



# Gender pay gap Are you ready?

January 2018

## What is the gender pay gap reporting legislation?

Gender pay gap reporting is the Government's headline initiative to tackle the gender pay gap in the UK. The Government hopes that increased transparency will be a stimulus to businesses to close the remaining gap over time. Companies are required to calculate:

Mean and median gender pay gap in hourly pay

Mean and median bonus pay gap

Proportion of men and women receiving a bonus payment

Proportion of men and women in each pay quartile

By 4 April 2018, all employers in the UK with more than 250 staff are, for the first time, required by law to publish their gender pay gap information on their own website and on a government website.

# 250+

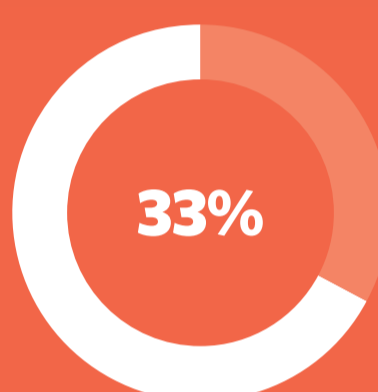
As of 8 January 2018, only 530 companies had reported their pay gap.

## What is the context of the legislation?

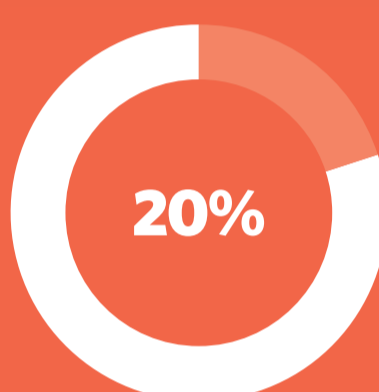
The gender pay gap is not about equal pay, it is the difference in pay between all men and women in the workforce. In the UK, in April 2016, the gender pay gap for all employees (full and part time) was...

**...18.1%**

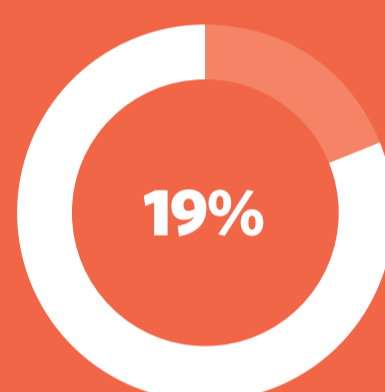
The gap is most prevalent in the Financial Services sector of 33%...



...with Professional, Scientific and Technical roles of 20%...

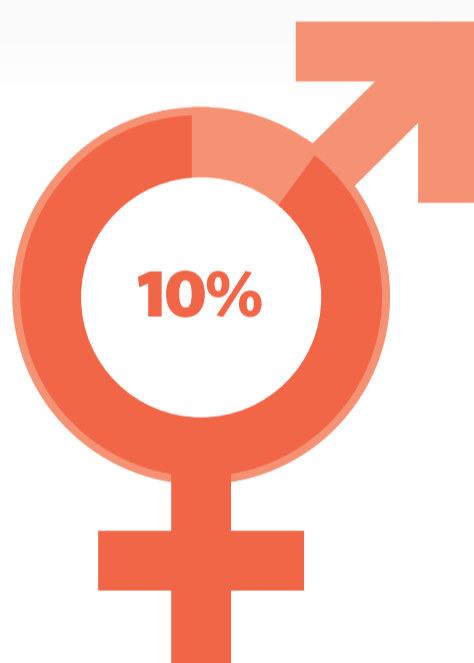


...and the Manufacturing sectors also highlighting a significant gap of 19%

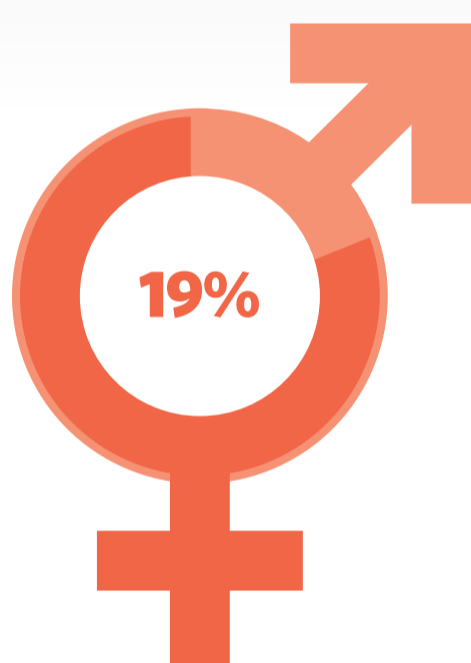


At present the perceived gaps are still very apparent:

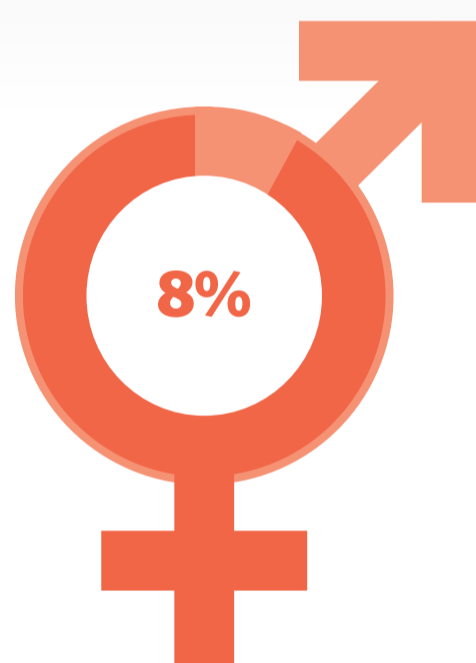
Women's hourly rate and bonus rate is on average >10% lower than their male counterparts...



...the variance in pay quartiles remains as equally disparate with women in the top quartile being paid 19% less...



...by comparison though in the lower quartile men are paid 8% less than their female counterparts



The gap is usually explained by occupation choices, increased likelihood of part-time working, and continuing in-work barriers to career progression.

## Should a company publish a narrative report?

There is no legal requirement to publish an individual narrative report but when considering the context behind the legislation we at FleishmanHillard Fishburn believe producing a separate report will help manage a company's corporate reputation.

The gender pay gap is part of a bigger conversation around a lack of career progression, senior representation and opportunities to enter more technical or scientific roles specifically within the traditional male dominated industries of finance and technology.

This is the most opportune time to own the conversation before it becomes too late and other stakeholders have taken the chance to highlight the potentially negative nature of the released data.



The story needs to be accessible and resonate with employees within the business as well as to external stakeholders.

Delivering a narrative report is an opportunity to tell a story of progression. It will allow a company to focus more on their objectives and the positive messaging around what they are doing to promote women within the business and less on the actual data.

## What should you do?

Each company will address their gaps in varying ways. As an example TSB have gone above and beyond by publishing three changes that they believe 'will help the UK build a gender balanced workplace', these are: Businesses must give the reasons for their gender pay gap; Companies must act to address unfair pay gaps; and Businesses must be held to account on the progress they are making. However, the messaging will remain constant.

We believe there are three key things each company should do:



## How can we support you?

At FleishmanHillard Fishburn we support companies in building their corporate reputation, with the majority of listed organisations having a December financial year end we see this as an opportunity to elevate the discussion to the same level as their annual report.

With companies delivering their annual report during February and March, there is already a movement towards this. This is an opportunity to produce a separate gender pay gap document as part of the annual reporting suite.



## Contact us

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