6	3.3	5.3	3.1
40-49	19.4	[36.0]	23.4	4.0	6.0	4.2
50-59	[26.9]	X	[29.9]	5.6	X	5.3
60+	X	X	X	X	X	X
Difference						
18-21	X	X	X	X	X	X
22-29	NS	[14.2]	[NS]	3.9	6.1	3.7
30-39	NS	[NS]	[NS]	3.8	6.5	3.6
40-49	NS	X	[9.8]	4.7	X	4.9
50-59	X	X	[NS]	X	X	7.3
60+	X	X	X	X	X	X

Table 13 Pay gaps by Government office region, private sector only

Employees working for large employers, ASHE 2008, GB

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
North East	25.6	[46.0]	30.5	4.5	5.5	4.3
North West	18.7	48.0	24.5	3.4	4.1	3.2
Yorks. and Humber	22.0	45.3	26.0	3.2	5.0	3.1
East Midlands	23.4	[47.3]	27.5	4.3	5.9	4.1
West Midlands	25.1	[48.8]	29.7	3.3	5.2	3.2
South West	[24.9]	[45.4]	[28.2]	7.5	6.5	6.5
East	21.4	[48.6]	26.7	4.4	5.2	4.2
London	24.0	X	26.4	3.2	X	3.2
South East	26.1	[51.7]	30.0	2.9	6.1	2.8
Wales	[23.8]	[46.2]	28.8	5.1	6.3	4.8
Scotland	23.4	[46.1]	26.8	3.4	6.3	3.3

Table 13 Pay gaps by Government office region, private sector only (continued)

Employees working for large employers, ASHE 2008, GB

Median-based									
North East	[27.7]	[46.7]	[34.6]						
North West	23.1	49.2	31.4			6.2		5.9	6.2
Yorks. and Humber	25.0	47.9	31.2			3.9		4.4	3.5
East Midlands	27.1	48.9	[35.4]			4.7		4.9	4.5
West Midlands	25.9	49.4	34.8			4.6		4.8	5.1
South West	27.1	[48.4]	32.5			4.2		3.9	4.4
East	23.4	48.6	32.3			5.0		5.3	4.8
London	16.8	[59.5]	25.1			4.3		4.5	4.6
South East	26.4	54.4	34.8			3.4		6.1	4.0
Wales	[27.0]	X	[31.5]			3.8		4.3	3.8
Scotland	23.8	[49.5]	29.5			6.9		X	7.0
						4.5		5.2	4.1

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

Table 14 Pay gaps by industry sector, private and voluntary sectors
 Employees working for large employers, selected industry sectors, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Private sector						
All Index of Production industries	19.3	[29.4]	20.2	2.4	6.9	2.3
All Manufacturing	19.9	[32.3]	20.9	2.6	7.1	2.5
All Service industries	23.8	51.2	28.1	1.6	2.5	1.5
Construction	[24.5]	X	[26.2]	5.4	X	5.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	23.2	49.2	28.7	2.8	3.3	2.5
Transportation and storage	6.8	-10.8	NS	2.6	4.4	2.5
Accommodation and food service activities	X	X	X	X	X	X
Information and communication	18.9	X	21.0	3.7	X	3.6
Financial and insurance activities	37.6	X	39.5	4.5	X	4.4
Professional, scientific and technical activities	24.5	X	24.1	3.7	X	3.5
Administrative and support service activities	NS	31.7	6.0	3.0	3.3	2.8
Arts, entertainment and recreation	[28.3]	X	[29.1]	6.9	X	6.8
Voluntary sector						
All Service industries	22.3	37.3	25.3	2.4	3.6	2.4
Education	19.3	32.8	21.4	2.7	4.3	2.5
Human health and social work activities	[22.7]	X	[24.4]	6.7	X	6.4

Table 15 Pay gaps by occupational group, private sector only

Employees working for large employers, ASHE 2008, UK

	Full time gender pay gap (%)	Part time gender pay gap (%)	Combined gender pay gap (%)	Full time gender pay gap SE (pp)	Part time gender pay gap SE (pp)	Combined gender pay gap SE (pp)
Mean-based						
Managers and senior officials	29.1	X	29.3	2.8	X	2.8
Professional	5.6	NS	4.9	2.3	4.9	2.2
Associate professional and technical	19.0	31.4	20.6	2.5	4.9	2.4
Administrative and secretarial	6.9	22.7	7.9	2.7	2.4	2.5
Skilled trades	27.8	X	29.3	4.7	X	4.2
Personal service	16.4	9.4	14.8	3.4	4.2	3.0
Sales and customer service	7.7	21.6	9.1	1.6	1.7	1.2
Process, plant and machine operatives	18.9	30.4	20.2	2.0	4.5	1.9
Elementary	13.4	25.4	15.4	1.2	1.1	0.9
Median-based						
Managers and senior officials	29.7	X	30.5	3.5	X	3.3
Professional	8.2	[NS]	7.0	3.4	6.3	3.0
Associate professional and technical	14.3	[27.6]	17.1	2.7	6.3	2.6
Administrative and secretarial	3.9	19.3	4.6	1.8	2.5	1.6
Skilled trades	X	X	[37.9]	X	X	5.3
Personal service	[18.8]	[21.6]	19.3	5.5	5.6	4.6
Sales and customer service	6.4	19.6	5.3	1.8	1.6	0.9

Table 15 Pay gaps by occupational group, private sector only (continued)

Employees working for large employers, ASHE 2008, UK

Median-based (continued)								
Process, plant and machine operatives	19.7	[32.4]	21.1	3.3	5.8	2.7		
Elementary	15.5	25.8	15.5	1.9	1.4	1.1		

SE = standard error, pp = percentage points, [] estimated standard error 5.1-7.5 percentage points, X standard error over 7.5 percentage points or estimate not available, NS = not significant at 95% level based on estimated standard error

Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

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