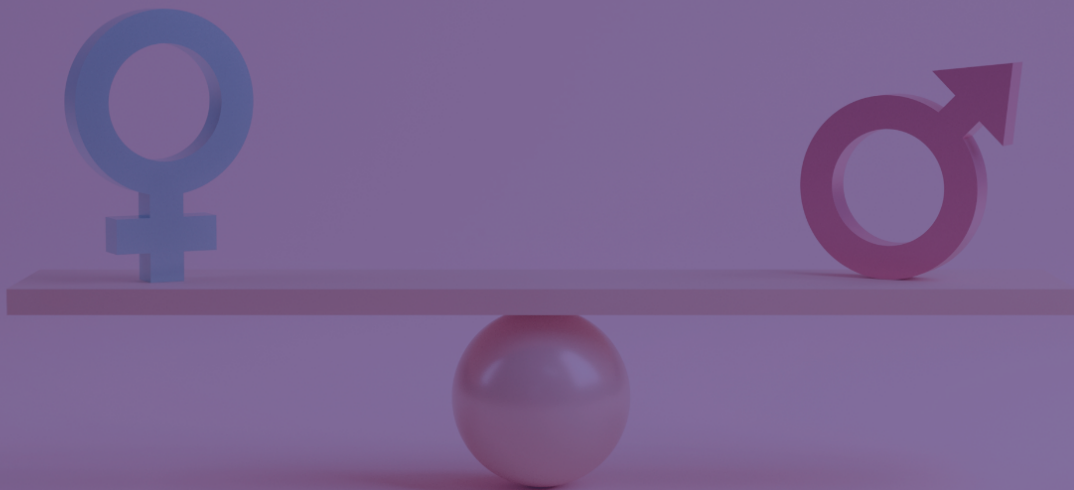


# CLOSE YOUR GENDER PAY GAP

A toolkit for business



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## WHY IS GENDER PAY GAP REPORTING SO CRUCIAL?

Gender Pay Gap (GPG) reporting is a crucial way for leaders to understand how their business is performing in terms of gender equality. Being transparent about pay helps employers scrutinise their own practice and focuses efforts on taking action.

The pandemic has created even greater challenges for women in the workplace, making the case to restore gender equality at work more important than ever before.

Women are more likely to have lost their jobs during the pandemic. This means British businesses have lost hard won gains over the last few years, which is bad for business and bad for our economic recovery. CMI know that GPG reporting is the simplest and most important thing leaders can do to accelerate progress, to help us build back better and more inclusively.

Ann Francke, Chief Executive at the [Chartered Management Institute \(CMI\)](#), has spoken [publicly](#) about the economic impact of the pandemic on women. Ife Unwuzulike, Head of Diversity and Inclusion at the Confederation of British Industry ([CBI](#)), has also [urged](#) leaders to use GPG reporting to understand how workplaces may have progressed or regressed from the pandemic and what businesses can do to build a more equal workplace. In addition, CMI Companions, consisting of CEOs and directors, [came together](#) to discuss the added value of GPG reporting and action planning, highlighting how it inspired them as leaders to act.

Leading businesses understand that GPG figures are most impactful when they are used to drive action. They know that doing so will mean that their business is at the forefront of attracting and retaining talent, staying competitive and supporting a more inclusive, profitable economy.

## HOW CAN THIS TOOLKIT HELP YOU AS A LEADER?

Ahead of enforcement activity on the 5th October, we spoke to organisations to find out what support they needed to join leading businesses in driving action to address gender pay gaps.

### This toolkit provides:

- Real-life case studies from business leaders who have successfully used their reporting requirements to: identify measures which have made their organisation more competitive, increase employee engagement and attract new talent.
- Recommended actions and resources from the Equality and Human Rights Commission which will help you when developing activity.
- Links to tried and tested approaches and practical 'how to' guides from the Behavioural Insights Team.

## BUSINESS LEADERS SHARE THEIR LESSONS LEARNED AND BENEFITS OF GENDER PAY GAP ACTION PLANNING

We spoke to CEOs, Directors and Business Partners about some of the key lessons and benefits of GPG action planning. They can be grouped into three key areas:

### Lesson 1: Think about your talent pipeline

Businesses making visits to schools, colleges and universities told us that they are now increasingly being challenged on what they are doing to create inclusive, fair pay workplaces and to tackle their GPG by prospective future employees.

But it is not only future employees. Our findings from a survey of employees showed that over 60% of women would be more likely to apply for a job with an employer with a lower gender pay gap. In addition, over half (56%) of women said that working at an organisation with a gender pay gap would reduce how motivated they felt in their role.

Leaders are seeing that having a GPG action plan makes their workplace more attractive and gives them a competitive edge over other employers.

### Lesson 2: Use your initiatives to identify untapped talent in your own organisation and boost employee engagement

Leaders who had developed actions to close their GPG said that as a result they were able to find talented women within their organisation, meaning that they saved money on costly recruitment, whilst retaining a happy and engaged workforce.

### Lesson 3: Your suppliers, contractors, customers and clients may go elsewhere if you can't demonstrate how you are prioritising diversity and inclusion

Leaders told us that Equality, Diversity and Inclusion metrics, including GPG figures and action plans, are becoming part and parcel of procurement requirements from suppliers. Some told us that they are increasingly being challenged by customers and clients on progress against their GPG, especially in relation to targets and progress towards them.

The importance of these lessons are brought to life in the series of case studies below.



“Our business has a big **gender pay gap**. And tackling it not only requires a systematic shift in society, it necessitates us to think about what we can and must do differently to attract, develop and retain a greater mix of people. Achieving this end goal is complex and it’ll need us to take a long-term view, but I’m pleased that we’re already starting to see the positive impact of our action plan.

### **So, what is our action plan and why did we prioritise it?**

We know that companies are more successful when they have a diverse and inclusive team – a place where different thoughts and ideas can grow, and where everyone feels motivated and able to be their best. Following the impact of the global pandemic and the Black Lives Matter movement, amongst other events in 2020, we listened to colleagues’ experiences, delved deeper into our workforce data, and developed an action plan in collaboration with our employee networks for diversity to help ensure that we really addressed what we needed to change. And what we needed to change was our representation levels as well as a more inclusive culture, because without this being at the heart of our business, we won’t be able to shift the dial. Our plan can be summarised in three pillars:

1. **Accelerating diversity at all levels** – We introduced stronger goals via our **People & Planet Plan** to get the best team that reflects the full diversity of our communities so that we can better understand and serve them.

This essentially means transforming our workforce from being largely white and male, to be in line with Census data for working populations with **47% female**, **14% ethnicity**, **15% disability**, **3% LGBTQ+** and **3% ex-service** representation by 2030 (2022 milestones: **30% female**, **13% ethnicity**, **4% disability**, **3% LGBTQ+** and **3% ex-service**).

2. **Making access to opportunities fairer** – We want to ensure access to opportunities is fair so that everyone can reach their full potential. We’re therefore strengthening succession planning and recruitment processes with diverse shortlists, interview panels and anonymised applications, alongside empowering under-represented groups to develop their talent via mentoring and the Black Leadership Academy.

3. **Creating a culture that promotes and values difference** – It’s essential that we build an inclusive environment where colleagues can feel valued, motivated and welcome through a range of initiatives - from mandating unconscious bias training for all and running straight talking sessions to understand people’s stories behind our engagement data, to setting up a ‘Shadow Board’ of diverse colleagues to meet with leaders and provide feedback for continuous improvement.

Meanwhile, our strong employee networks for women, ethnicity, LGBTQ+, disability, carers and more, provide safe spaces for open inquiry and support, whilst also giving us a forum that we can listen to and improve our policies, processes and practices.

**Underpinning all of this, was ensuring that we fully understood the story behind our workforce data so that we could pinpoint and tackle what's arguably our biggest issue – getting more women into engineering and keeping them.**

We found that the main driver of our gender pay gap was our large engineering workforce whereby we have a significant number of men working in these higher paid roles that are focused on servicing and repairing boilers, installing heating systems, smart meters and electric vehicle charge points amongst other things, coupled with bigger proportion of women working in customer service which are essential roles for our business but tends to be lower paid. For example, we see that women make up just **8%** of our field engineering operations team and only **4%** of our engineers. And if we didn't tackle this gender imbalance in engineering, then we wouldn't be able to close our pay gap irrespective of progress made elsewhere in the business.

We know that women and girls don't typically view engineering as a viable career choice, but we believe there's a huge opportunity to tap into new talent to deliver a greener future, as well as a more inclusive workforce. So as a next step, we're recruiting **1,000** apprentices by 2022 with the ambition for **50%** to be women. And following a targeted recruitment campaign aimed at women seeking a career change during COVID-19, I'm pleased to say that we've already had a significant increase in applications from women and are on track with our goal. In many ways, COVID has disproportionately impacted women with job losses and extra pressure to balance work alongside family life, but it's also given women the chance to rethink what they want to do and start afresh.

Alongside this, our female apprentices and engineers are doing a great job in media campaigns and volunteering at schools through TechSheCan to break down gender stereotypes and get more women and girls excited about a career in energy. We receive great feedback from customers about our female engineers, and we've given tours to MPs at our training academies to demonstrate the progress that can be made in creating a greener and more inclusive workforce.

To me, the power of data to enable insight and action can't be under-estimated and that's why we also chose to publish our **ethnicity pay gap** last year as part of our Race Ratio pledge. We believe this will not only encourage more colleagues to share their ethnicity information that'll give us greater insights into our workforce, but it'll inspire other companies to do the same and grow the collective insights needed to help close the gap.

### **The business benefits**

**We're also starting to see our action plan improve employee engagement.** Put simply, colleagues like that they're being listened to and their feedback is being acted on. Our formalised focus groups and quarterly listening sessions alongside our commitment to set up a 'Shadow Board' of diverse colleagues by October, gives colleagues the opportunity to directly share feedback with leaders like never before and actively shape the plan.

We've also committed to share our progress with colleagues on a quarterly basis to give them confidence that we're prioritising a more inclusive workplace, and they can challenge us if they don't think we're making enough progress. In recent surveys, **80%** of colleagues told us that they feel individual differences are respected at work, so we know we're making progress but there's still room for improvement.

Moreover, we're seeing a transformation in our leadership and how they run their teams. In the last year, female representation on our Board went from **17%** to **50%** whilst our Centrica

Leadership Team (CLT) increased from **13%** to **38%**, and we'll endeavour to build on this. And as part of our cultural transformation, our CLT are adopting new ways of working to boost engagement and skills, which includes embracing flexible working for the long term as well as providing opportunities for job sharing and cross-skilling.

For example, we're currently promoting cross-skilling across our Customer Operations and Field Services teams which enables colleagues to develop the full breadth and skills needed to deliver for our customers whilst also progressing their careers. And I'm pleased that we now have **over 100** people taking part in our reverse mentoring programme which pairs leaders with colleagues from under-represented groups to share skills and experiences, with **65%** saying it's surpassed their expectations.

**While it's promising to see this progress first-hand, we know it'll take time for our pay gap figures to change.** This is because transforming our business, sector and society is going to occur over the long-term, and we may even see our pay gap increase in the short term due to the changing shape of our business together with how our business performs and its associated bonus payments. But diversity and inclusion are a long-term commitment, and we'll continue to aim high and work hard to see the change we all want and need".

If you want to also read about how Centrica PLC created a meaningful gender pay gap action plans, click [here](#).



### Why we prioritised action planning and the steps we have taken

*"We've always been passionate about diversity and inclusion for our colleagues and customers. We're proud of the culture we have created aiming to ensure everyone is treated with dignity and respect and aim to work continuously to build a fair and inclusive environment.*

*The Gender Pay Gap reporting further helped us to focus action in this area and accelerate our thinking. With a workforce that is **64%** female and a gender pay gap of **15.7%**, we still have a way to go however we have a fantastic opportunity to make the work environment brilliant by continually evolving and improving.*

*On a broader level, gender equality creates economic benefits and is pivotal to the UK's economic recovery as we try to find our way out of this pandemic. It is also key to the green economy, which currently faces a huge skills shortage. We clearly understand that Home Group has a direct role to play here; to develop our colleague's skills, support our customer's aspirations and to provide safe, high quality homes that are ready for net zero. By collectively creating gender equality, all organisations will open up significant opportunities to plug the current void and reap the economic benefits on a national, local and individual level.*

*Experience tells us that lots of people can talk the talk...however it's what you do to turn the talk into actions that counts and 'move from the say to do', that's why we prioritised having an action plan.*

*When developing the plan, it is also useful to remember we are many things and experience things differently – gender equality covers race, disability, sexual orientation. We must be conscious of the overlaps and intersectionality. It's also important to keep the plan simple and focussed: that works for us with the following action themes:*

#### Sponsorship

*We have a visible and strong Board and Executive sponsorship which are positive role models.*

#### Learning, Education and Progression

- *Continuing to encourage women to consider/take promotion opportunities.*
- *Encouraging men to use our family friendly policies i.e. sharing Shared Parental leave stories so men understand how they can benefit.*
- *Inclusive Leadership sessions for managers and inclusive conversations training for colleagues.*
- *Specific progression programmes – 'Women into Senior Leadership' and encouraging coaching and mentoring.*
- *Female Apprentices in all functions (especially the areas where there is under representation).*

#### Monitoring and measuring outcomes

- *Continuing to be transparent with salary ranges, gender pay gap, pay bands and benchmarking.*
- *Regular reporting and data reviews so that we can see how we are progressing.*



- Review data on who is accessing progression, coaching, and mentoring, retention, and attraction; all provide insights in order to make the right decisions.

### Brilliant conversations

- Encouraging managers to have proactive discussions with new parents regardless of gender to promote flexible working and return to work options.
- Encouraging career conversations.

### Flexible policies

- Using feedback to ensure a gender equitable and flexible culture for women.

### Recruitment

- Continue to tailor recruitment strategies in areas where the gap is highest.
- Using skill-based assessment tasks in recruitment processes alongside interviews and extending the Rooney rule to apply to gender.
- Ensuring for senior posts there are women applicants before interviews begin”.

### The business benefits

“Colleague engagement is key for us, and the priorities in the plan involved our ‘Women of Home Group’ network group to make sure we worked on the right things. Our annual ‘Great place to Work’ survey tracks satisfaction by gender and successes so far related to gender equality questions are:

**80%** - I am offered training and development to develop myself professionally

**76%** - I can fulfil my career aspirations

**69%** - People are paid fairly for the work they do

**96%** - People are treated fairly regardless of gender

**91%** - Taking everything into account I would say this is a great place to work

Our Women into Senior Leadership Programme saw **32%** of delegates have a promotion or job move within 6 months.

Our networking group is vibrant, the feedback is positive and our digital communication channels get a lot of traffic.

Coming 4<sup>th</sup> in the UK for Super Large Companies for ‘Great Place to Work for Women’

**These results speak for themselves and demonstrate the success of our focused approach. We have also seen greater rates of attraction and retention for women and a trend of more women entering into the ‘traditional’ male roles within IT and Development.**

Our action plan has also improved our customer/client satisfaction. We have extended our women’s groups to our customers so that they can discuss issues that impact equality and they can also join our colleague group which has made the conversations broader.

We have developed a supplier framework which aims to focus on greater engagement with suppliers on gender equality and have run a best practice session with our customers, other Housing providers and our suppliers.

Benefits are demonstrated that by having a plan we are focussed and can measure our progress. **The benefits mean we deliver on our promises, trust is built with colleagues, customer satisfaction is aligned, this helps us retain the brilliant talent we have and attract new colleagues and our reputation grows positively. Greater colleague engagement also means better customer satisfaction.** Critically – year on year the gender pay gap is closing.

Taking the initial steps to achieving this vision such as: starting the conversation and listening to colleagues doesn't take time or budget but can achieve great business benefits.

If businesses do not take steps to close the gender pay gap, they run the risk of not being seen as an employer of choice which may jeopardise recruitment and retention. This is particularly important in the context of Covid, where many employers are seeing a 'war of talent,' and lack of action could really impact business results”.

### Why we prioritised action planning and the steps we have taken

*“The University of Huddersfield has long held the value of being an employer of choice. We recognised that we are in a sector where there is intense competition and our people can move to different universities pretty easily. Therefore, **we understand the importance of ensuring all our staff have a keen sense of belonging and engagement with us, everyone is treated fairly and everyone has access to learning and development opportunities, which is why we prioritised making sure we take action on our gender pay gap and gender equality at the university.**”*

### What we did: Reviewing pay and reward

*Way back in 2005, we signed up to a national framework that provided a modernised pay and progression system which immediately began to improve the differential between women and men’s wages through the creation of a single pay spine salary structure. This sits alongside a job evaluation process using the Hay system, which measures 3 key factors of each job which can then place them against a grading band. This speaks more to equal pay, so in addition to this we took action and introduced a raft of measures and initiatives to actively ensure that pay gaps are addressed.*

*Following on the pay theme we implemented the Voluntary Living Wage when it was first introduced, which eradicated a gender pay gap within our more junior grades and whilst there is a higher proportion of female employees and this is still the case, there is no gender pay gap within our cleaning, catering and administrative roles which make up most of these grades. We did this also in support and recognition that we are a big employer in our local community and wanted to support our local workers.*

### Signing up to Athena Swan

*We are an Athena Swan bronze institution with some of our departments achieving silver, this is a framework charter to support and transform gender equality within Higher Education.*

### Reviewing our policies and procedures

*We have an Equality, Diversity and Inclusion Committee at a strategic level, looking at all student and staff matters. All of our policies and procedures are equality impact assessed, and we have implemented good family friendly policies, which are widely used.*

*In recruiting new staff we are conscious that typically women may have had a break from the workplace so we have a starting salary policy, when people leave we explore reasons through exit interviews so we can capture any trends or problems – as you can see this is an ever-evolving process.*

*Our promotion criteria factors in periods of maternity and other family related gaps, we have an extensive coaching and mentoring programme, and the list goes on.*

## Supporting and nurturing our talent and retaining staff

*We recognise that it is more difficult for women to progress in the workplace, as traditionally women have more breaks or may work part time due to childcare.*

*Therefore our action plan also focuses on mitigating those negative impacts, so that women achieve success in a relative timeframe to achieve progression into higher graded roles.*

*We offer training and development sessions online so colleagues can access when it suits them, as we know that this supports women with caring responsibilities. We are also developing our degree apprenticeship offer in areas such as STEM and through our work with colleges and schools, where we actively encourage participation from girls, who we know are under-represented.*

*We recognise the impacts of the menopause on female careers and have developed a staff network to enable conversations and guidance on how to support colleagues.*

*We actively promote opportunities for staff to achieve the highest and most authentic level of qualification we can – for example all our line managers are chartered members of the CMI.*

*All our academic colleagues are on a level playing field in terms of being members of the Higher Education Academy.*

*So where are we now, and what do we know? Well, we have learnt that this has to be a strategic agenda with the willingness and determination to develop and improve. It needs buy-in from your senior team, and has to be seen as an integral element of your culture through promotion of your vision and values. It is also key that your staff are aware of all these things so you have to get your communications right”.*

## The business benefits

*“Our staff survey indicates overall a **well-motivated and engaged workforce**, this is a great sign that our initiatives are working. **We have more recently seen more women promoted to Professor, interestingly up until very recently whilst we had fewer female professors they earned more than their male colleagues. We have a 99% return rate from maternity absence.***

*Overall I am pleased to say that in the last 3 years of reporting, our gender pay gap median has reduced or improved whichever way you look at it by just over **8%**. Our gender pay gap variances are not statistically significant within the grades, which overall implies broad fairness across the categories and groups of staff - but we cannot be complacent.*

*The Covid pandemic has shown, for example, that we can attend conferences and network virtually, this creates potentially more flexibility for those with childcare responsibilities to structure their work to suit so that some of the potential barriers are removed. We are continuously looking for ways we can continue to improve to retain this staff engagement and remain an employer of choice”.*

### Why we prioritised action planning and the steps we have taken



*“We are an organisation of people for people, and we want to ensure that we place as high an importance on our own people as we do on our clients and candidates.*

*We currently have a **53%** female workforce with a **23.1%** gender pay gap (employees and temporary workers); whilst focusing on a plan means this is the lowest since monitoring our gender pay gap began, we recognise that this is not yet where we want to be, there is not a quick fix, but we look forward to continuing progress on our journey.*

***We recognise that greater investment in our people will lead to higher levels of engagement, increased retention, lower attrition, an increase in skills and create an environment attractive to diverse external talent.***

*Through our regular surveys we listen to our people and appreciate that the more valued people feel, the more engaged and ultimately the more creative, productive and happier they will be.*

*More importantly, focusing on a more inclusive and diverse environment as a focused plan, will help us continue to challenge our own thinking and evolve into a fully inclusive organisation.*

*Our action plan, therefore, focused on 3 critical pillars:*

- Promoting dialogue with our employees and wider communities*
- Creating awareness through training and education internally and externally*
- Ongoing review of our internal people practices to ensure they are fit for purpose and reflect the journey we are on*

### Activities implemented through the plan

*Whilst figures help focus the attention and measure successes, it's our actions that talk the loudest:*

- 1)** *Cultural change*
  - a)** *Unconscious bias training for all employees*
  - b)** *Regular employee engagement surveys which have had a steady increase in response rates as employees recognised that they were being listened to and actions taken*
- 2)** *Review of our recruitment practices to ensure we are attracting diverse talent at all levels as well as UK wide focus on career conversations. Additionally providing greater mentoring and development opportunities for female talent leading to **54%** of all promotions going to women in 2020.*
- 3)** *Introduction and promotion of a Diversity, Equity and Inclusion Council in the UK as well as various Employee Network Groups; BELONG (LGBTQ+), BEN (Black Employee Network) and GWEN (Global Women's Employee Network). A UK version of GWEN launched in May 2021; a community to share journeys, inspire, mentor and develop female talent.*

- 4) High focus on wellbeing – mental health training, introduction of mental health first aiders, encouraging work-life balance; regular daily comms sent reminding employees to take breaks, exercise, practice mindfulness or undertake other external activities, alongside webinars and on-line talks from motivational speakers.
- 5) Future of Work – move to a hybrid working model combining remote and office working. This agile working will enhance our focus on work/life balance.
- 6) New organisational design for our field support population, including change in job titles, in order to provide clarity of career paths, gender neutrality and progression opportunities for all.
- 7) Review of flexible working policies and plans to increase awareness around women's challenges such as menopause. Additionally we have recently been looking at ways of supporting women going through IVF or parents facing child loss.
- 8) During the pandemic, we created a Parent's Web Page, to give advice, information, suggestions for home-schooling as well as fun activities to do with the children which was very well received by those who used it. This site has been broadened to house our new benefit, Bright Horizons, aimed at providing both emergency and planned caring support to working parents.
- 9) In 2021 we are introducing GapSquare to better measure and understand our gender pay gap and what further actions we need to take to close the gap.

### The business benefits

The UK Engagement Score increased by 4% to 81% with a 84% response rate.

The Equity to Succeed Score, which measures to what degree our people think that there are opportunities for all, increased by 2% to 78%.

People feel more comfortable to speak out as they feel it is a more tolerant and open environment in which to work and have the confidence to take time out for family related activities/commitments.

Greater focus on their health and more confidence to ask for help regarding their mental health when needing support.

Returners from maternity leave feel more confident to request flexible working and the business is more open to greater flexibility in working hours and patterns to accommodate individuals. We have also seen greater numbers of maternity returners with focus on their career progression.

**A new business has been acquired through our commitment to our Diversity, Equity and Inclusion Plan** particularly through HR partnering closely with the business with new clients. More women are inspired to overcome any barriers to career advancement through our networking, training and advice.

**The plan has led to a greater focus on our own people which has had a huge positive impact on our service to clients due to the enthusiasm, commitment and discretionary effort that we received from our employees.**

The focus on one or two activities initially has had a domino effect and led to greater focus on others. For instance, **looking at opportunities for women to progress through the business has led to greater focus overall on career paths and opportunities of all (new structure in field admin for instance)**

- *Recruiting females at leadership levels*
- *Greater overall engagement and huge praise in new hire interviews and exit interviews – people are no longer leaving for cultural reasons or because they do not see how they can progress*
- *High level of engagement for the new employee network groups*
- *Financial growth/profit during a challenging period*

### Summary of advice:

- *Listen to your people and truly understand how they feel and what makes them tick - it is not a one-size fits all approach*
- *Actions need to support words – create an environment in which everyone can see a way to thrive and grow*
- *Investing in your own people leads to improved quality and delivery to your clients, creates new business opportunities and overall increases profitability – a win all round”.*

### Why we prioritised action planning and the steps we have taken



“SSE has a track record of providing voluntary enhanced disclosure around a wide range of issues, from climate-related financial disclosures to our UK gender pay gap (GPG) which we published two years ahead of government requirements.

**This approach is driven partly by the demands of our key stakeholders – including investors, clients and governments – who are increasingly focused on non-financial performance as a driver of value.** But it’s also because we understand that reporting can be an effective catalyst for positive change. In short, we’ve found that transparency can help us meet both business and social objectives.

Our Executive team were supportive and endorsed publishing our gender pay gap ahead of legislative requirements, and before we had run the numbers, as a way of demonstrating SSE’s commitment to equity, fairness and transparency. Being an inclusive and diverse organisation is now woven in as a strategic imperative to SSE being able to achieve its net zero ambitions:

### Powering change, powering our people

SSE believes innovative solutions to climate change require diverse perspectives, different experiences and new skills to **help us reach net zero**. The principles of equality, fairness, inclusion and diversity **must be at the heart of everything we do**

SSE operates in an extremely competitive environment for talent, and therefore needs to be recognised as an employer of choice. **We are acutely aware of how the labour market and those in education are attracted to, and retained by, employers who have a purpose beyond just profits and have a positive impact on the planet and people too.**

For many people now that includes finding a workplace that celebrates diversity and makes everyone feel included. **Openness about our GPG, combined with a clear commitment to taking action to reduce it, is an important part of showing employees we are serious about equity and encouraging greater gender balance at all levels in the company.**

However, clearly numbers alone do not communicate the complexity of this issue. We have therefore reported against our ‘IN, ON and UP’ inclusion strategy each year since 2016. This sets out how we are: encouraging more diverse individuals IN to SSE; creating an environment to help them stay ON; and creating opportunities for everyone to progress UP in a way that is fair, transparent and open to all.

### Actions implemented include:

- **IN:** Gender bias language reviews of all job adverts; inclusive hiring training for all hiring managers; open advertising of roles; and flexible working offered in job adverts.
- **ON:** Roll-out of agile working practices; Inclusion and Diversity Working Groups in most businesses; employee-led “Belonging in SSE” communities; inclusion training; and market-leading maternity benefits.



- **UP:** Unconscious bias training for senior leaders; a new Inclusive Leadership Development Programme; gender balance targets for the most senior levels; and greater focus on inclusion and diversity by the Board”.

## The business benefits

“SSE’s annual Great Place to Work survey asks employees whether “Managers support diversity and inclusion here, recognising and respecting the value of human differences”. We have seen this rise from **69%** in 2017 to **84%** in 2020, 7 points above the energy industry norm and 4 points above UK norm.

Whilst our gender pay gap has only decreased marginally, we have been tracking a wide range of other gender statistics which show signs of significant progress:

We have exceeded our target to have 25% female representation across SSE by 2021 (2020/21: **26%**);

- **78%** of all roles in 2020/21 were openly advertised;
- **89%** of job adverts in 2020/21 included an offer of flexible working;
- **18%** of apprenticeships and **39%** of graduate placements over 2020/21 were awarded to women; and
- In 2020/21, **98%** of employees returned to work after maternity leave (**84%** in 2017, before SSE’s current maternity benefits were introduced)”.

## Our next steps - testing the hypothesis for the root causes of the GPG

“After six years of reporting and undertaking a wide range of actions, our GPG has decreased only marginally each year. We know we need to now go deeper into the data – though we understand where our big challenges are, there’s more work to be done to see which interventions can have the biggest positive impact and which may actually be having a detrimental effect. This year we are therefore investing in some external data modelling support to understand which interventions are needed at which level, as well as to help us predict a realistic rate for closing the gap.

This next stage will support us in setting the direction for short- and medium-term action, as well as what we can do as a company to target the wider societal causes of inequality in the workplace. Ultimately, our goal is to use an evidence-based approach to accelerate a reduction in our GPG and promote gender parity across every level of SSE. It’s good for our business, and it’s good for society too”.

**We hope that these case studies inspire you to take similar action and with that in mind, the next section of this toolkit provides you with evidence-based actions from the EHRC and links to Behavioural Insights Team resources which we hope will be useful to you when developing or enhancing your action plans.**

## CASE STUDY 6: THE ROYAL COLLEGE OF PSYCHIATRISTS

Back in 2018, we decided to make ourselves a [values-based organisation](#).

The introduction of this new approach has led to the complete transformation and modernisation of our organisation.

As part of this process, we have delivered one of the narrowest gender pay gaps in the UK.

We introduced our values-based approach, after consulting extensively with our staff team.

And decided right from the beginning that our values of Courage, Innovation, Respect, Collaboration, Learning and Excellence would be the touchstone for all our key decisions.

*Having introduced our values, we soon asked ourselves what our values-based approach would demand we do in terms of equality, diversity and inclusion.*

### [Reducing our Gender Pay Gap through a values-based approach.](#)

So, from 2019, we started to celebrate diversity events such as Pride, Black History Month, International Women's Day and World Mental Health Day.

At the same time, we asked ourselves whether we should do our first ever gender pay audit.

We had 230 employees and were under the 250-employee threshold at which you are legally obliged to carry out gender pay reviews. However, having a values-based approach, meant we wanted to know where we were on gender pay. So, we did the assessment and committed to publishing the report. As a values-based organisation, committed to equality, we sincerely hoped that our gender pay gap would be low. It turned out to be 17%. This was lower than the national average gender pay gap at the time of 19%.

However, it was a lot higher than what we had hoped for – as we naturally wanted our gap to be as close to 0% as possible.

We discussed the issue at our Senior Management Team and with our Heads of Department, and asked how we could reduce the gender pay gap.

And our HR team did a review of our recruitment and retention practices, to make sure they were as fair for our women members of staff as possible.

### [The steps we took to turn actions into improvement.](#)

Following this review, we said that all recruitment panels at the organisation should be diverse in terms of gender where possible.



We also enhanced our maternity leave payments – and we started to publicise, to our staff team, case studies of women who had worked their way up through the organisation, to encourage more women to apply for senior roles.

We hoped that these actions would lead to a reduction in our gender pay gap. When, a year later, we did our next gender pay audit, our gap had fallen – to 13.97%.

We also published analysis of internal promotions showing that 84% of people who were promoted over the previous three years were women. Reducing the gender pay gap to 13.97% was an improvement and better than the national average, which was 17.3%.

But it was far less than what we had hoped for. *So, we decided to take further steps – and published an 18-point [Gender Equality Action Plan](#).*

**Among our actions, we said we would:**

- Continue to show a sense of urgency on the issue of equality, diversity and inclusion by carrying out a gender pay audit and reviewing the gender equality plan annually.
- Continually review our performance so as to ensure that we are a truly inclusive employer with equal opportunities for all.
- Ensure the College has a designated Senior Management Team Equality, Diversity and Inclusion Lead.
- Support the work of our internal staff gender forum to enable it to help shape what we do
- Provide mandatory training in equality, diversity and inclusion, including in unconscious bias, for all managers and staff, and
- Underpin the College’s commitment to equality of opportunity, through up-to-date HR policies and recruitment processes that align with equal opportunities best practice.

***When we did our next gender pay audit, in 2021, we were thrilled to see that the downward trajectory continued – with the gender pay gap falling to 6.22%.***

During the previous 12 months, we had incorporated a group of 150 additional people to our workforce as ‘workers’.

These people – who are patient and carer representatives – had always worked for the College and had previously been considered as volunteers. They advise us on how best to improve standards and quality in patient care. Under the new arrangement, their status was formalised as part-time ‘workers’ and they were paid a daily rate.

Following the government rules around gender pay audits, which say all staff have to be included, these workers were included in our reports alongside our employees. The make-up of this group – around 70% women; 30% men – was almost identical to that of our employees. Therefore, this had a limited impact on the bottom-line gender pay gap figure.

***Throughout the next year, we continued to see the narrowing of the gender pay gap as a priority.***

And when we carried out our 2022 gender pay audit, we were delighted to see that it had reduced even further – to 2.85%. This time, women were being paid on average more than men – meaning there had been a swing of around nine percentage points from 2021. This was fantastic news as our gender pay gap was now very close to zero – and well below the-then national average gender pay gap of 15.4%. Meanwhile, in a parallel piece of research we revealed that over the previous 12 months, 72% of people promoted were women.

***We're not aiming for women to earn more than men. We want to deliver a fair approach for both men and women.***

Therefore, ideally, we would love to narrow the gender pay gap to 0%.

### Creating a fairer workplace

Our success on reducing our gender pay gap has been one of the key successes of our values-based approach.

#### **We have also:**

- Reduced our ethnicity pay gap to **5.81%**
- Won Charity of the Year in the European Diversity Awards in 2019
- Won the Best Equality, Diversity and Inclusion Campaign in the 'memcom' UK membership sector awards in 2022
- Won a Stonewall Gold Award, having been ranked the 90<sup>th</sup> top UK employer for creating an LGBTQ+ inclusive workplace
- Achieved Level Two in the Disability Confident Employer Scheme, and
- Seen **87%** of our employees say we are a good employer at promoting equality, diversity and inclusion, through our annual staff survey.

***Reducing our gender pay gap has been a key plank in our work to create a values-based and a fair workplace.***

And, on a wider basis, all our staff now know that we value everyone equally – regardless of background or characteristics.

For further information about this case study, please contact Ruth Adams, Equality, Diversity and Inclusion Communications Manager ([ruth.adams@rcpsych.ac.uk](mailto:ruth.adams@rcpsych.ac.uk))

## TRIED AND TESTED STEPS LEADERS SHOULD CONSIDER

The Behavioural Insights Team has published a list of [evidence-based actions for employers](#) which summarises approaches that have been shown to improve outcomes for gender equality. We link to their toolkits for supporting leaders to implement these actions below.

**At the EHRC, we recommend leaders consider the following actions:**

### 1) [Improving recruitment, development, and promotion practices](#)

Make sure that bias doesn't creep in to these essential stages of the employee lifecycle and that your company culture doesn't encourage disadvantage or discrimination.

**Ideas for action:**

- Anonymising CVs and application forms
- Introducing transparent recruitment and promotion procedures
- Adopting a structured approach to interviewing
- Providing a clear brief, including diversity targets, to any recruitment consultants and executive search firms
- Reaching the widest possible candidate pool through using a range of advertising methods and positive action
- Introducing women's networks to develop peer support across the organisation
- Developing mentoring schemes for women to build skills and encourage development

### 2) [Providing a flexible working culture](#)

Women continue to shoulder the responsibility for caring responsibilities, which we have seen become exacerbated through the COVID pandemic.

Providing flexible working at all levels of your organisation means that women in your workforce are able to use their full range of talents and stay or progress to more senior levels, instead of moving into jobs that are below their qualification level, just to be able to work fewer hours. This also has benefits for fathers, who are increasingly seeking greater work/life balance.

**Ideas for action:**

- Advertise jobs at all levels as open to flexible working from day one
- Promote a wide range of flexible working practices
- Trial new ways of working
- Be transparent and clear about the types of flexible working the organisation has considered, offered and granted

- Showcase examples where flexible working is successful at a range of levels across the organisation

You can find more resources and support on how to create and champion a flexible culture at the [EHRC website](#).

### 3) [Enhancing or encouraging uptake of shared parental leave](#)

Women who become mothers still experience the ‘motherhood penalty’, where they find themselves on a downward career trajectory when they take on caring responsibilities. This means that organisations aren’t making the most of their skills and talents.

Shared parental leave enables eligible mothers, fathers, partners and adopters to choose how to share time off work after their child is born or adopted, but take up among men remains low.

#### **Ideas for action:**

- actively promote shared parental leave to staff
- consider enhancing the statutory minimum paternity leave– more generous and equal schemes operate in other countries and this has encouraged take-up among men
- incorporate flexibility into job design to encourage new parents to consider sharing caring responsibilities beyond the first year of their child’s life

The EHRC has guidance on [Shared Parental Leave and Pay](#), as well as a Shared Parental Leave [policy template for employers](#).

### 4) [Use positive action to improve representation of specific groups](#)

Positive action is when an employer takes steps to improve equality for people who share a protected characteristic, for example by organising an open day for people from a particular ethnic background if they are under-represented in the workforce.

#### **Positive action initiatives are permitted when an employer reasonably thinks that:**

- people who share a protected characteristic suffer a disadvantage connected to that characteristic
- people who share a protected characteristic have needs that are different from the needs of persons who do not share it, or
- participation in an activity by people who share a protected characteristic is disproportionately low.

Employers are legally permitted to take action to overcome or minimise disadvantage, encourage participation in employment or training, or meet the specific needs of protected characteristic groups, for example, by facilitating mentor programmes for female staff.

You can read six examples of positive action on the [EHRC website](#).

### 5) [Use apprenticeships and other educational schemes to improve the talent pipeline](#)

Many apprenticeships have a long-standing tradition of being highly segregated by sex, with apprenticeships in higher-paying sectors such as construction and engineering attracting men, and apprenticeships in lower-paying sectors such as social care and childcare attracting women.

**Ideas for action:**

- Promoting 'role models' from the business in liaison with schools and colleges, and placing advertisements for careers or work with skills agencies
- Developing short programmes that allow young people to sample different types of apprenticeships
- Offering flexible working in apprenticeships
- Using positive action in apprenticeships

**All effective action plans are developed with these four things in mind:**

1. Make sure you set a time limit for when you want to have achieved change by being realistic but ambitious.
2. Set yourself targets for what you want to achieve
3. Make sure you use your data to identify which actions might be most appropriate.

It will be most helpful to use lots of different employee data to do this effectively, such as:

- Recruitment processes, including the proportion of men and women applying, being shortlisted for and appointed to posts
- Starting pay for men and women
- Promotion rates for men and women
- Retention rates of pregnant employees
- The proportion of mothers returning after maternity leave, and those still in employment two years after returning
- The proportion of men and women using various flexible working patterns, and levels within the organisation at which take-up is occurring
- Whether pay gaps exist for part-time workers

4. Involve everyone

Involve all colleagues, regardless of gender, when discussing action plans. GPG is not just an issue for women. Seek feedback from employees for new ideas and make sure that you are transparent with how you communicate what you are doing.



## FURTHER RESOURCES

We hope that this toolkit provides you with everything you need to make sure that your organisation reaps the business benefits of Gender Pay Gap reporting.

As we have seen through the case studies, other leaders have used it as a chance to boost staff satisfaction levels, identify untapped talent in their organisations, make themselves attractive to prospective employees and put themselves at a competitive edge when securing clients and contracts.

The full list of all of the resources can be found here:

RESOURCES
Behavioural Insights Team: <a href="#">How to set effective targets</a>
Behavioural Insights Team: <a href="#">How to improve gender equality in the workplace: evidence based actions for employers</a>
Behavioural Insights Team: <a href="#">How to use skills based assessment tasks</a>
Behavioural Insights Team: <a href="#">How to increase transparency of progression, pay and reward</a>
Behavioural Insights Team: <a href="#">How to establish diversity leads and diversity task forces</a>
Behavioural Insights Team: <a href="#">How to run structured interviews</a>
<a href="#">Chartered Management Institute interview with business leaders; what does best practice GPG reporting look like?</a>
<a href="#">EHRC, Centrica PLC case study: How we created a meaning Gender Pay Gap Action Plan</a>
<a href="#">EHRC Shared Parental Leave and Pay guidance for employers</a>
<a href="#">EHRC Shared Parental Leave policy template for employers</a>
<a href="#">EHRC six examples of positive action</a>

For further resources, please visit the [Equality and Human Rights Commission](#) and [Chartered Management Institute](#) websites