



Addressing Gender Equality: “Think, Act, Report”

1. Government has a commitment to develop a fairer and more flexible labour market that draws on the talents of all and builds a stronger economy as part of our growth agenda. This paper sets out the principles that business, unions, voluntary sector and other partners have agreed to encourage a new voluntary approach to gender equality reporting available to all private and voluntary sector organisations, but particularly those with 150 or more employees.
2. We have a shared objective of promoting gender equality in the workplace as a contribution to securing economic growth and reducing the gender pay gap. Fair access to jobs, pay levels and equal opportunities for progression are key issues for women.
3. We believe the voluntary approach to gender equality reporting is an important part of this range of measures to address the gender pay gap. We are working in partnership to develop this approach. We want organisations to take a step by step approach: starting by undertaking their own analysis of these issues, where necessary to take action to address them, and in time reporting on gender equality in their organisation, including on the gender pay gap. In short: think, act and report. We believe this approach will improve knowledge of workforce equality information and drive successful change.
4. We recognise that not everyone will be starting from the same point. Differences may be related to an organisation’s size and sector, and while some organisations will be looking at gender equality issues for the first time, there is also a lot of good practice already underway. We would expect organisations engaged with this approach to analyse and in time report on gender equality information including their participation rates and/ or their gender pay gap, as well as any other information they consider relevant in explaining and setting a future direction for action. To make this process easier, we have agreed the framework for reporting set out in the Annex. We encourage organisations to use this.

5. We also encourage organisations to engage with their employees when addressing gender equality issues. Engaged employees are not only key to growth but they are key to understanding the nature of inequalities in the workforce, such as low female participation rates at certain levels or in particular jobs, and to developing effective solutions for addressing them.
6. We recognise that improving gender equality reporting will be a progressive process. As organisational confidence and capacity builds, and the organisational benefits start to be realised, we would want to see all organisation progressing towards transparency, and reporting on a broad range of measures including the gender pay gap. Starting this process will shine a light on organisations, internally and ultimately externally, and act as a driver for change. The government will review progress annually.
7. We undertake to develop a programme of support and guidance to help organisations understand the importance of tackling gender inequalities, developing an action plan and reporting openly. All the partners developing this approach will play their part, working together to champion and take forward this voluntary approach to gender equality reporting which will include providing guidance, support and advice. As more organisations get involved, we expect good practice will evolve and there will be many ideas for actions that make a difference to workforce equality.
8. We believe the success of the voluntary approach will be increasing numbers of organisations progressing through the stages of analysis, action and reporting. The government will review over time the effectiveness of this approach, including the number of organisations reporting on gender equality information.

Partners in developing and supporting the voluntary approach to gender equality reporting:

- Confederation of British Industry (CBI)
- British Chambers of Commerce (BCC)
- Engineering Employers' Federation (EEF)
- Arbitration and Conciliation Advisory Service (ACAS)
- National Council of Voluntary Organisations (NCVO)
- Chartered institute of Personnel and Development (CIPD)
- Opportunity Now
- Trade Union Congress (TUC)
- Unite
- Equality and Human Rights Commission
- Government Equalities Office
- Department for Business, Innovation and Skills

ANNEX – Transparency framework

Organisations undertaking voluntary gender equality reporting should choose to report on the transparency measures which they consider to be the most relevant, comparable and understandable. However the Government encourages organisations to periodically undertake analysis on measures including pay to ensure their systems are fair and do not discriminate against men or women, even if they opt not to report them publicly.

Participating organisations would be expected to:

- 1) **Think** about gender equality;
- 2) **Take action**; and
- 3) **Report** on narrative measures and
 - Workforce measures; and/or
 - Pay measures.

1. Narrative: Measures that provide particularly useful contextual information

- A narrative description;
- Results of employee survey.

2. Workforce: Measures related to representation, composition and structure of the workforce

- Representation at different levels by role;
- Measures relating to representation at different bands (e.g. <£10k, £10-20k, £20-30k etc.);
- Composition of the workforce as a whole;
- Measures relating to promotion rates by gender;
- Measures relating to uptake of flexible working across the company;
- Maternity returners;
- Measures relating to representation in different occupational groups.

3. Pay Measures: Measures that directly capture the pay differences between men and women, and reward measures capturing wider pay and benefits

- Difference between average basic pay and total average earnings of men and women by grade and job type;
- Difference between men and women's starting salaries;
- Reward components at different levels;
- Full-time pay gap;

- Part-time pay gap;
- Overall pay gap.

TRANSPARENCY FRAMEWORK

Measure	What it shows	Suggested suitability
1. Narrative: Measures that provide particularly useful contextual information		
A narrative	<ol style="list-style-type: none"> 1. The context, such as female participation rates; exploration and analysis of the causes of any gender pay gaps; description of workforce involvement in addressing the issues, and actions being taken. 2. Allows organisations to highlight factor(s) to which they attach more/less importance. 3. In a narrative, employers could compare themselves to other similar organisations or provide other broader contextual information. 4. Enables organisations to highlight the talent pipeline and their commitment to increasing the number of women in senior decision-making positions. 5. Can also say whether pay audit has been conducted and whether any actions resulted. 	<ol style="list-style-type: none"> 1. Organisations of all sizes. 2. Employers could provide information that they felt to be relevant to them. 3. Could be used to explain other measures.
Results of staff survey	<ol style="list-style-type: none"> 1. Gender differences in staff survey responses, particularly in relation to employee satisfaction and discrimination. 2. This information could helpfully highlight specific areas where employers should take action to reduce gender inequality. 3. The relationship between survey results and pay is very indirect. The questions, and therefore the results, would rarely be directly comparable across organisations. 	<ol style="list-style-type: none"> 1. Organisations of all sizes (although not the very small as may encounter issues of confidentiality). 2. Employers would already be collecting this information so costs of publishing would be low. 4. Could provide useful context for other indicators.

2. Workforce: Measures related to representation, composition and structure of the workforce		
Measures relating to representation at different levels	<ol style="list-style-type: none"> 1. The proportion of men and women at different levels within the organisation e.g. board level, senior management, middle management etc. 2. This measure would give context to the pay gap figure by showing how far the differences in pay between men and women were driven by their relative seniority. 3. This information would provide evidence on “pipeline issues” for getting women onto boards as well as providing context for the gender pay gap. 	<ol style="list-style-type: none"> 1. Large organisations, and organisations that have some sort of hierarchical structure
Measures relating to representation at different levels by pay band (e.g. <£10k, £10-20k, £20-30k etc.)	<ol style="list-style-type: none"> 1. This measure would give context to the pay gap figure by showing how far the differences in pay between men and women were driven by their relative seniority. 2. This information would provide evidence on “pipeline issues” for getting women onto boards as well as providing context for the gender pay gap. 3. This would aid transparency and comparability between companies. 	<ol style="list-style-type: none"> 1. Organisations of all sizes.
Composition of the workforce as a whole	<ol style="list-style-type: none"> 1. The proportion of men and women employees in total. 2. This would provide helpful context for any other measure. 	<ol style="list-style-type: none"> 1. Organisations of all sizes. 2. Provides useful context to other measures, particularly where a very high or low proportion of employees are female.
Measures relating to promotion rates by gender	<ol style="list-style-type: none"> 1. Could be measured as average length of time at each grade or proportion of each grade being promoted in a year. 2. Would provide a useful complement to figures on representation at 	<ol style="list-style-type: none"> 1. Organisations of all sizes.

	<p>different levels.</p> <p>3. Would shine a light on whether any under-representation at senior levels is due to internal promotion issues or due to the levels at which men and women enter the organisation.</p> <p>4. Probable useful tie-in with issues relating to women in senior decision-making positions and pipe-line issues.</p>	
<i>Measures relating to uptake of flexible working across the company</i>	<p>1. Numbers of men and women using various flexible working patterns, and grades at which take up is occurring.</p> <p>2. This measure would provide useful contextual information when looked at alongside other measures such as promotion rates and maternity returners.</p> <p>3. Organisations may want to consider uptake of flexible working alongside other measures e.g. sick leave or employee satisfaction measures to consider any correlations and impacts on efficiency and productivity.</p>	1. Organisations of all sizes.
<i>Maternity returners</i>	<p>1. Proportion of mothers returning to the employer after maternity leave, potentially also covering whether or not they return to same post/grade/working pattern.</p> <p>2. Proportion of mothers still in employment a year after returning, as women may have incentives to return but leave within first year.</p> <p>3. Useful for organisations that want to see whether their investment in skills and knowledge has been retained.</p>	1. Organisations of all sizes
<i>Measures relating to representation in</i>	1. Occupational segregation is known to be a significant driver of the gender pay gap at the national level.	1. Organisations of all sizes.

<i>different occupational groups</i>	2. This measure would provide some evidence on whether pay differences within an organisation are being driven by differences in the types of jobs done by men and women.	2. More appropriate for organisations that have clear job classification systems.
<i>3. Pay Measures: pay gap measures that directly capture the pay differences between men and women, and reward measures capturing wider pay and benefits</i>		
<i>The difference between the average basic pay and total average earnings of men and women by grade and job type</i>	<p>1. This measure would provide detailed evidence of whether the pay gap is being driven by paying men and women who are doing similar jobs differently or by men and women doing significantly different jobs.</p> <p>2. This measure would show the degree to which any gaps stem from differences in basic pay or differences in other components of earnings e.g. overtime payments or bonuses.</p>	1. Medium to large organisations that have clear job grading or classification
<i>The difference between men's and women's starting salaries</i>	<p>1. This could be a useful indicator of the extent of awareness of gender equality issues.</p> <p>2. This measure would be of most use to organisations when identified by pay bands/ levels/ grade/ job type, or to give an overview of e.g. whether women are more likely to be recruited to lower paid roles.</p>	<p>1. Medium to large organisations that have clear job grading or classification otherwise it would be very difficult to interpret any differences in starting salary.</p> <p>2. Organisations that have a sufficient intake of new starters at given periods to avoid problems with statistical robustness and confidentiality.</p>
<i>Reward components at different levels</i>	<p>1. Different components of total reward (basic pay, overtime pay, bonuses, share options, pensions contribution and so on), for employees at different levels, by gender.</p> <p>2. This measure would provide a broader view of how employees are rewarded than simply their hourly pay.</p>	<p>1. Organisations of all sizes.</p> <p>2. Particularly useful to organisations that have a broader basis of pay/reward.</p>
<i>Full-time gender pay</i>	1. The difference between the median (or mean) hourly earnings of men	1. Large organisations with a statistically

gap	<p>and women calculated by reference to female full-time employees' median (or mean) pay with male full-time employees' median (or mean) pay.</p> <p>2. Compares like-with-like in terms of working patterns.</p> <p>3. It can help organisations to identify any pay inequalities of which they were previously unaware.</p> <p>4. Comparability with information from the public sector under the Public Sector Duty with potential to benchmark and sharing of good practice.</p>	<p>appropriate proportion of full-time employees.</p> <p>2. Organisations looking for a simple headline indicator of how they are performing on gender equality.</p>
Part-time gender pay gap	<p>1. The difference between the median (or mean) hourly earnings of men and women calculated by reference to female part-time employees' median (or mean) pay with male part-time employees' median (or mean) pay.</p> <p>2. Compares like-with-like in terms of working patterns.</p> <p>3. It can help organisations to identify any pay inequalities which previously unaware of.</p> <p>4. Comparability with information from the public sector under the Public Sector Duty with potential to benchmark and sharing of good practice.</p>	<p>1. Large organisations with a statistically appropriate proportion of full-time employees.</p> <p>2. Organisations looking for a simple headline indicator of how they are performing on gender equality.</p>
Overall gender pay gap	<p>1. The difference between the median (or mean) hourly earnings of men and women calculated by reference to all female employees' median (or mean) pay with all male employees' median (or mean) pay.</p> <p>2. The overall pay gap reflects the experience of <u>all</u> the organisation's employees and therefore captures pay differences between full-time and part-time employees as well as differentials within those categories.</p>	<p>1. Large organisations.</p> <p>2. Organisations looking for a simple headline indicator of how they are performing on gender equality.</p>

<i>Percentage change in gender pay gap</i>	1. The percentage increase or decrease of the difference between median (or mean) hourly earnings of men and women calculated on the basis of the full-time, part-time or overall gender pay gap, measured this year in comparison with the pay gap last year.	
---	--	--