

Innovate UK

Gender pay gap: Innovate UK

Innovate UK: gender pay gap report

Introduction

Gender pay gap legislation (developed by the Government Equalities Office) requires all employers of 250 or more employees to publish their gender pay gap for workers in scope as of 5 April 2017.

Innovate UK

Innovate UK is the UK's innovation agency. Innovate UK works with people, companies and partner organisations to find and drive the science and technology innovations that will grow the UK economy - delivering productivity, new jobs and exports. Our aim is to keep the UK globally competitive in the race for future prosperity.

Innovate UK is an independent, non-departmental public body of the Department for Business, Energy & Industrial Strategy (BEIS).

From 1 April 2018, Innovate UK (along with 8 other councils) will form UK Research and Innovation. This gender pay gap report focuses only on relevant employees from Innovate UK as of 5 April 2017 but the future pay system may be impacted by this transition.

As of April 2017, women represented 50% of Innovate UK's 298 employees and 43% of the 7 executive board members.

Innovate UK has a Managing Diversity and Equality Policy and is committed to fair and equal opportunity in all aspects of employment, including recruitment, retention, supervision, training, development, welfare and promotion of all its employees.

Innovate UK's pay system

The Innovate UK staff base includes a broad range of scientists, engineers, technical, professional and administrative support staff, many of whom come from a commercial or business background.

Innovate UK operates a single pay system comprising grades, defined by responsibility level. This is Executive level and bands 1 to 4. Each grade has a set broad band pay range, with some overlap. These ranges are shared with staff to promote transparency, equality and understanding of the pay system.

Innovate UK operates a contractual performance related pay scheme based on achievement of objectives, assessed annually, irrespective of gender.

The annual pay review for Innovate UK has been constrained in line with public sector pay restraint to average salary (consolidated) increases of 1% from 2016 through to 2020. This applies to the civil service and other public sector employers as well as senior civil servants.

Annually, Innovate UK proposes how to utilise the average increase within its pay remit and this must be approved by BEIS before it is implemented.

Innovate UK's gender pay gap

Comparison of mean pay in Innovate UK shows a gap in favour of men of 26%

Comparison of median pay in Innovate UK shows a gap in favour of men of 36%

Innovate UK is an employer of science, technology, engineering and mathematics (STEM) career paths, with 45% of all staff falling into these roles. It is also widely acknowledged that STEM careers are male dominated. Only 26% of Innovate UK's STEM workforce are female, which, while above the national average (14%), does have an impact on the numbers of female workers in the highest paid roles within Innovate UK's bands 2 and 3 in particular.

It is important to note that the gender pay gap and equal pay are calculated differently. When we split the average pay by grade, to compare pay for equal work, the gap is reduced. Some jobs have

been allocated a lower range in the band with STEM jobs generally being recruited towards the top of the bands.

The gap between gender pay when examined by band has women paid more than men at executive level and in bands 1 and 4, and men more than women in bands 2 and 3. The much higher numbers of men than women in the upper quartile is believed to be the main cause of the difference, with jobs of like size being appointed with a range within each band.

Bonus pay

Innovate UK has a performance related pay system that provides for a lump sum award each year based on performance against objectives. The performance related pay is based on a percentage of contractual pay (varying amounts by band). This has resulted in a broadly similar pay gap to that seen in basic salary, possibly exacerbated by the higher bands receiving a higher percentage of salary, therefore inflating this effect.

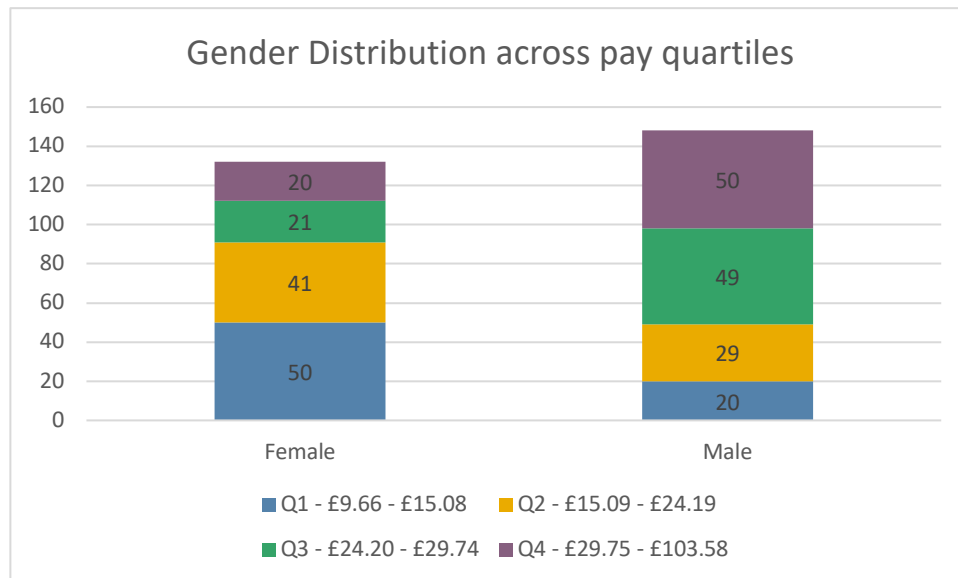
The mean bonus pay gap is 30% and the median 39% in favour of men.

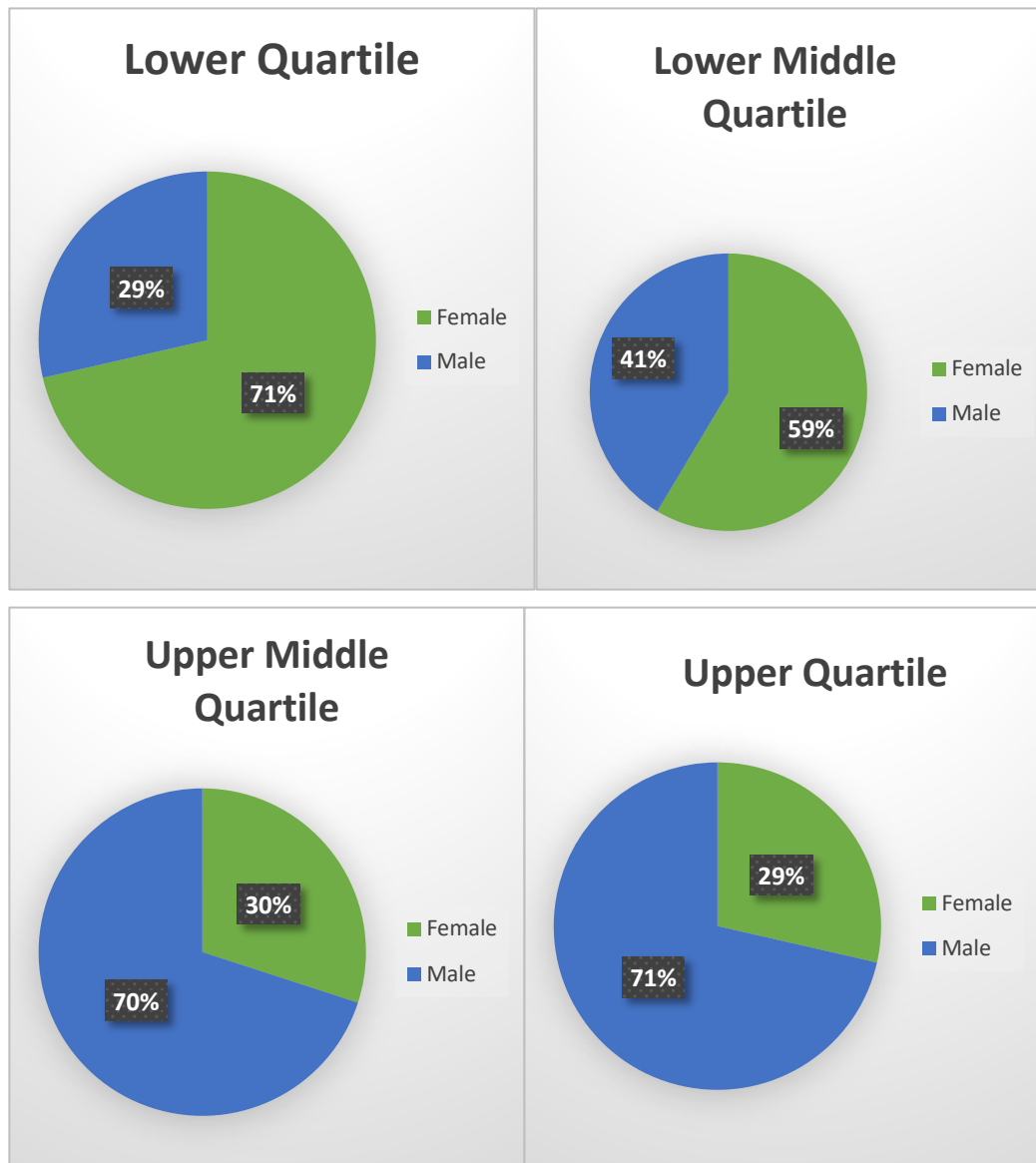
76% of women received a bonus in the relevant pay period compared to 87% of men.

Performance pay is a contractual entitlement and 100% of eligible staff received bonuses (ineligibility relates to the need for 3 months in post).

Pay by quartiles: hourly pay quartiles

Women make up 71% of the lower pay quartile and only 29% of the upper pay quartile.





Work on eradicating the gender pay gap

In Innovate UK, one approach to decreasing the gender pay gap is to address the under-representation of women within STEM roles, which are typically in the higher grades.

In order to address this under-representation, Innovate UK manages a number of initiatives aimed at increasing the recruitment and retention of women in STEM roles including:

- encouragement for staff to volunteer as STEMNET Ambassadors, with volunteer time available
- provision of policies and practices to support working parents and those returning from leave including flexible working, job sharing, parental leave, additional paid maternity and paternity leave
- training all recruiting managers to understand, identify and challenge unconscious gender bias
- running a highly successful women in innovation award, raising the profile of women in this area
- reviewing performance ratings to ensure there is no disproportionate distribution of ratings

- keeping gender pay during recruitment and internal promotions under review to ensure that there are no unjustifiable differences
- running a successful graduate scheme that has secured more female hires than male

In addition to these actions we are planning the following over the next year:

- carry out analysis and an equal pay audit in 2018 to 2019. As we will be part of UK Research and Innovation, this will not be a whole organisation equal pay audit but will address staff who remain on Innovate UK pay arrangements specifically
- review pay policy in light of the analysis carried out above
- review recruitment processes including wording in advertisements, the website and media to encourage more women to senior roles
- introduce career frameworks and development to help target male and female development needs
- advertise jobs at all levels in the organisation as flexible, part-time or a job share, unless there is a strong business case not to do so
- support women to progress to higher paid jobs through mentoring, development, and network support
- look at recruiting high potential employees to be able to offer development opportunities, rather than always looking for the finished article

Declaration

This data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

From April 2018, Innovate UK will be part of UK Research and Innovation. In the next annual reporting period (2018 to 2019), UK Research and Innovation will consolidate the data into a report presenting the whole picture as a new organisation.

Innovate UK drives productivity and growth by supporting businesses to realise the potential of new technologies, develop ideas and make them a commercial success.

Innovate UK is the trading name of the Technology Strategy Board, which is an executive non-departmental public body sponsored by the Department for Business, Energy and Industrial Strategy and incorporated by Royal Charter in England and Wales with company number RC000818. Registered office: Polaris House, North Star Avenue, Swindon SN2 1FL

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