



Ministry
of Defence

Gender Pay Gap Report

Ministry of Defence Civil Servants (including MOD Agencies) &
UK Armed Forces
Report for the year 2016-2017

December 2017

Background

What is Gender Pay Gap Reporting?

Earlier this year, 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 the relevant organisations to publish their gender pay gap data by 30 March 2018 and then annually, including 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 male and female 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.

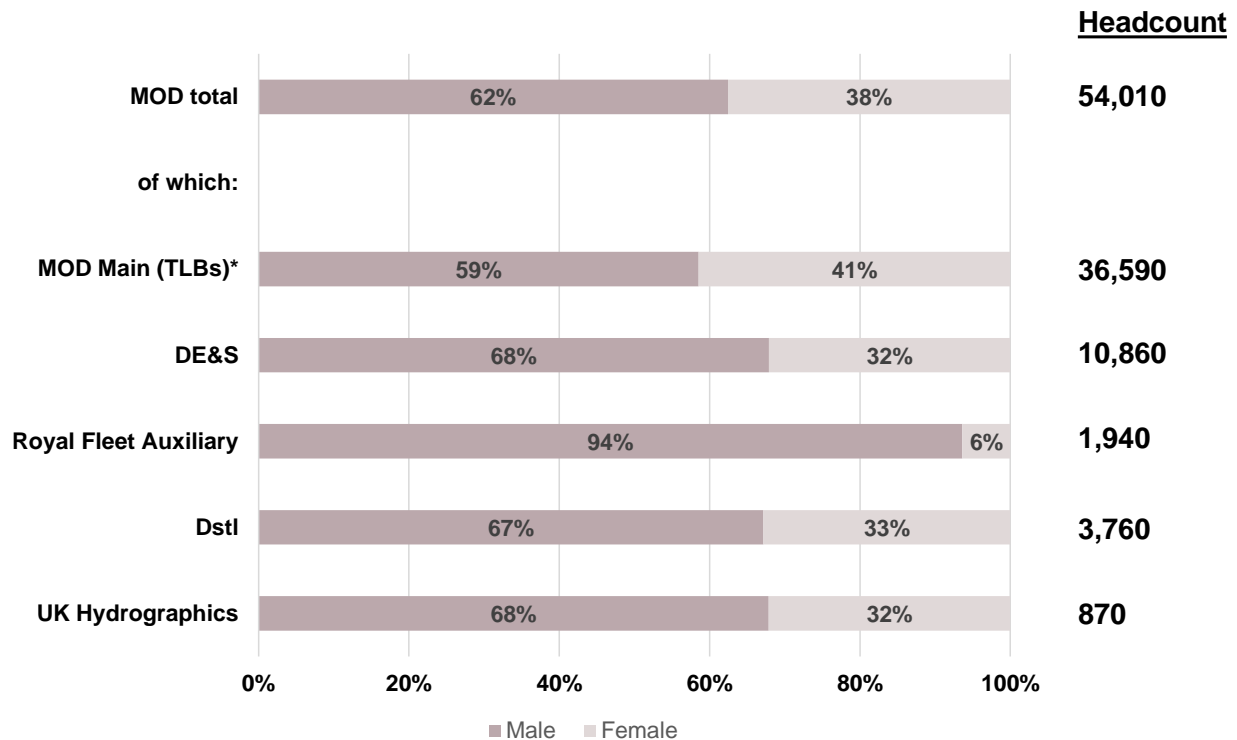
The Ministry of Defence supports the fair treatment and reward of all staff irrespective of gender. The Department is committed to developing a more inclusive culture within Defence and a diverse workforce at all levels.

This report sets out where the Ministry of Defence 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.

Analysis

The MOD has several agencies, whose staff have been included in these figures as required by the legislation. These include Defence Electronics & Components Agency (DECA), Defence Equipment & Support (DE&S), Royal Fleet Auxiliary (RFA), Defence Science and Technology Laboratory (Dstl), and the UK Hydrographic Office (UKHO).

MOD Civilian personnel, by group, and gender proportion, as at 31 March 2017



* Includes DECA.
Source: Defence Statistics (Civilian)

As at 31 March 2017, the MOD civilian personnel headcount was **54,010**¹. Within MOD Main (Top Level Budgets²) and DE&S, which made up **88%**³ of the total, the proportion of Senior Civil Servants who were women was **27.1%**.

Defence has traditionally been a male dominated organisation. As with other industries, the MOD struggles to recruit women into Science, Technology, Engineering and Maths (STEM) roles.

¹ Due to rounding, the sum of the parts may not add to the whole.

² The major organisational groupings of the MOD directly responsible for the planning, management & delivery of departmental capability.

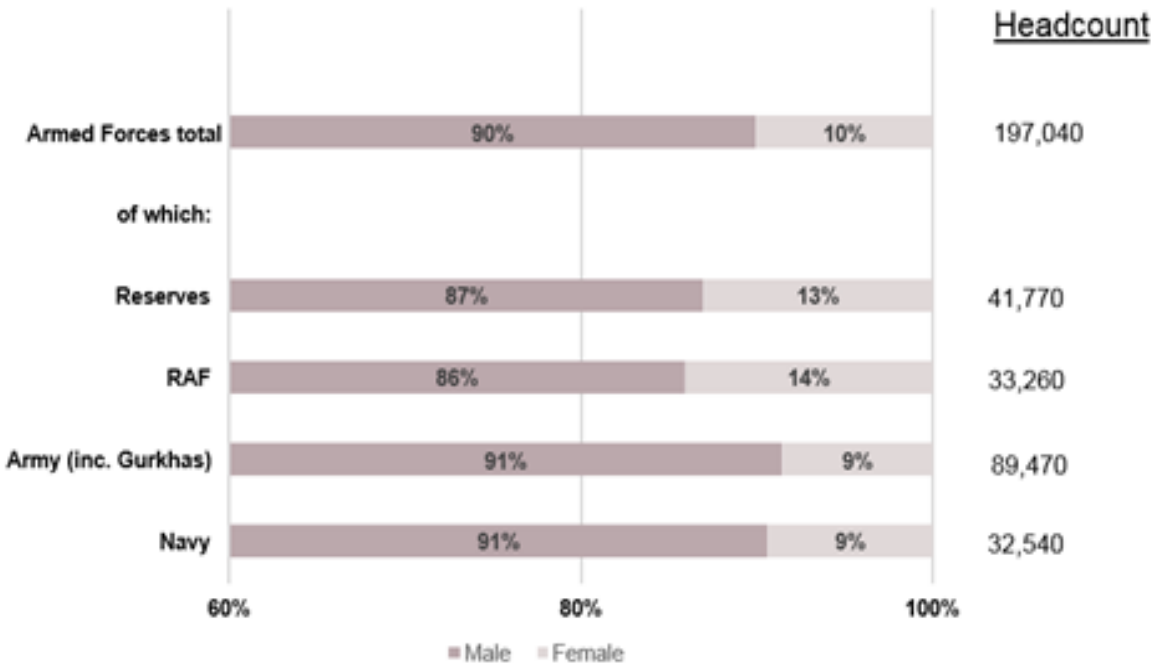
³ There are over a hundred grades that have gone into these calculations (Royal Fleet Auxiliary, Medical, Teachers, Police, Fire), of these 88% can be mapped to the Civil Service grade structure and from this we have calculated our proportion of Civil Servants that are women.

UK Armed Forces

The **UK Armed Forces** are made up of the following: the Royal Navy, Army (including Gurkhas), Royal Air Force and the Reserves.

At 31 March 2017, 10% of all staff in the Armed Forces were women.

MOD UK Armed Forces, by service, and gender proportion, as at 31 March 2017



Source: Defence Statistics (Tri-Service)

Ordinary Pay

MOD Civil Servants, the Department is reporting a mean pay gap of **12.5%** (i.e. the difference between average salaries for men and women) and a median pay gap of **14.6%**. There are two principal reasons for these figures. Firstly, there is a higher proportion of males in the more senior civilian grades, and secondly there is a greater proportion of the female population at the minimum of each pay scale. This distribution is not unexpected as it reflects the historical make-up of the Department. Men made up a greater proportion of the workforce in the past and prior to 2010 there was regular progression through the pay ranges. Therefore males have historically had a greater opportunity to move up the pay scales. Pay progression⁴ was removed in 2010. Over the past five years, MOD has made good progress in increasing the proportion of women in managerial grades which has helped to reduce the gender gap. MOD pay awards since 2013 have provided greater increases to individuals at the bottom end of each pay scale in order to shorten the gap

⁴ The Department moved away from time-served progression with effect from 2010. Since that time, any increase to pay has been through the annual pay award.

between the top and bottom of each pay scale. This has advantaged female staff and we have thus been able to reduce the gender pay gap each year since 2013. We will continue to do so.

MOD UK Armed Forces, the Department is reporting a mean pay gap of **0.93%** (i.e. the difference between mean pay for men and women) and a median pay gap of **0.22%**. There are far fewer women in the Other Ranks than men (particularly in the Army Other Ranks where women have not previously been able to apply for Ground Close Combat roles) and proportionally there are more females in the Officers ranks than in Other Ranks, compared to men.

Overall, the Department's position compares favourably with the UK's national gender mean pay gap of **18.4%**, but highlights that the MOD still has further to go.

Bonus Pay

MOD Civil Servants, for the financial year 2016/17, **38.2%** of males and **40.1%** of female employees were paid a bonus. Bonuses are awarded based on performance. There was a mean bonus pay gap of **2.9%** in favour of males but a median bonus pay gap of **-14.3%**. The main reason for this difference was that there were a large number of male staff at lower grades who received a lower end bonus.

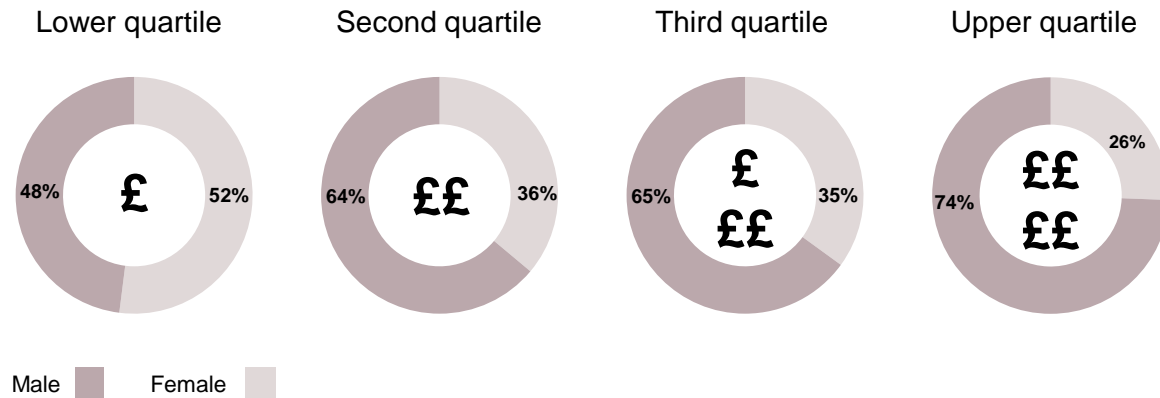
MOD UK Armed Forces, For the financial year 2016/17, there is a mean bonus pay gap of **7.88%** and a median bonus pay gap of **0%** (the same) with **20.89%** of males and **23.09%** of female employees being paid a bonus. Unlike Civil Servants in MOD, there are no performance-related bonuses for The Armed Forces. There are, however, a range of other payments which fall within the definition of a bonus which support recruitment and retention rather than rewarding good performance. The mean bonus gap reflects the fact that those areas where we have the greater recruitment and retention challenges, and so where the highest value payments are made, tend to be areas where females are most under-represented (e.g. submariners, pilots, engineers).

Pay quartiles

The pay quartiles data shows the proportion of men and women that are in each pay quartile, when we arrange staff in order of hourly pay rate.

**Civilian:
Pay quartiles**

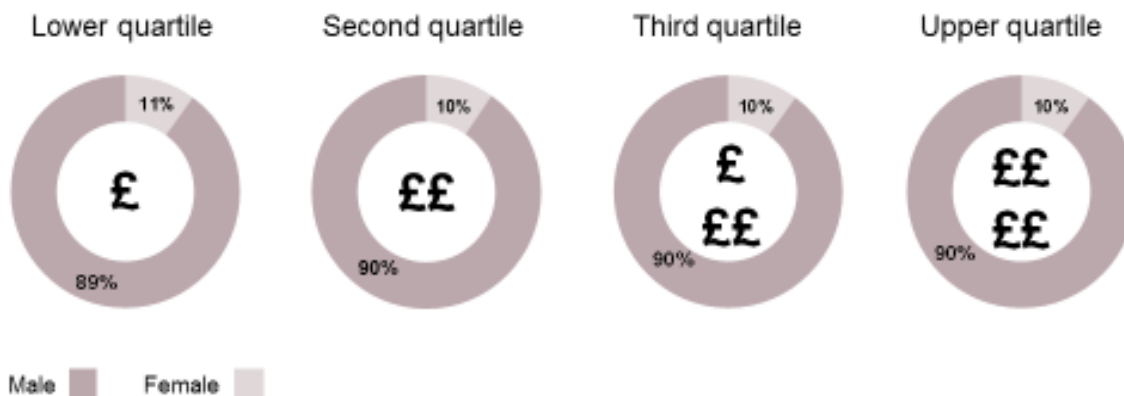
Percentage of males and females in each pay quartile (MOD Civilian personnel)



For **MOD Armed Forces**, pay scales are a function of rank, seniority and qualification and are gender blind. However, the Armed Forces are made up of **90%** males and the MOD recognises that more needs to be done to recruit, progress and retain women. A programme to address this has been implemented in order to help women better understand the range of career options available to them in the Armed Forces.

**Armed Forces:
Pay quartiles**

Percentage of males and females in each pay quartile (MOD Service personnel)



Actions

The Ministry of Defence is committed to continuing to reduce its gender pay gap and has a range of initiatives in place to do this, including:

D&I Strategy

- Refreshing its Department-wide Diversity and Inclusion Strategy to mainstream inclusion and to remove barriers to progression.

Flexible Working

- Support for civilian staff returning to work: through shared parental leave, job sharing, part time opportunities, 'Keeping in Touch' and flexible working arrangements. The Department has also updated its guidance on supporting staff returning from maternity or adoption leave. The Armed Forces have also established Maternity Divisional Officer posts around the UK to support staff during pregnancy/maternity. The MOD is part of the Sodexo Childcare voucher scheme and we have a number of onsite nurseries.
- The Armed Forces already has a range of Flexible Working opportunities in place today. From April 2019, Regular Service personnel will be able to request fixed periods of part-time working, or limited separation, as long as operational requirements allow it. We are also planning to make it easier for people to transfer between the Regulars and Reserves to make the most of opportunities within the Reserves to work on a full-time, part-time or voluntary basis

Development Programmes

- Helping women progress in their careers: through talent management schemes such as the Positive Action Pathway, open to civilians from protected characteristic groups that are not appropriately represented in MOD and the Crossing Thresholds programme.

Staff Networks

- Providing support from staff networks: the Department's Civilian and Military Gender networks run upskilling events and other activities to support women in the workplace.

Champions

- Appointing senior Gender Champions in both the Armed Forces and the Civil Service and providing mentoring, reverse mentoring and shadowing opportunities to encouraging staff to maximise their potential.

Recruitment

- Improving the recruitment process to reduce unconscious bias - in line with Cabinet Office guidance, MOD has anonymised the Civil Service job application process, and encourages diverse recruitment panels and staff engagement panels. For Senior Civil Servant vacancies, the MOD Permanent Secretary must agree for interviews to progress if no women have applied for the vacancies or have been successful at the sift stage.

- Attracting women into Senior Civil Service: we are working on targeted recruitment campaigns to improve job adverts and job descriptions, using gender neutral language and advertising more widely to encourage more women to apply.
- The UK Armed Forces are undertaking a range of activities to encourage women to join, including allowing women into Ground Force Combat roles for the first time, more targeted community engagement and marketing activities.