Employers' Gender Pay Gap Action Plans

Research Report

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1.1 Introduction

The Government has introduced gender pay gap (GPG) transparency regulations[1], which are designed to encourage large employers to take informed action to close their GPG where one exists. These regulations came into force in April 2017 and affect around 10,000 employers across the private, voluntary and public sectors in England, Scotland and Wales.

The Government Equalities Office (GEO) is developing best practice guidance for employers about producing action plans to reduce their GPG. Research was commissioned to explore how organisations who have already developed action plans have approached doing so. This work builds on insights from two previous waves of quantitative and qualitative research to explore employers' attitudes and behaviour to the regulations, and to addressing their GPG.

The action plans research consisted of two stages. The first involved identifying and reviewing 50 GPG action plans to explore their quality and content, and the results of this exercise are reported separately. The second stage consisted of 12 qualitative telephone interviews with a selection of employers who had developed action plans to explore how they were developed and to identify best practice. This report provides the findings of the second stage of the research.

It should be noted that this qualitative research is based on a small sample of employers, all of whom had produced a GPG action plan and agreed to share this with the GEO. Therefore, the findings should be treated as indicative and not representative of the wider population of employers subject to the GPG regulations.

1.2 Summary of key findings

Types of action plans

- The type, style, content and level of detail in the action plans included in this study varied considerably. Although some plans were stand-alone documents, most either formed part of the commentary that employers published alongside their GPG results to explain and contextualise them, or were part of broader equality and diversity plans. They ranged from a few short bullet points setting out broad plans to comprehensive, highly detailed and structured documents.

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[1] 'The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017' for the private/voluntary sector and 'The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017' for the public sector.

Reasons for developing action plans

- The development of GPG action plans was often closely linked to the need to calculate and publish GPG results as part of the transparency regulations. Employers were often prompted to draw up and publish action plans by having been required to go through this process. Some had been prompted to consider their approach to employment, remuneration and personal development by analysing their GPG. Others wanted to be able to demonstrate that they had been taking action on the issue to potential customers, employees or the public at large (and were continuing to do so).

- Employers had usually been taking actions which they considered to have a positive impact on their GPG for some time (even though these were not always designed with the aim of reducing GPG), and their GPG action plans were sometimes developed by collating these actions, adapting them in some way and/or building on them to address specific issues identified when calculating their GPG results.

Approach to developing action plans

- HR professionals played a pivotal role in the development of GPG action plans. They were often the driving force behind the decision to develop a plan, and usually took a central role in researching and drafting the content. However, buy-in and support from senior management was described as critical to the successful development and implementation of plans.

- Employers described the importance of collaboration and inclusivity in the development of their plans. Some had engaged with their staff in a variety of ways in order to understand perceptions of the causes of their GPG, and to help develop actions to address these.

- While all employers had taken some steps to diagnose the causes of their GPG, their approach to doing so varied considerably. Some conducted very detailed analysis of both their GPG reporting data and other relevant employee data. Doing so helped them identify specific actions which could be implemented and monitored.

- Others adopted what they saw as a more 'common sense' approach, based on narrower, less in-depth analysis of the issue. They sometimes suggested that the underlying driver of GPG was a lack of women in senior and/or high paid roles, and were developing actions which were ultimately designed to address this in some way.

The process of developing action plans

- The process of developing GPG action plans also varied. Some plans were developed in a relatively informal manner, often by one individual working independently. Others were produced in a more structured and formal manner, usually involving multiple stages of approval, consultation and sign-off and taking into account the views of a range of stakeholder groups (unions, employee groups, equality and diversity groups, remuneration committees etc.).

- Some employers advocated a systematic approach to identifying the causes of their GPG and potential actions to address them. They explained that considering the 'life-cycle' of an employee enabled them to identify issues and actions that they would not otherwise have considered.

- External support was said to be beneficial in helping employers diagnose the causes of their GPG and plan/structure their action planning to tackle it. Some had benefited from paid-for services, while others had accessed government guidance and advice from industry bodies.

- A number of education institutions in the sample were already members of the Athena SWAN charter[2], and had been using its principles to shape policies and actions for several years. They felt that the model was very comprehensive and rigorous, and reported that it had played a key role in the development of their GPG action plans (in some cases being used as the blueprint for these). However, they also noted that the application process is detailed and intensive, and requires a long-term commitment, so may not be feasible for all employers as a model from which to develop their own plans.

The future development of action plans

- In many cases, action plans were described as works in progress. Employers sometimes felt it was too soon to develop concrete plans - they were waiting to see how their GPG changed over time, or were planning additional analysis and reviews which had not yet been completed. In other cases, plans were already comprehensive and specific, but employers were aware that they could evolve and develop over time. Indeed, some stressed the importance of plans being flexible and changeable in order to be effective.

- Most employers were content that they had developed plans that met their needs. However, certain challenges and difficulties associated with developing plans were reported. These included difficulty finding the time and resources required to develop plans; difficulty gaining buy-in from senior management or other stakeholders to develop actions and/or implement them; lack of knowledge and

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[2] https://www.ecu.ac.uk/equality-charters/athena-swan

understanding about how to go about closing the GPG; and difficulty aligning the views of different stakeholders about what actions to include.

Publication of action plans

- Employers were often keen to publish their GPG action plans in order to demonstrate their commitment to closing their GPG and support their reputation as a fair and ethical employer. Others were required to do so as a matter of policy (particularly those in the public sector).

- However, some had chosen not to do so or not to publish all the details in their plans. For some, this was because their plans were still seen as 'drafts', and in others it was because they wanted to present a digestible and simple document for public consumption (rather than a long and detailed text).

Monitoring and evaluating action plans

- A range of approaches to monitoring the implementation and success of action plans was reported across the sample. Broadly, the level of formality with which evaluation and monitoring took place reflected the level of formality and structure of the plans themselves and how they were developed.

- Employers tended to evaluate the individual actions and policies contained within their plans, rather than formally evaluating the plans themselves. They adapted their approaches to doing so, depending on the specific actions included. Both hard evaluation of performance against targets (e.g. level of increase in number of women applicants at a certain pay grade) and qualitative assessment of impact (by gaining feedback from employees and managers) were reported.

Factors potentially influencing the successful development of action plans (as described by employers in the interviews):

- Involve (and gain buy-in from) a wide range of stakeholders, including senior leaders;

- Plan the development of actions in detail, allowing sufficient time for the process, accessing external assistance and, where relevant, integrating GPG into existing strategies and policies;

- Adopt a systematic approach to diagnosing the causes of GPG and developing actions to address these, involving a range of data sources;

- Allow plans to evolve and adapt over time;

- Embed actions into existing working practices.

2.   Introduction

This report details the findings from a study carried out by OMB Research, commissioned by the Government Equalities Office (GEO). The study sought to explore how employers develop action plans to close their gender pay gap (GPG). The research used a qualitative methodology and was conducted between September and November 2018.

2.1   Background

The Government has committed to close the gender pay gap. The GPG is an overall measure which reflects differences in median hourly earnings and labour market participation by gender. Currently the overall gender pay gap for all employees is 17.9%, the lowest since records began[3].

Following the second wave of the GPG Employer Insights Survey, GEO wanted to undertake a programme of research to investigate the nature and development of employers' GPG action plans. The research was needed to assist the GEO in the development of best practice guidance for employers. The primary objectives of the programme were therefore:

- To understand how plans are developed and identify 'best practice' approaches by exploring:

    o   Motivations for developing plans;

    o   The approach adopted to diagnosing the causes of their GPG and who was involved;

    o   The processes undertaken to develop plans;

    o   How decisions were taken about what to include;

- To explore how employers have monitored the implementation of their action plans, and how (if at all) they have evaluated the impact of these actions;

- To understand the role of external support in the development of action plans.

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[3] Based on Office for National Statistics analysis of median earnings for all employees (full and part time): https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018

The programme consisted of 2 stages:

- **Stage 1:** Reviewing the content of c.50 action plans from a range of different employer sizes and sectors;

- **Stage 2:** Qualitative interviews with employers that had produced action plans.

OMB Research were involved in stage 1 by gathering action plans from organisations that were willing to share them, and providing these to GEO. The GEO team then reviewed the action plans to assess their quality and identify factors which contribute to a successful plan, as well as those which may render a plan less useful in reducing GPG. The results from this stage are reported separately (forthcoming).

Following completion of stage 1, OMB Research conducted the stage 2 research. This report provides results from these qualitative interviews.

2.2 Methodology

OMB Research conducted 12 qualitative telephone interviews among employers who had produced an action plan in relation to reducing their GPG (or preventing one from developing). Interviews were conducted by OMB executives using a discussion guide developed in collaboration with GEO. They lasted approximately 30 minutes and were conducted between September and November 2018. Interviews were recorded for analysis purposes.

Participants were recruited from a list of action plans that GEO considered to be of interest (either because they were considered to be 'good' plans, or because their approach was different to that which GEO anticipated). The list was developed from the 50 action plans reviewed during stage 1 of the research programme.

During stage 1, the OMB Research team contacted employers to gain their consent for their action plans to be shared with GEO and obtain permission to re-contact them for the purpose of conducting a telephone interview in stage 2. In stage 2, the OMB Research team made contact with employers to arrange and complete the interviews. Participants were offered £50 as a token of appreciation for their time. This was given as either a payment to the participant or as a charitable donation made on their behalf.

The sample consisted of employers who had produced a GPG action plan and agreed to share it with GEO, and was further restricted to those where the action plan was deemed to be of particular interest to GEO. Therefore, it is not representative of the wider population and is likely to over-represent employers with a greater level of commitment to addressing their GPG. As such, these findings cannot be used to measure the proportion of employers adopting particular approaches to action plan development. However, the

sample did include a range of sizes and employers from both the private and public sectors.

The respondents in our sample were all HR professionals. Their specific job roles and levels of seniority varied, but all had responsibility for the development of action plans.

2.3   Analysis and reporting conventions

It should be noted that this research was based on interviews with a small sample of twelve employers. Although the weight of opinion has sometimes been provided for clarity and transparency, these findings should be treated as indicative and cannot necessarily be extrapolated to the wider population.

Direct quotations have been provided as illustrative examples. However, in some cases these have been abbreviated and/or paraphrased for the sake of brevity and comprehension (without altering the original sense of the quote).

3. Description of action plans

This chapter describes the GPG action plans developed by employers in our sample. More specifically, it covers:

- Type of plans;
- Level of detail.

3.1 Types of plans

The plans included in the research varied in their format and the context within which they had been produced. Overall, three broad types of plan were identified:

Stand-alone GPG action plans

- These were documents which exclusively covered action planning to reduce GPG. While they included GPG reporting data, they were not developed as the employer's narrative commentary.
- This type of plan was not common in our sample.

Action plans as a part of narrative commentary

- Most employers in our sample had developed this type of document. They had devised actions and policies (or collated and referenced them) and integrated these into the GPG narrative commentary which they published alongside their GPG data.
- In some cases, this commentary was described as a 'GPG report', and usually focused primarily on explaining the meaning of GPG and how it is calculated, as well as presenting the employer's GPG results and putting them into context (i.e. explaining what was causing them and comparing them with those of similar organisations). Action planning formed a part of this narrative, describing what the employer was already doing to tackle its GPG and/or its plans for doing so in the future.

  "There was a need to pull everything into one place and directly address the publication of GPG information, and the attention that gets."

Part of wider plan

- These covered a wider range of topics than GPG action planning alone. They included workplace plans and equality and diversity strategies. These documents had been developed in the past (before GPG reporting regulations) and adapted or added to after employers had calculated and published their GPG results.

"We have a detailed workplace plan. This covers the issues relating to GPG, but we have made it more explicit now."

It is important to note that some employers had two or more documents which covered GPG action planning: typically one which was published externally (usually as part of their narrative commentary), and one which was not (usually more detailed). The rationale for decisions about the level of detail to publish is explored in chapter 4.

3.2 Level of detail

The plans included in this research were quite diverse in terms of their length, coverage and level of detail.

- Plans varied in length, with some very succinct, comprising a list of short bullet points, and others running to a number of pages. The shortest plans generally did not cover as wide a range of areas and topics as longer plans. They also provided limited detail on the specific actions included or consisted of broad aspirations rather than tangible, measurable actions.

- The structure of plans was also inconsistent. Some were set out into sections and sub-sections, others were less structured in terms of their content. The exact sub-sections varied from plan to plan:
  - Some plans were structured around broad topic areas such as flexible working/family-friendly policies and practices, pay and remuneration; recruitment and talent attraction; training, coaching and mentoring. In less structured plans, these issues were also generally covered, but not necessarily organised in this way.
  - Others were structured around addressing specific issues or challenges that the employer had identified. Within the broad themes, these plans set out what they understood to be factors driving the organisation's GPG and allocated specific actions to these.

- A number of employers had developed plans that included clear attribution of responsibility for specific actions, and firm dates for following-up (e.g. review existing training opportunities by December 2018). However, others were much less specific, with actions framed in broader terms (e.g. increasing flexible working in the future).

- All plans included details of what was already being done to promote and facilitate gender equality. While some also included more information on future plans and actions, specific to closing the GPG, others were less developed in this regard.

4. Development of action plans

This chapter describes how employers approached the development of GPG action plans. More specifically, it covers:

- The triggers to developing action plans;

- Diagnosing the causes of GPG;

- Developing the content of plans;

- The evolution of plans;

- Barriers to developing plans.

4.1 Triggers to develop action plans

In most cases, employers in our sample had been prompted to develop (or refine) GPG action plans by the requirement to calculate and publish their GPG data. However, GPG action plans were not always developed as stand-alone documents, and were sometimes based on adapting existing plans and strategies.

Most employers in our sample were already taking action prior to the regulations, which was likely to have a positive impact on their GPG. This was sometimes part of a formalised equality and diversity strategy. In other cases a range of policies and practices had been developed over a period of time for various reasons, but not specifically to reduce their GPG. As such, recent activity undertaken in relation to their GPG did not always involve developing a completely new plan.

It is also important to note that the development of action plans was often considered to be a part of the development of narrative commentaries. As such, the trigger to produce a plan was said to be the need to demonstrate the importance placed on the issue of reducing GPG, and in some cases deliver this in a single, easily digestible document.

Where GPG action plans had been developed by adapting or utilising existing plans (e.g. Equal Pay action plans, Athena SWAN submissions or general equality and diversity strategies), employers explained that the original motivation for taking action came some time ago. They were not always able to pin-point specific triggers. Rather, they described how their approach to equality and diversity had evolved over time.

> *"We have been involved with Athena SWAN for over ten years, and we have been regularly doing an equal pay audit and acting on that, so there was no recent prompt to develop a plan to tackle these issues...Publishing the GPG brought an external illumination and focus to the issue."*

Some employers were also prompted to consider taking (additional or different) action by discovering the size of their GPG. They had not considered GPG as a measure before, but after making the calculations required by the regulations they realised that they could and should be doing more to promote gender parity in terms of opportunity and workforce profile.

> *"We already had an equality and diversity strategy in place, but we had not looked at GPG or equal pay issues before."*

In some cases, employers explained that the data generated by calculating their GPG results had a considerable impact among senior leaders. They explained that the simplicity of the measure meant that their board/leadership team could easily see that there was an issue that required addressing, and that this prompted a decision to start taking action and develop a plan.

> *"We got immersed in the data and presenting this in a simple and clear way to the board was very powerful. We started looking at how to present the data and then wanted to do more."*

Who made the decision to develop a plan?

In the organisations interviewed, HR Directors and their teams often played a pivotal role in the decision to develop GPG action plans. They were said to facilitate conversations with other stakeholders such as middle-tier management, trade unions and senior leaders. They were usually tasked with overseeing the publication of GPG results and narrative commentaries, meaning that they had the clearest and most comprehensive understanding of organisations' GPG status and potential ways to address it.

Figure 1 – Staff involved with decision-making about GPG action plans
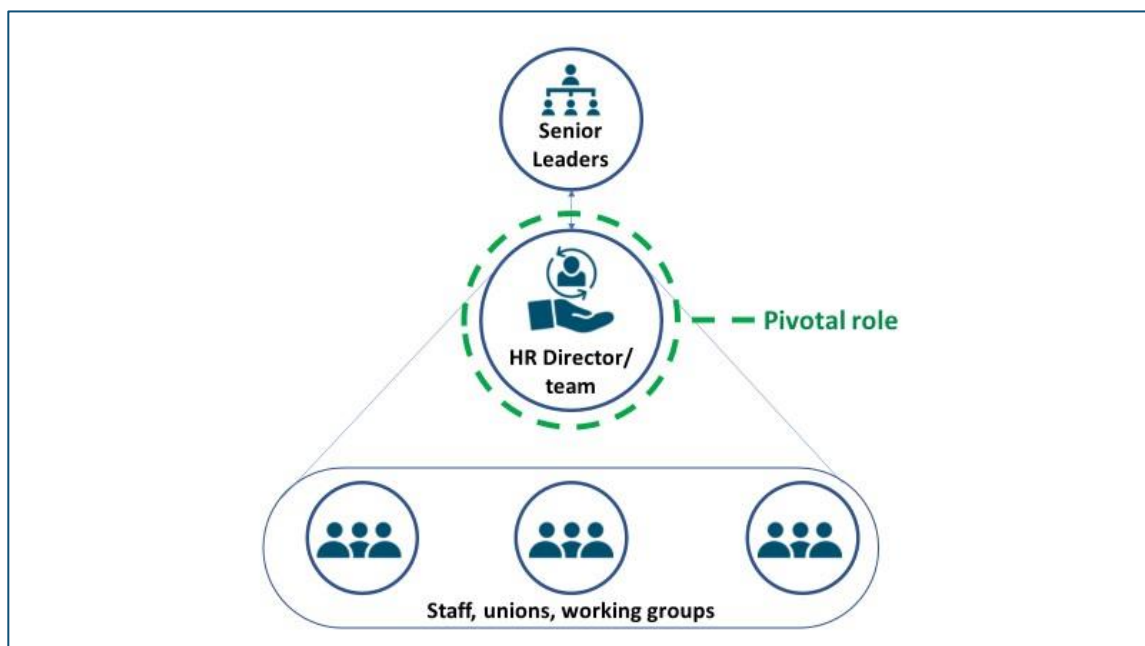
However, employers explained that the ultimate decision about whether to develop a plan (and what to include in it) was taken by senior leaders such as the board of directors or CEO. HR representatives interviewed for this study often felt that their ability to develop a comprehensive and appropriate approach to reducing their GPG was dependent on having buy-in and/or clear direction from one or more very senior people.

> *"Our newly appointed chair has said that their time in office will be judged by what happens to the GPG."*

For some, decisions were taken by HR and senior managers only. In these cases employers described close collaboration and discussion between a small number of people.

> *"It was HR who pushed the importance of tackling the GPG and drove the development of the plan, but the final decision was with the senior team."*

However, most employers in the sample engaged more widely on the decision to develop a plan. Some had set up working groups to oversee the calculation and publication of their GPG results, and used these to also make decisions about what (if any) action to take. Others engaged with their existing equality and diversity boards, panels and/or other employee groups. In a few cases, staff and unions were also involved with these early stages of decision-making.

> *"We put together a senior working group to take decisions on how to address the regulations, reporting and planning for this."*

In some cases, external influences played a role in the decision to develop a plan. Some employers commissioned HR consultants to assist with their GPG calculations, and also sought their advice on action planning. Others had purchased specialist software or researched online about reducing GPG. They reported that doing so had guided them on how to tackle their GPG, and prompted them to develop an action plan.

How were decisions to develop a plan made?

The decision-making processes described by employers varied. Some reported a fairly quick process, involving a small number of interactions between HR and senior staff. They noted that developing some form of plan was a natural and 'obvious' response to the calculation and reporting of their GPG data. For example, one employer noted that although their median GPG figure was low, their bonus gap had 'jumped out' as something that needed dealing with.

> *"We were pleased that we didn't really have a GPG, but the bonus gap really jumped out, so we realised that we should look at that and develop some sort of plan."*

In another case, the HR director had taken a unilateral decision to develop an action plan because they saw a need to address their high pay gap, and were keen to make quick progress. They had instructed a member of their team to develop the plan, giving them full autonomy in terms of its content and structure, pending senior level sign-off.

Others described a longer timeframe to come to the decision about developing their plans (sometimes described as taking a period of weeks or months). They usually described a formal approach, with a series of established protocols observed and consultation with established stakeholder groups taking place over a period of time. They made the decision about whether to develop a plan by weighing up the potential benefits and costs of doing so in some detail. They considered how likely they would be to successfully reduce their GPG, the impact of potential measures on existing policy and procedures, and the value of developing a stand-alone plan rather than amending or evolving existing strategies.

In some cases, employers described how the decision about how to approach the reporting of their GPG (and therefore the development of an action plan) had evolved through on-going discussion at a senior level about what their objectives should be.

> *"We had a senior working group in place to deal with the GPG reporting. We workshopped what our approach would be to the report and commentary and the need for an action plan evolved out of that."*

The process of deciding to develop a plan was sometimes delayed by lack of time on the part of key stakeholders such as senior managers. In addition, some employers described a degree of disagreement and debate between different stakeholders within their organisation about whether to develop an action plan.

> *"There was some tension between senior leaders and HR about how open and transparent to be in the reporting and whether to focus on justification and explanation of the GPG or more on how we were going to tackle it."*

Some employers explained that they were heavily influenced in their decision to develop an action plan by what other organisations in their sector had done. Some looked at a selection of relevant GPG narrative commentaries and plans on the GEO portal and wanted to ensure their approach was in line with them. In some cases, employers consulted informally with other organisations in their sector to discuss the most effective way to proceed.

> *"There were some meetings held behind closed doors to discuss how the sector as a whole would be approaching this."*

4.2   Diagnosing the causes of GPG

All employers in our sample had taken steps to diagnose the cause(s) of their GPG (or gender bonus gap). However, they did not all adopt the same approach to doing so. Figure 2 below shows how the different approaches to diagnosis can be categorised according to the level of detailed analysis conducted and the breadth of data sources considered.

Figure 2 – Approaches to diagnosing the causes of GPG
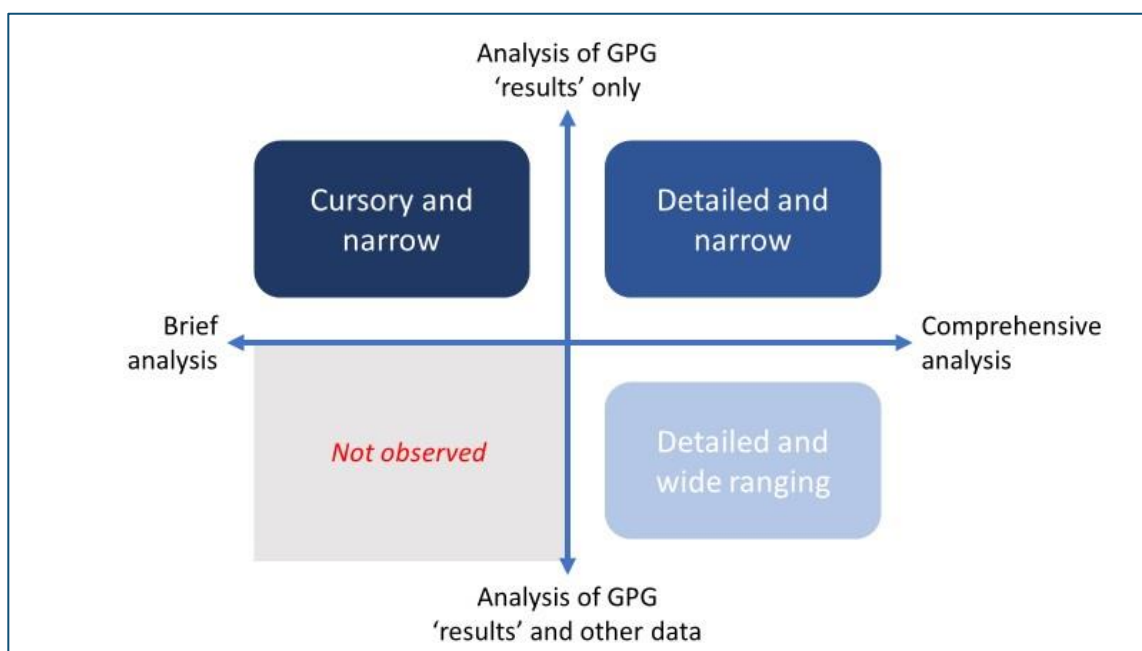
These different approaches are described in more detail below. These approaches were observed in similar proportions within our sample, but it should be noted that the sample is not representative of the population as a whole.

Cursory and narrow

- Some employers limited their analysis to a relatively quick and basic exploration of the GPG data they had been required to report by the regulations. They described an 'informed common-sense' approach to diagnosing their GPG, based more on a feel and/or previous/on-going understanding of the main drivers of GPG overall.

- In some cases, employers were not convinced that the GPG calculations painted an accurate picture of their approach to recruitment and retention of staff, and therefore did not spend very long digging into it in detail.

- For others, their existing understanding of the drivers of GPG in their organisations was derived from on-going work on gender equality more broadly, which had already revealed a high proportion of men in senior positions. As such, they felt that they needed to identify actions and measures which served to change this either directly or indirectly.

"Ultimately all the actions to tackle GPG are about finding ways of increasing the proportion of women in senior, higher paid roles."

Detailed and narrow

- Some employers limited their analysis to their GPG data, but described a more in-depth and/or systematic approach. They explained that they appointed analytical staff to cut and re-cut the data numerous ways in order to understand what was driving the result. This process enabled them to see in detail where specific issues existed and was said to have directly informed the development of specific measures.

- However, it is important to note that the objective of analysing the data in such detail was sometimes more about finding evidence to justify the headline GPG figure rather than to drive the development of actions.

  "We cut the data in lots of different ways. The senior team wanted to really know what was causing the GPG, and how we could explain that."

Detailed and wide ranging

- Some employers combined analysis of their GPG data with additional internal datasets. They explained that they collated and ran analysis on data such as the number and profile of leavers and joiners at different pay grades/departments or the gender split in uptake of flexible working or training opportunities.

- In other cases, previous diagnosis of data of this type already existed, and was used in conjunction with more targeted analysis of employers' GPG results to adapt and develop relevant actions and policies.

- A minority of employers paid for external expertise and assistance to diagnose the causes of their GPG (utilising GPG-specific software and technical support or commissioning research by academics). They used these external resources in conjunction with their own analysis of the GPG data to build a detailed picture of their GPG situation.

  "We used Gapsquare to drive the analysis, which helped us structure what we were doing."

As well as analysing other internal data, employers often also adopted a more qualitative approach to gathering evidence and knowledge about the factors driving their GPG. Some held staff focus groups or other feedback sessions to explore how women and men felt about the opportunities available to them, and to canvass views on what they believed might be driving their GPG.

"We employed an HR student from a local college to look at career progression, engagement and gender equality across the business... doing interviews, surveys and also a literature review."

Employers often noted that there was not a definitive and universally suitable way to approach the diagnosis of the causes of GPG. They felt that it was important to tailor the approach to suit specific circumstances such as size and nature of workforce or industry sector. Some also noted that understanding and diagnosing the causes of GPG should ideally form an integral part of the GPG action plan and should be reviewed and updated regularly. One employer warned against spending too much time and resource analysing GPG data in extreme detail in an effort to find very specific issues or drivers of the GPG. They felt it important to maintain a broad perspective and take decisive action in areas which will benefit staff overall and ultimately impact on GPG, rather than trying to be too targeted.

4.3   Developing the content of plans

Employers in our sample described a range of approaches to the development of their GPG action plans. There does not yet seem to be a consistent process that is widely understood and adopted by employers. The main differences in approach related to the formality of the process.

- Some plans were developed in a relatively informal manner, frequently by an individual working almost in isolation or with the support of a small team. This approach tended to lead to either less comprehensive plans (including those which essentially consisted of additional sections of narrative commentaries) or plans which were used only internally, rather than being published externally.
  - o Perhaps the least formal approach reported was from employers who had not yet developed a 'full' GPG action plan but had focused more on identifying specific actions to address their GPG in the short-term, with a view to developing a more formal plan in the future.
- Others were developed in a more formal, consultative manner. For example, teams and committees were involved in deciding what actions were included, and formal processes of feedback and sign-off were in place. These sometimes resulted in more comprehensive and detailed plans (but not in all cases).

These differences in formality influenced how decisions were made about what to include, and the processes adopted to develop plans. However, there are consistent stages that were followed, as outlined in Figure 3 and detailed below.

Figure 3 – Action plan development process
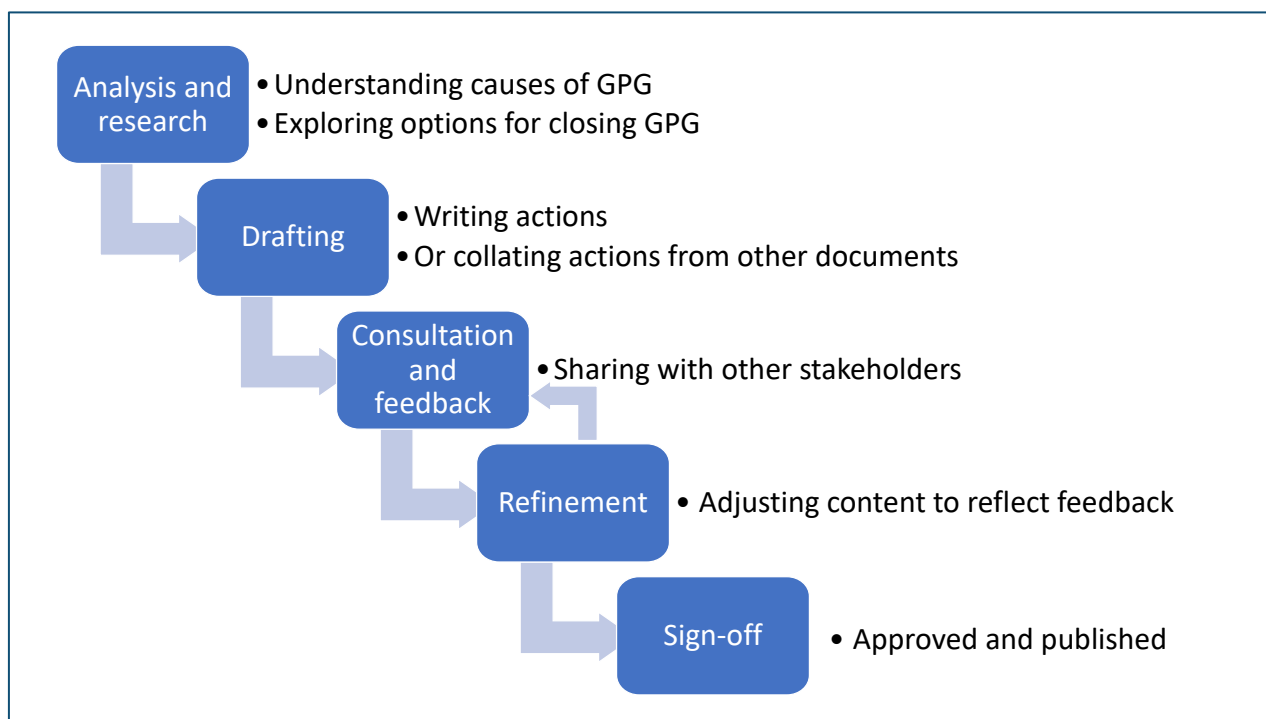
While these stages were all observed in some form across the sample, the specific approach differed (as outlined below). The time taken to complete the process varied from a few weeks to 6 months, depending on the level of formality adopted and who was involved.

Analysis and research

The initial stage of the action plan development process usually involved some form of research and consideration to firstly understand the causes of the employer's GPG, and secondly to identify and consider potential ways to address these. As outlined previously, the process of diagnosing the causes of GPG varied across the sample, as did the approach to researching and considering potential actions.

In many cases, employers felt that they were already taking actions which could (and had) contributed to reducing their GPG. Some had been through an application process that explicitly examined gender equality (e.g. Athena SWAN). Others had been conducting equal pay audits and many already had broad equality and diversity plans in place. Therefore, their approach often involved re-visiting these existing documents and either deciding which were relevant to incorporate into a new GPG action plan or re-working them to make more overt reference to reducing the GPG.

> *"A big part of the process was going through the Athena SWAN documentation and determining the most suitable elements to extract and focus on in the GPG action plan."*

Where employers had updated existing plans, they also sought to add new, specific actions which targeted certain departments or pay grades, based on analysis of their GPG data.

Some employers described a very systematic approach to identifying potential measures to include in their plans. For example, those using elements of Athena SWAN documents worked through these in a systematic manner, considering whether specific actions were relevant to their GPG or not.

Others said that they had worked through the life-cycle of a member of staff, considering what factors could be influencing their GPG at each stage. This included looking at:

- How the employer approaches recruitment (content and appeal of job adverts, approach to short-listing, potential for unconscious bias during the interviewing process);

- How the employer approaches induction and introduction to the organisation (how women and men are treated at this point and how this might impact their future aspirations);

- Working conditions and hours (availability of flexible working, shift arrangements, parental leave policies);

- Training and development policies and opportunities (relevance to different genders, availability, impact and outcomes);

- Access to support and mentoring (whether sufficient support was available and how to improve provision);

- The mechanisms for remuneration, personal development and promotion (how the systems work, and whether they potentially disadvantage women);

- Employee satisfaction and engagement (how this is measured, and any feedback elicited which indicates issues that could be relevant to their GPG).

Employers adopting this life-cycle approach explained that it had been very useful as a means of identifying issues and potential measures to address them, which they would not have considered otherwise.

> *"I went through the life-cycle, and that was extremely useful. If I hadn't done that, I would have just been thinking about the obvious issues like flexible working, and would not have considered the impact of other policies and practices on GPG."*

However, not all employers adopted this systematic approach. Some focused more on learning and understanding what other employers were doing to reduce their GPG, and/or what the advice was from government and other bodies in this area:

- One employer had been in contact with the Department for Work and Pensions and the Chartered Institute of Personnel and Development, as well as attending seminars hosted by financial institutions about how to tackle the GPG. They had used the information they were given to make a start on their GPG action plan, but described it as still very much a work in progress. The guidance they received helped them with the framework for their planning, but they were yet to conduct detailed analysis to produce specific, measurable actions.

- Others had used publicly available academic reports to understand how other employers had successfully tackled their GPG, and to understand the theory and underlying principles involved in doing so. They found that this was a useful way of building confidence that their plans were appropriate and grounded in evidence.

In some cases, this stage of initial consideration was conducted in a collaborative manner. While HR professionals often guided the process and undertook (or delegated) key tasks such as researching and analysing data, senior management and working groups were sometimes also involved. These collaborations were said to involve discussion about both the content and tone of plans, particularly when the plan was part of the employer's narrative commentary or GPG 'report'.

Some employers stressed the importance of engaging more widely with staff at this early stage of action plan development. As outlined previously, employers engaged with their staff through focus groups, surveys and informal feedback sessions to both identify drivers of the GPG, and to inform thinking about how best to address it. Some employers also tasked departmental managers to identify ways of addressing the GPG. They used the GPG data to encourage them to consider what they could do to ensure better representation of women within particular departments.

Drafting actions

Following the gathering of ideas and consideration of potential actions, employers drafted a version of their GPG action plan. It should be noted that in some cases, this stage overlapped slightly with the previous stage, with documents written while the analysis was being carried out.

This stage of the process was nearly always conducted by HR teams, and often by a key individual within them. These were usually the respondents taking part in the interview (i.e. those with responsibility for the organisation's GPG reporting), although in some cases the bulk of drafting had been carried out by either a more junior member of the HR team or in collaboration with members of the employer's equality and diversity team.

> *"I was tasked with writing the plan. I had help from my team with pulling data together and collating existing plans and policies."*

Some noted that the development and writing of the plan had taken a considerable amount of their time. This had led to some plans being less comprehensive than they would have preferred.

However, while the burden on individuals' time can be a challenge, most respondents described a high level of personal motivation to develop, implement and monitor their plans. They considered them an important part of their organisation's overall approach to delivering equality and diversity.

> *"This was a topic I felt was really important and I wanted to help the organisation deal with its GPG as effectively as we could."*

In some cases, the drafting of their plan was relatively quick and straightforward as it primarily involved duplicating existing content from other internal strategies (e.g. equal pay plan and/or equality and diversity strategy), or in some cases from other organisations' plans.

Other respondents described a longer, more involved process. Some reported initial development of general recommendations as part of the narrative commentary, which were then developed into SMART objectives. Others worked closely with their GPG data, integrating input from other stakeholders and external research to develop a structured document, covering all the actions identified through the research and consideration stage.

Consultation and feedback

All of the employers in our sample described some form of consultation and feedback on the initial draft(s) of their GPG action plan (either stand-alone, part of narrative commentary or part of a wider strategy). They explained that gaining feedback and involvement from senior staff was crucial to developing a plan which would be taken seriously internally, and be acted upon by the wider workforce.

Some noted that consultation with stakeholders played a critical role in shaping the approach to action planning. For example, one employer explained that stakeholders had encouraged them to focus on actions to change the environment in which women work, rather than trying to change women's attitudes or behaviours.

The nature of consultations and feedback varied, from large scale consultation with multiple boards, committees, staff groups and unions (more likely in large public sector organisations) through to HR managers sharing their draft GPG report (and actions) with senior management for comment and amendment.

> *"There were lots of stakeholders involved...HR people, the unions, academics and equality and diversity specialists. We have a number of established groups dealing with equality and diversity, which were also consulted on this."*

In some cases, multiple rounds of development were undertaken, with steering groups meeting to discuss drafts and suggest amendments, before a nominated individual re-authored the document accordingly. Although this process was said to take some time, it was considered important to ensure relevance and buy-in across the organisation as a whole.

> *"My team had been gathering the data and doing the analysis, and our working group had a series of meetings to develop the content of the plan over a couple of months."*

Refinement and sign-off

The final stage of the process involved making final refinements to the plans before they were signed off by senior personnel. The time taken to complete this sign-off process varied, depending on issues such as the complexity of management structures, size of employer and the nature of the plan.

Larger employers with multiple layers of management sometimes described a longer process. However, where plans consisted primarily of re-framed existing policies (e.g. equal pay audits) and actions the process was sped up, as these had usually already been signed off.

> *"The sign-off process was quite quick. Most of the measures had been looked at and signed-off before as part of the equal pay strategy."*

When plans were due to be published in the public domain, senior leaders were said to be interested in both their content and tone. They wanted to ensure that the plans (and the narrative commentary that they were sometimes embedded in) would be interpreted in the intended way.

Athena SWAN

The sample included a number of higher education institutions who had been through the process of Athena SWAN accreditation in the past. As outlined above, this process (and the plans and strategies developed as a result) were sometimes used as the basis for GPG action planning. In other cases, employers cited their ongoing Athena SWAN accreditation as one of the elements of their plans.

Employers discussed the strengths and weaknesses of the Athena SWAN model as a potential framework or template for developing GPG action plans. All agreed that the model had resulted in significant cultural change within their organisations, and that the measures put in place as a result of implementing Athena SWAN were having a positive impact on gender diversity and the opportunities for women.

"It is a really useful framework now that it has bedded in. It is very much integrated into how strategy and policy is developed at a general level, and the work that has been done around it drives conversation in policy-setting meetings."

However, it is important to note that employers usually felt the depth and detail associated with the application would not necessarily be suitable for <u>all</u> those seeking to develop GPG action plans, especially if they had not considered this issue in detail before. The following points were raised about Athena SWAN:

- Its complexity makes implementation resource intensive.

- It is challenging at first to encourage buy-in and involvement from specific departments or key individuals within them.

- It requires considerable amounts of data (e.g. regarding flexible working up-take, maternity leave etc.), which can be difficult and time-consuming to collect, especially if it has not been collected in a suitable format in the past.

Given these particular issues, employers usually felt that, on balance, Athena SWAN is not a relevant or suitable framework for developing specific GPG action plans. However, they agreed that the principles of encouraging cultural change at a deep level within the organisation and scrutinising the impact of all policies on gender pay and other diversity issues were important, and should ideally form the basis of GPG action planning.

"It can be a driver of culture change, but it takes considerable commitment and resource to do so. It would not be suitable for everyone."

4.4   The evolution of plans

The employers in our sample usually described their plans as either being in a draft stage, or existing as working documents, designed to be changed and evolved over time. Some considered the first draft to be very much a starting point for further development.

Some noted that they had not previously considered how to reduce their GPG in a detailed manner, and therefore were not sure of the impact that all the measures in their plans would have. They wanted to monitor this and develop new or different actions as and when required. They noted that some actions in their plans were more 'ambitions' than tangible policies or actions.

A number of employers stressed the importance of ongoing consultation on the actions set out in the plan (among employees and other stakeholders such as unions). Employers with experience of the Athena SWAN framework explained that the actions and strategies they had in place under that initiative had taken a number of years to develop, refine and embed into departments and teams.

Only a small minority of employers in our sample had already calculated their second year GPG results. However, they generally agreed that the ongoing measurement and reporting of their GPG data was likely to drive changes in the content of their action plans. For example, it may become necessary to focus activity on a particular department or subsidiary, or additional measures may be required if the GPG does not narrow (or increases).

However, it is important to note that while employers expected their plans to evolve to some extent, most felt that the core actions and policies would remain constant over time (e.g. encouraging more women to apply for and take up higher paid positions through promotion of flexible working, tackling unconscious bias at the recruitment stage, providing and highlighting development and training opportunities for women). This reflects the fact that employers generally agreed that in order to reduce the GPG it was essential to increase the number of women working in higher paid roles.

Furthermore, some employers whose GPG plans formed part of a wider strategy explained that these wider strategies were updated on regular 3 or 5 year cycles. Therefore, while there might be potential to implement additional measures based on future GPG measurement, the formal written plan would remain constant in the short-term.

4.5   Barriers to developing and implementing plans

Most employers in our sample had completed the development of their GPG action plans with a degree of self-reported success; they felt they had developed appropriate plans with suitable measures. However, employers reported a number of challenges and barriers associated with the development process. None were considered insurmountable, but they were said to have caused some difficulty.

- **Time pressure and resource availability:** The challenge most commonly identified was lack of time and/or resource to develop the plan and/or monitor its implementation and success. Employers noted that HR teams were charged with a wide variety of tasks, and that in order to develop an effective and suitable plan they would need to be diverted from those other tasks.

- **Gaining buy-in from management:** Developing plans can also require input and cooperation from senior management and managers of departments, divisions or subsidiaries. Some employers noted that managers often had a number of different priorities and pressures, meaning that they were not always willing and able to become involved with the development process. Furthermore, some reported concern from particular managers that the introduction of GPG reduction measures could mean that they were 'forced' to employ or promote people who were not necessarily best for the job. It was therefore considered important to

explain the importance of closing the GPG and demonstrate the commercial benefits of doing so.

- **Lack of knowledge about closing GPG:** In a minority of cases, employers explained that they had not previously considered what they needed to do to tackle their GPG. They were not aware of the types of approach they could adopt, nor how to develop an action plan. This prompted one employer to use guidance from government and industry bodies.

- **Agreeing on the best approach/strategy:** Some employers reported that a wide range of stakeholders had been involved in the development of their action plans. They noted that this often led to disagreement and debate about exactly what measures and actions to put in place. Some felt that it was not always possible to reach a compromise that all were happy with, but that it was important for pivotal stakeholders like HR directors to make difficult decisions and drive policy through where necessary.

5.   Publication of action plans

This chapter describes the approach taken by employers to publishing their GPG action plans. More specifically, it covers:

- Current approaches to publication;
- Plans for future publication.

5.1   Current approaches to publication

The vast majority of employers in our sample had made their GPG action plans available to their staff in some form. They explained that they considered it important to be transparent and open with their employees. Furthermore, they felt that sharing intended actions in a written format demonstrated and backed up a commitment to tackle the GPG issue and be accountable for doing so.

> *"It is important that staff feel included in the process and that they can see how we are developing actions."*

However, in one case the employer had not shared their action plan beyond the HR team and senior management. In this instance, the document was being used to assist the HR team with the introduction and promotion of initiatives and actions, rather than acting as a statement of intent to staff or the wider public.

The 2018 quantitative survey[4] found that 30% of employers subject to the transparency regulations planned to publish a GPG action plan, but only 16% intended to do so externally. However, in this small qualitative sample, most employers had published (or planned to publish) a version of their action plan externally. Attitudes and approaches to external publication were not consistent across the qualitative sample, with three broad approaches reported:

Full GPG action plan published externally

- Most employers in our sample had published everything they had produced in terms of GPG action planning. In some cases this was because their entire GPG action plan was part of their narrative commentary (and typically fairly brief). However, for other, more detailed action plans were also published on their websites.

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[4] "Employers' Understanding of the Gender Pay Gap & Actions to Tackle it". James Murray, Paul Rieger & Hannah Gorry, OMB Research & Government Equalities Office. December 2018.

- Motivations for publishing plans in their entirety varied to some extent, but all employers noted the benefit of demonstrating a commitment to closing their GPG to potential employees, customers and the public at large.

- Some GPG plans were part of a wider equality and diversity plan, which was made public as a matter of policy, and in turn reflected a commitment to be as open and transparent as possible. Others simply noted that there was no reason not to publish their plan.

"It is very important that we are considered a good employer in the market. This helps us achieve that."

Abridged version of GPG action plan published externally

- In some cases, employers had externally published a shortened or simplified version of their plan, while a longer and more detailed document was kept for internal use only.

- The shortened version omitted details such as the personnel or departments responsible for specific actions and detailed references to when and where policies and actions will be implemented. Employers explained that the rationale for publishing a shortened version was to ensure it was digestible and accessible for public consumption.

"There is a detailed document that is used to monitor what we are doing, but we have a summary version which helps communicate the ideas more easily. We would not publish the detailed one as it is too long."

GPG action plan not published externally

- Some employers had not published their plans in the public domain at all. Some had made reference to taking action in their narrative commentary but did not regard this as their action plan. The reason for this was either because they considered the plan as a work in progress (lacking in firm, measurable actions) or, in one case, because the plan was not produced in accordance with their corporate publication guidelines.

- These employers felt that, in the early stages of tackling their GPG, it was most important that they had a working internal document to drive conversations about policy rather than an external document to publicise that fact.

"We have not got far enough along with developing concrete actions. When we have done that in the coming months, we will look to publish."

5.2 Plans for future publication

Employers generally agreed that they would continue (or begin) to publish their GPG action plans in the future. Indeed, those who were not currently publishing externally explained that as their plans become firmer and the impacts of existing measures (so far) become evident, they would probably consider doing so.

> *"The decision whether to publish in the future would come from the senior management team. The process of signing that off would take some time."*

However, some explained that this would not necessarily be the case if they noticed their GPG widening or deemed actions in their plans to be unsuccessful. Furthermore, some employers who currently published their plans in full noted that if any future actions included sensitive commercial or operational details, they would redact these from their published versions.

6. Monitoring progress and evaluating action plans

This chapter covers how employers monitored their action plans. More specifically, it covers:

- Monitoring the implementation of action plans;
- Evaluating the success of action plans.

6.1 Monitoring implementation of action plans

Employers described a range of approaches to the implementation of their action plans. All reported some informal measures to keep track of progress and encourage relevant stakeholders to meet commitments, implement policies or provide feedback on the success of measures and initiatives. HR professionals often explained that they made efforts to meet regularly with both departmental managers and staff at all grades in order to stay informed about a wide range of issues. Since publishing their results, they were discussing GPG in this manner more than they used to.

Some employers also reported more formal, structured approaches. Some already had a number of mechanisms in place to ensure that actions were being implemented, or to hold specific teams or individuals accountable for doing so within a specified timeframe. Others had introduced new mechanisms since reporting their GPG results and developing their action plans. Examples of formal mechanisms for monitoring the implementation of plans (or targets set out in them) include:

- Setting of annual targets for specific measures related to female representation at different levels and departments;
- Setting up of new equality and diversity groups, with responsibility for monitoring progress and reporting to senior management via regular progress reports;
- Updates on progress made on specific measures in the action plans (and overall GPG reduction) included on the agenda of governing body committee meetings;
- Revising evaluation forms for training and performance management to understand the impact of changes on those attending;
- Mandated policy to include GPG programme review in broader annual HR reviews.

Some employers noted that most of the actions they had developed to reduce their GPG involved amending or adapting existing policies. They explained that these were reviewed regularly through pre-established mechanisms, on an ongoing basis. In some cases, they reported that the (likely) impact of these measures on GPG was now included within these existing review processes.

"It is a business as usual approach. We regularly review all HR policies to ensure they are being implemented, so anything new covering GPG would be included."

Some employers added that with monitoring and review processes for wider equality and diversity issues already in place, they did not have sufficient resources to set up targeted monitoring and evaluation of specific actions designed to close their GPG.

Employers in our sample often noted that a flexible and dynamic approach was necessary to ensuring plans were implemented. Some described a range of mechanisms for monitoring progress including staff surveys, monitoring whether policies are in place, writing progress reports (based on feedback gathered from staff, academics etc.).

6.2   Evaluating the success of action plans

Overall, the main measure of success was said to be whether the organisation's GPG reduced. However, none of the employers in our sample had set firm targets for reducing their overall median GPG. They noted that it is difficult to predict how quickly their GPG could be reduced and by how much. Therefore, they did not want to set targets that were either too ambitious or too modest.

Furthermore, some employers added that they did not want to focus their efforts exclusively on reducing their GPG. Some were concerned that setting firm targets may encourage positive discrimination. Others explained that they viewed having a GPG as a symptom of other factors such as a gender imbalance in certain parts of the business, which may be driven by particular policies and practices. Therefore, they placed greatest importance on ensuring a fair and ethical working environment that values and supports a diverse workforce. They explained that if they determine that this is being achieved and their GPG has not closed, the reason for this may be out of their control.

"The success of what we are doing is about making sure our policies are balanced and fair. If that is the case, there isn't much more we can do."

While employers did not set firm targets on their GPG reduction, most were planning to evaluate the success of their action plans in other ways. For some, this did not involve any formal evaluation and instead employers were planning to monitor their GPG results and maintain a dialogue between HR and other departments about how specific policies seemed to be working (e.g. up-take of training/mentoring).

"We have an overall ambition to reduce all GPG measures and close the gap, but no firm targets on that. We would simply monitor this year on year."

However, a number of employers had more concrete measures in place (often built into their plans) to evaluate the impact of individual actions and initiatives. Often, the evaluation of the success of these actions mirrored the measures taken to monitor the

implementation of their plan (as set out in the previous section). Employers explained that specific actions were considered successful for different reasons, for example:

- Level of up-take of flexible working, shared parental leave, mentoring programmes, returner schemes;

- Change in gender balance of applications for bonuses and performance rewards;

- Level of success in achieving gender balanced shortlists;

- Feedback from staff attending unconscious bias training or personal development training.

The approach to carrying out these evaluations varied. Some employers had allocated the task to specific teams or roles within their HR departments. Others described a collective approach, with responsibility for evaluating success sitting with relevant managers throughout their organisation, depending on the specific measure.

In some cases, the 'success' of actions to tackle GPG was gauged at a more qualitative level by steering groups or HR teams, and then reported back in a formal manner to key decision-makers within the organisation (e.g. governing boards).

7.   Summary of potential success factors

This chapter summarises the factors that employers raised during the qualitative interviews which can potentially impact on the successful development of a GPG action plan. This does not constitute a definitive recommendation to employers seeking to develop plans but is instead intended to give some indication of the areas to consider, based on the views of employers in the sample.

Consultation and engagement

- **Gain buy-in from senior stakeholders:** Employers stressed the importance of senior-level support for tackling GPG. They noted that it is necessary for senior managers to understand the meaning of GPG (versus equal pay), and that HR is usually responsible for delivering this. Some also noted that senior staff can be influenced by what their competitors are doing to tackle their GPG. If they can see a competitive advantage to developing and supporting a comprehensive plan, they are more likely to support it.

- **Involve a wide range of stakeholders:** The involvement of staff, unions and different levels of management was said to help deliver a plan which is fit for purpose and universally supported. Employers who engaged staff in order to understand potential causes of their GPG and consulted them on their draft plans felt that this had resulted in a richer and more relevant outcome. Those with experience of implementing similar plans in the past noted that the more staff are included in the early stages of the process, the greater their buy-in going forward.

Devising the approach to plan development

- **Allow enough time for the process:** The process of developing a GPG action plan can be quite lengthy. Employers noted that time is required to both consider in detail the approach to adopt, and to refine the content so that it reflects the issues driving GPG.

- **Use external help:** Not all employers will have a detailed understanding of GPG as a measure or of how to address it. Employers in our sample who had accessed external support and guidance felt that it delivered a useful framework to build on, and provided a degree of reassurance about the decisions made.

- **Integrate GPG into other issues:** A number of employers explained that their approach to tackling GPG was not developed in isolation. They felt that it was important that actions and measures included in any plan delivered benefits to their organisation and workforce overall, and adhered to existing policies and strategic priorities. Some also noted the importance of developing holistic approaches to equality and diversity issues, and not to focus solely on gender to

the detriment of other areas such as ethnicity or disability. A few employers were aware that new regulations on reporting the ethnicity pay gap were likely to be introduced in the future.

Analysing data and developing actions

- **Understand why the organisation's GPG exists:** Before seeking to tackle a GPG, it is important to diagnose exactly what is driving it. Some employers noted the importance of building ongoing diagnosis of the causes of GPG into action plans (covering both overall GPG measures and specific departments/pay grades).

- **Adopt a systematic approach to identifying actions:** Employers who had systematically looked at all areas of their organisation and considered the impact of existing policies on GPG (as well as how to address these) felt that this had resulted in a more comprehensive and potentially effective action plan. Using an 'employee life-cycle' or 'staff journey' approach can help achieve this. One employer also stressed the importance of taking action to change the environment in which women work (e.g. to reduce bias and imbalance), rather than seeking to 'fix women' (e.g. changing their attitudes and behaviours).

- **Use multiple data sources to analyse and plan:** Employers with previous experience of planning actions to reduce gender imbalance in their organisations noted the importance of using a range of data sources to inform thinking. It is therefore important to make data such as profile of job applicants and profile of training attendees available for analysis in an accessible format. However, one employer also noted the importance of not over-analysing or spending too much time interrogating data in detail. They felt that this could delay the decisions to take tangible actions.

Implementing actions

- **Embed actions in working practices:** Some employers with experience of Athena SWAN noted the importance of new measures and policies being seen as part of the organisation's 'business as usual' activities. They felt that resistance from staff and managers is more likely when initiatives are seen as being 'bolted on', and are therefore regarded as an additional burden without a clear benefit.

- **Let plans evolve:** Employers often described their plans as evolving, working documents. They noted that tackling GPG usually involves a multifaceted approach, utilising a range of activities. These may have varying levels of success, and their suitability may change over time. It is therefore important to revisit plans through regular monitoring and evaluation, changing and adapting them as required.