



Q&A from CMI/GEO gender pay gap webinar – 24th November

1. How will this information be used to close the pay gap between traditionally "male" and "female" sectors?

Reporting is key to accelerating progress to close the gender pay gap. Employers that keep their pay policies and practices under regular review will be best placed to recruit and retain the best talent in a competitive jobs market. We continue to encourage employers to make full use of the data, identifying the reasons behind their gap, and developing an action plan to close it to ensure they are harnessing the talents and skills of men and women.

Many organisations within sectors that traditionally have larger gender pay gaps are already using the opportunity provided by gender pay gap reporting to stimulate change. For example, Fujitsu recognise the lack of women in STEM careers and have focussed on working with education institutions to encourage girls to take up these subjects.

Our [new toolkit](#) provides advice on how employers can address their gender pay gaps. It sets out a number of actions organisations can take to improve gender equality in the workplace.

Through reporting employers will become aware of where gaps within their organisation are driven by wider societal factors, and will have a clear incentive to act beyond their own workforce.

2. Are there any thoughts around what businesses that are in heavily male dominated industries e.g. construction or manufacturing can do, as there is a certain level of experience needed in some roles?

We recognise that significant change will take time but several organisations within male dominated sectors are already leading the way through schemes that will have an impact in the long term. By establishing programmes that focus on the next generation, businesses are ensuring that their future workforce is considerably more diverse.

Companies like Lendlease and Rolls Royce are engaging with education institutions and youth organisations to reach out to young female talent and encourage them to consider careers in traditionally male dominated sectors. Both are already starting to see improvements in the diversity of their new recruits which will pay dividends in future.

It would be great if all large businesses followed their lead and looked to affect change beyond their own organisation that would have positive results for the wider sector.

Our [toolkit](#) additionally sets out a number of actions all employers should consider to improve gender equality within their own organisation.

3. What guidance can be offered for smaller companies to approach the Gender Pay Gap issue even though they have no obligation to report?

The Prime Minister recently called on all organisations whatever their size to report their gender pay gap data and we would encourage businesses of all sizes to have an awareness of gender equality within their organisation and take action to improve diversity. Many of the actions to close the gender pay gap that we mentioned within the webinar would also be relevant to small businesses.

It would be fantastic to see larger companies take the lead on this agenda, working with smaller businesses within their sector and those in their supply chains to increase the pace of change and get more employers on board. We are already encouraging businesses to share messages about the gender pay gap within their networks and are always keen to learn about examples of best practice.

4. Will flexibility affect the pay or not?

We are encouraging all organisations to design every job as flexible by default and think creatively about how work is organised. This may include enabling working from home, offering flexitime and facilitating arrangements for compressed hours, job-sharing, and part-time or term-time working.

Businesses should consider advertising all jobs as flexible from day 1, unless there are solid business reasons not to. It is also important to examine and remove barriers to flexible working, with senior leaders and managers acting as role models and reinforcing the message that their organisation pays for work, not face time.

5. Does National holiday pay need to be included in the calculation of gender pay?

Ordinary pay, used for the calculation of gender pay gap data, includes basic pay, allowances, pay for piecework, pay for leave and shift premium pay.

It only includes money payments, so anything that is not money (such as benefits in kind or securities) is excluded. Gross amounts should be used after salary sacrifice.

Ordinary pay does not include pay related to overtime, redundancy or termination of employment, pay in lieu of annual leave or pay which is not money.

As well as actual 'overtime pay', payments such as allowances earned during paid overtime hours (to the extent that employers can clearly identify them) should be excluded from ordinary pay.

6. The gender pay gap regulations say you have to report if you have 250 or more employees. Does this refer to headcount or full time equivalent?

For the purposes of gender pay reporting, the definition of who counts as an employee is defined in the Equality Act 2010, this includes:

- employees (those with a contract of employment)
- workers and agency workers (those with a contract to do work or provide services)
- some self-employed people (where they have to personally perform the work)

Each part time worker will count as one employee for gender pay reporting purposes. If an employer uses job-share arrangements then every employee within a job-share counts as one employee each (so, if two people job-share, they would still count as two employees for gender pay reporting purposes.)

This is particularly important for employers to be aware of if they are accustomed to handling employee numbers as 'full time equivalents' because the obligation to report and the calculations that follow are based on the number of individual employees.