

BEIS Gender Pay Gap report

Report for the year 2019

January 2020





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Foreword from the Permanent Secretary

As a government department responsible for delivering areas which are fundamental to the economic success of the UK outside of the European Union, Diversity and Inclusion is more important to us now than ever. We know that diverse teams and inclusive decision-making processes help us to deliver the best possible outcomes for the public.

Closing the gender pay gap through ensuring greater representation of women at senior levels in BEIS is therefore one of our key priorities. We want to develop and retain a diverse talented workforce and give everyone the opportunity to achieve their potential. This will help to make BEIS a great place to work and also help us to achieve our vision of 'an economy that works for everyone'.

Since we published our Gender Pay Gap report last year, we have taken some concrete actions to address this. In January 2019 we launched the new Shaping our Future Programme; one of the aims of this programme is to embed a truly inclusive culture within BEIS that considers Diversity and Inclusion essential to decision making, policy creation and delivery, and the BEIS working environment.

We've also launched initiatives aimed at improving our recruitment processes, which will enable us to produce more inclusive job adverts to attract more diverse candidates, and to ensure we have interview panels that are more diverse and representative. In terms of progressing and developing our people, I'm pleased that we have launched an SCS Sponsorship Scheme to support women, alongside BAME and disabled colleagues, who aspire to become part of the Senior Civil Service.

I'm also particularly pleased that our representation of women at Director level and above has increased to 41.9% from 27.7% in 2017, and that our last two appointments at Director General level have been women.

However, we know that there is still more to do. We will be monitoring our data on a regular basis and we will be using this to shape our refreshed Diversity & Inclusion strategy in 2020. I am also keen to continue working closely with our Partner Organisations so that we can support and challenge each other.

This report sets out the data for BEIS alongside what we are doing to close the gender pay gap in the organisation. This will remain a priority for us going forward in order to reach our vision of 'an economy that works for everyone'.

Alex Chisholm, Permanent Secretary

Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) has prepared this report as part of the legal requirement for public authorities to publish their gender pay gap on an annual basis.

In 2017, the government introduced world-leading legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Government departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31 March 2017.

These regulations underpin the Public Sector Equality Duty and require relevant organisations to publish their gender pay gap by 30 March annually. This includes the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of men and women employees in each pay quartile.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

The gender pay gap is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

BEIS supports the fair treatment and reward of all staff irrespective of gender. In October 2017 the <u>Civil Service Diversity and Inclusion Strategy</u> was published. This important document sets out new programmes and initiatives to realise our ambition to become the UK's most inclusive employer by 2020. The Civil Service, including BEIS, wants to create a diverse and representative workplace – one that will attract talented people from all backgrounds, and give everyone, including those already working for us, the opportunity to achieve their potential. We also want to ensure that we reach our vision of 'an economy that works for everyone', at the same time as being a great place to work.

2019 headline figures

This is the third year BEIS have published gender pay gap figures. For context, we have therefore included the figures from previous years (2017 and 2018) in our analysis (the full data is set out in annexes A and B). Please note when comparing to previous years we have for the first time presented the data to a decimal point to bring us in line with other government departments.

For 2019, the headline 2019 gender pay gap figures (for BEIS including Executive Agencies) show a **mean gender pay gap of 10.1%** and a **median gender pay gap of 10.2%**.

Gender Pay Gap	2017	2018	2019
Mean gender pay gap	12%	11%	10.1%
Median gender pay gap	15%	14%	10.2%

For core BEIS, so excluding Executive Agencies, the headline 2019 gender pay gap figures show a **mean gender pay gap is 5.5%**, and the **median gender pay gap is 12.7%**.

Gender Pay Gap	2017	2018	2019
Mean gender pay gap	9%	5%	5.5%
Median gender pay gap	15%	13%	12.7%

The general direction of travel for both the BEIS group and core BEIS is positive – with measures showing that the gaps are either reducing or remaining relatively static.

This report fulfils the department's reporting requirements, analyses the figures in more detail and sets out what we are doing to close the gender pay gap in the organisation.

Organisational context

BEIS are looking to develop and embed a truly inclusive culture that considers Diversity and Inclusion essential to decision making, policy creation and delivery, and the BEIS working environment. This will help us to deliver inclusive policies for UK businesses that create an economy for everyone, helping us to understand the real-world outcomes we deliver. It will also help us to develop and retain a diverse talented workforce and improve overall outcomes by utilising diversity of thought and place.

Our ambition is to become a role model for business and the Civil Service; taking individual and collective action to ensure effective outcomes for everyone in the UK and make BEIS a great place to work.

The data – BEIS and the Executive Agencies

The Gender Pay Gap regulations require BEIS to include its five Executive Agencies in the published figures as they are not separate legal entities. The data published on GOV.UK therefore includes; core BEIS, Companies House, the Insolvency Service, the Intellectual Property Office, the Met Office, and the UK Space Agency.

This report provides our gender pay gap, using the Government Equalities Office methodology, on the snapshot date of 31 March 2019. For bonuses, we used the period of 1 April 2018 to 31 March 2019, which was the 12 months preceding the snapshot date.

The gender pay gap for BEIS including Executive Agencies for 2019 is a **mean pay gap of 10.1%** and a **median pay gap of 10.2%**. This continues the trend for narrowing the gap and are the lowest figures to date.

The **mean bonus gap is 12.7%**, and the **median bonus gap is 17.9%**. These figures have fluctuated over the three reporting years, but are in line with previous years.

The **proportion of men and women receiving a bonus are 83.4% and 83.6%**. This is in line with 2018. As in 2017, there is a 60/40 split in favour of women in the bottom quartile, and in favour of men in the top quartile.

As demonstrated by the table below, the pay gap seems to be driven by an uneven gender split by grade. There are more men in higher grades and more women in lower grades.

Grade (increasing seniority)	Number of men (% of men who work in this grade)	Number of women (% of women who work in this grade)	% of grade that are men	% of grade that are women
AA/AO	506 (9.4%)	875 (18.3%)	36.60%	63.36%
EO	599 (11.1%)	750 (15.7%)	44.40%	55.60%
HEO/SEO/FS	2,450 (45.3%)	1,887 (39.4%)	56.50%	43.51%
G6/7	1,674 (30.1%)	1,140 (23.8%)	59.50%	40.51%
SCS	176 (3.3%)	138 (2.9%)	56.10%	43.95%
Total	5,405 (53%)	4,790 (47%)	53.00%	46.98%

Gender make-up of the department (BEIS and Executive Agencies)*

*as at 31 March 2019

The data – core BEIS

For core BEIS (excluding the Executive Agencies), the **mean pay gap is 5.5%** and the **median pay gap is 12.7%**. This is broadly in line with 2018, and a narrowing of the gaps from 2017 (see annex B).

As in previous years, the pay gap seems to be driven by an uneven gender split by grade, with more women occupying lower grades, and more men occupying higher grades (see table below).

Grade (increasing seniority)	Number of men (% of men who work in this grade)	Number of women (% of women who work in this grade)	% of grade that are men	% of grade that are women
AA/AO	50 (2.3%)	55 (2.8%)	47.60%	52.40%
EO	161 (7.3%)	245 (12.2%)	39.70%	60.30%
HEO/SEO/FS	917 (41.4%)	805 (40.2%)	53.30%	46.70%
G6/7	949 (42.8%)	780 (38.9%)	54.90%	45.10%
SCS	138 (6.2%)	118 (5.6%)	53.90%	46.10%
Total	2,215 (52.5%)	2,003 (47.5%)	52.50%	47.50%

Gender make-up of the department (core BEIS)*

*as at 31 March 2019

Closing the gender pay gap

Our processes: recruiting, retaining and developing a diverse workforce

At BEIS, we abide with the Recruitment Principles of fair and open competition with candidates selection based on merit. We are accountable to the Civil Service Commission. To ensure fairness we use the following methods:

- mandatory mixed gender sift and interview panels
- blind sifting: where all identifiable characteristics are removed
- use of specialist recruitment channels, such as VERCIDA, to advertise jobs at all levels and encourage a diverse pool of applicants
- we have a subscription with Working Mums, a jobs board that advertises part time and flexible working for parents, with a focus on mothers; our subscription includes a profile page about BEIS and positive advertisement of our flexible working policies
- profile established on the Civil Service careers website that was checked for gender neutral tones and representation
- continued use of success profiles in our recruitment processes, which is based on a
 flexible framework in assessing candidates against a range of elements using a variety
 of selection methods. Moving away from a purely competency based system of
 assessment, success profiles aims to increase finding the right person for the job,
 driving up performance and improving diversity and inclusion. We have trained
 numerous staff at BEIS to use success profiles effectively in the recruitment process in
 order to deliver these aims.
- we have held focus groups and workshops investigating how we can embed D&I strategies throughout out recruitment processes
- advertise all jobs as available for flexible working, full-time, job share or part time unless this is a very strong business case not to
- we have acquired a contract with Textio; an augmented advert writing tool that helps people write inclusive job adverts. Textio suggests changes to get a more qualified and diverse candidate pool with a focus on increasing gender neutral language in adverts. Textio scores adverts out of 100 and we are aiming for all our adverts to be at least 90 or above.
- we have rolled out Independent panel member training to increase understanding and awareness of the role of the independent panel members at interviews; which involves understanding unconscious bias and promoting diverse thought and opinion to ensure inclusion is embedded at the interview stage.

Performance management

BEIS undertook a major overhaul of its approach to performance management, with the first year (2018/19) concluding on 31 March 2019. The strategic intention of the new Performance Management approach has been to introduce a streamlined process, that helps to increase capability and growth.

The performance management approach moved us away from lengthy and bureaucratic processes, to good quality conversations with a real focus on development. This will allow us to monitor diversity of outcomes on performance more easily. The new performance management system has received very positive feedback, however more work is required to continue to embed the system before the benefits can be fully realised and assessed.

The focus for 2019 has been improvements in diversity reporting (the first quarter of 2018/19 was shared with Director Generals and trade unions/staff networks in August 2019) and ensuring best practice across directorate approaches is shared.

Flexible working

BEIS offers family friendly policies including flexible working, maternity, paternity and parental leave. We also offer job share, term-time and part time working, reduced hours and compressed hours opportunities.

Shared Parental Leave

The BEIS Shared parental leave policy provides parents with the opportunity to share the care of their baby/child in the first year following birth/adoption, while balancing their work and retaining their link to the labour market. Take up of Shared parental leave has been positive - with 25 people using shared parental leave in 2017, 36 people in 2018 and 31 people in 2019.

Learning, development and talent

The department offers a range of support and development opportunities for women, including a Women's Network and a Senior Women's Group which provides peer support and opportunities to influence the department's decision making. BEIS also already offers a number of central cross-government talent and positive action schemes, two of which are specifically aimed at women:

Crossing thresholds

A 12-month career mentoring programme for women to develop their career in a structured and supportive environment. The programme is aimed at AO-G6 staff and is delivered through facilitated modules, mentoring sessions, and peer support groups.

Positive Action Pathways

A scheme for those in under-represented groups, aimed at women, and also minority ethnic, disabled, and lesbian, gay, bisexual, and transgender (LGBT) staff in all grades from AA to G6.

The one year programme consists of development workshops, action learning sets, and onthe-job learning.

These programmes aim to overcome barriers and help women compete on equal footing for progression or other Civil Service talent schemes, such as the **Future Leaders Scheme (FLS)** and **Senior Leaders Scheme (SLS)**, which are accelerated development schemes for high potential G7s and G6s (FLS) and Deputy Directors (SLS).BEIS promotes all cross-government talent schemes through the department's diversity networks, including the BEIS Women's Network's, to encourage those from under-represented groups to apply.

In addition, in 2018 BEIS launched two internal leadership development programmes:

Aspiring Leaders programme

A 9-month programme aimed at HEOs and SEOs with the potential for progression but who have limited line management/leadership experience.

Interdepartmental Talent Partnership

A 12-month programme aimed at Grade 6/7s with the potential and aspiration to the senior civil service.

Selection for both programmes runs annually and is promoted via the Diversity Networks.

In August 2019 the department also launched a pilot **SCS Sponsorship Scheme** for women, BME, Disabled and LGBT employees at G6/7 who are on the top line of the talent grid. The aim of the scheme is to support BEIS D&I targets for an increase in representation of women, BME and Disabled staff in the SCS. The pilot will run over a 6 month period to test proof of concept with evaluation in April 2020

BEIS also has a comprehensive mentoring offer in place. This comprises:

- Mentoring: for all with an online tool to help individuals search for a mentor and/or register to act as a mentor
- Reverse mentoring: this form of mentoring is a joint HR and the Faith and Minority Ethnic (FAME) Network venture, where a person from an underrepresented group or background mentors a senior civil servant (SCS)
- Pairing for performance: this matches a member of the SCS with an upward mentor, who observes their senior partner as they undertake their work and then offers insights. The programme provides mutual benefits. Mentors gain feedback skills they can employ in many situations, and mentees receive tailored, high-quality feedback on how they act and present themselves. All grades up to G7 are eligible to participate as mentors, and SCS volunteers are welcome.

Working with the diversity and inclusion networks

BEIS diversity networks have played an incredibly important role in helping to deliver D&I activity across the department. Since the department's formation, the networks have shared the desire to celebrate difference and to improve the working lives of our people. BEIS Diversity Networks are actively consulted about policies and processes within the department before they are introduced.

Our inclusive culture

BEIS aims to embed D&I into all our key decisions on policy, procedure and process. In January 2019 we launched the new Shaping our Future Programme, which aims to make BEIS exceptional by creating a truly inclusive, professional and high performing department, exhibiting everyday excellence and modelling the progressive and industrious practices we want to see across the whole economy.

A key workstream of the programme is Diversity and Inclusion. The aim of this workstream is to develop and embed a truly inclusive culture within BEIS that considers Diversity and Inclusion essential to decision making, policy creation and delivery, and the BEIS working environment (both regarding our people and ways of working).

Over the last year we've launched initiatives to make our recruitment processes more inclusive. We've procured Textio, a piece of software which analyses the job adverts we write, particularly in terms of gender-biased language, and suggests changes to attract a more diverse candidate pool. We've also launched a Diverse Panels initiative to ensure interviews are more inclusive and representative. We are currently piloting an SCS Sponsorship Scheme to support women, BAME and disabled G6/7 staff identified as 'High Potential' or 'Excellent' on the Talent Grid and who aspire to become part of the Senior Civil Service.

We continue to monitor progress and the impact of these initiatives against our representation targets and data on a quarterly basis at Executive Committee level.

We are working closely with our Partner Organisations to monitor progress. BEIS wrote to all BEIS Partner Organisations with 150+ employees in January 2019 to encourage them to publish their 2018/2019 GPG figures voluntarily. The BEIS Diversity & Inclusion (D&I) team meets with D&I leads from Partner Organisations regularly to share best practice and provide support around a range of D&I issues, including gender pay gap reporting.

Next steps

We will continue to monitor our progress on the initiatives launched this year through ongoing collaboration with the Women's Network.

We will:

- conduct further analysis of our recruitment and talent data to ensure we offer effective support and development opportunities for underrepresented groups
- monitor outcomes from the SCS Sponsorship Scheme pilot and adapt the programme accordingly
- continue to monitor representation data against our internal targets on a quarterly basis
- use a range of organisational data to conduct a D&I maturity assessment to shape a refreshed BEIS D&I strategy for launch in April 2020
- continue to work closely with Partner Organisations to support their gender pay gap reporting and action planning

Holding ourselves to account

In partnership with our Gender Pay Gap Working Group, which includes representatives from our Women's Network, we will analyse salary, talent and recruitment data to ensure we monitor the progress on reducing BEIS gender pay gap, as well as overall representation data.

We believe the above actions will improve recruitment and progression of women and will help BEIS continue to reduce the gender pay gap.

Declaration

We confirm that data reported by the Department for Business, Energy and Industrial Strategy is accurate and has been calculated according to the requirements and methodology set out in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

Director General Corporate Services: Sarah Harrison

BEIS Permanent Secretary: Alex Chisholm

Annexes

Annex A – BEIS group figures (including Executive Agencies)

Gender pay gap (in favour of men):

Pay gap / Bonus gap	2017	2018	2019
Mean gender pay gap	12%	11%	10.1%
Median gender pay gap	15%	14%	10.2%
Mean bonus gender pay gap	12%	15%	12.7%
Median bonus gender pay gap	15%	27%	17.9%

The proportion of men and women employees paid a bonus:

Employees	2017	2018	2019
Men	80%	83%	83.4%
Women	76%	84%	83.7%

Proportion of men and women employees in each quartile:

Quartile	2017		2018		2019	
	Women	Men	Women	Men	Women	Men
Lower quartile	60%	40%	47%	53%	60%	40%
Lower middle quartile	46%	54%	59%	41%	47%	53%
Upper middle quartile	40%	60%	37%	63%	39%	61%
Upper quartile	39%	61%	40%	60%	41%	59%

Annex B – core BEIS figures (excluding Executive Agencies)

Gender pay gap (in favour of men):

Pay gap / Bonus gap	2017	2018	2019
Mean gender pay gap	9%	5%	5.5%
Median gender pay gap	15%	13%	12.7%
Mean bonus gender pay gap	3%	1%	2.7%
Median bonus gender pay gap	0%	-5%	-2.5%

The proportion of men and women employees paid a bonus:

Employees	2017	2018	2019
Men	71%	73%	73.0%
Women	71%	77%	73.8%

Proportion of men and women employees in each quartile:

Quartile	2017		2018		2019	
	Women	Men	Women	Men	Women	Men
Lower quartile	58%	42%	54%	46%	54%	46%
Lower middle quartile	48%	52%	43%	57%	47%	53%
Upper middle quartile	44%	56%	44%	56%	47%	53%
Upper quartile	42%	58%	45%	55%	43%	57%

This publication is available from: www.gov.uk/government/publications/beis-gender-pay-gap-report-and-data-2019

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