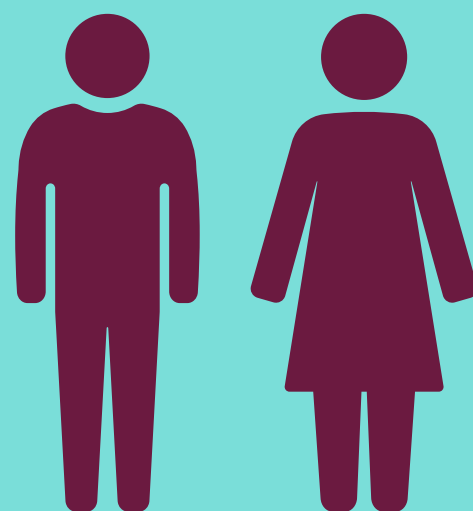


Gender Pay Gap

Report for the year 2019



Department
for Work &
Pensions



Gender Pay Gap - Report for the year 2019

Background

In 2017, the government introduced legislation making it a statutory requirement for organisations with 250 or more employees to report their gender pay gap annually. 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 each year. 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 male and female employees in each pay quartile.

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

This report fulfils DWP's reporting requirements and sets out the actions we are taking in relation to improving gender parity. This information is published on the government's designated Gender Pay Gap reporting website and the DWP intranet.

In addition to the mandatory requirements, we have chosen to carry out further analysis to better understand DWP's gender pay gap and its causes, in order to tackle it more effectively going forward.

Gender Pay Gap - Report for the year 2019

Organisational context

DWP supports the fair treatment and reward of all staff, irrespective of gender, and we are committed to making the department an inclusive place where people can be at their best. Our goal is to ensure that these commitments, reinforced by our values, are embedded in our day to day working practices with all our customers, colleagues and partners. We aim to be the most inclusive employer in the UK and be representative of the communities we serve.

We have set ourselves challenging objectives around ensuring that we have a diverse workforce which, in relation to gender, include: seeking balanced gender representation across the department; growing and supporting our internal pipeline of women progressing through the grades; and achieving gender parity for external recruitment into senior grades.

Organisation structure

As a Civil Service department we are subject to current public sector pay policy and pay restrictions and comply fully with all requirements of Civil Service Pay Guidance.

DWP uses the Civil Service grading system ranging from Administrative Assistant (administration level grades) to Senior Civil Servant (director level grades). Grades are determined by the level of responsibility that employees have in their job roles. Each grade has a set pay range, with higher grades receiving higher salaries.

Under historical contractual pay progression policy, employees moved through the pay range for their grade annually; therefore, the longer someone had spent in a grade the more we would expect them to earn, irrespective of their gender.

Due to this structure, pay gaps still exist for some grades, particularly where employees have remained on legacy terms and conditions following the introduction of the Employee Deal (ED) Collective Agreement in 2016. Automatic pay progression has ceased in DWP, and the majority of employees are now on spot rates, (where everyone within grade and pay zone is paid the same single rate); however, the historical impact still affects our gender pay gap.

DWP's annual pay award has historically consisted of two main elements:

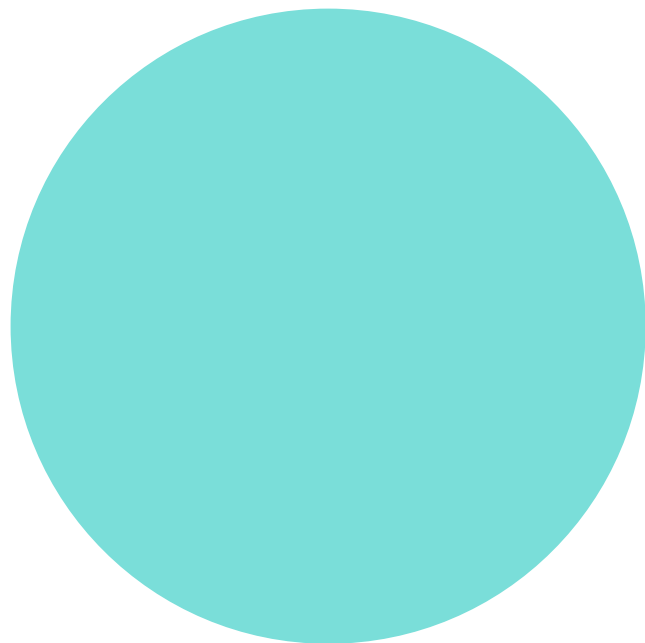
- a consolidated pay award paid to all employees
- a non-consolidated pay award dependent on performance levels

DWP's gender pay gap is not rooted in our pay strategy. We are confident that our strategy is non-discriminatory in its design and we undertake equality impact assessments and equal pay analyses to safeguard fairness.

This is further supported through our analysis, which demonstrates the pay gap to be largely attributed to the structure of the workforce, specifically the lack of female representation in higher grades and in higher paid specialist professions such as digital and technology. However, we are conscious that it needs to continue to be a key consideration as we develop our future pay approach.

DWP recognises that reporting gender pay data and analysing the reasons for the pay gap is an important step towards reducing it. Integrity is a core Civil Service value; transparency of data is critical to this.

DWP's total headcount on the 31 March 2019 snapshot date was 83,990; this represents all paid and unpaid employees. Of this number, 78,061 employees were identified as 'full pay relevant employees', as set out in the regulations, and included in the calculations. Contractors who are on DWP payroll and provide a personal service to DWP are included within these figures. DWP does not have other contractors that require inclusion in the calculations as set out in the legislation.



Gender pay gap data

Gender pay gap				
	Mean		Median	
	2018	2019	2018	2019
Pay gap	4.9%	5.2%	0.0%	0.0%
Bonus pay gap	9.9%	11.5%	4.8%	5.7%

DWP continues to have a 0.00% median gender pay gap; this is as a result of the grade distribution, whereby the median will always fall in the EO range, where most employees are on a spot rate. This compares very favorably to the median difference between men’s and women’s pay of 11.1% published by Cabinet Office in the Civil Service Statistics (July 2019), and the national average of 17.9% published in the Annual Survey of Hours and Earnings (ASHE, October 2018).

DWP gender composition

The graph on the right shows the gender composition of DWP’s workforce, that were in scope of the calculation.

This demonstrates that there were significantly more female than male employees.

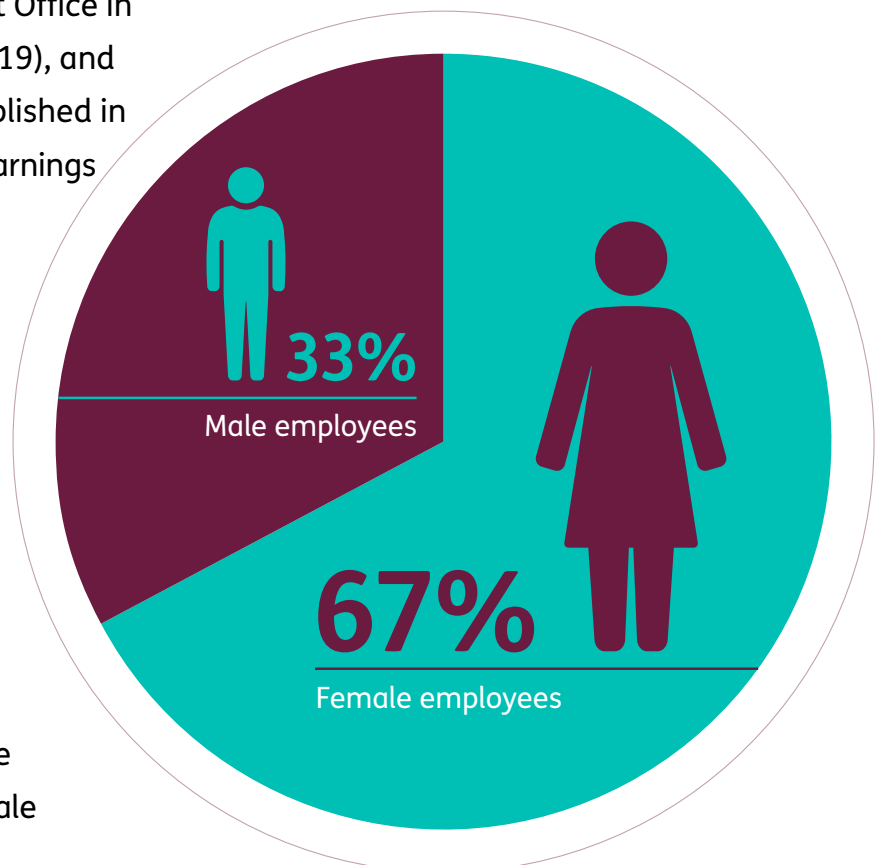


5.2%
Mean pay gap

From 4.9% in 2018

0.0%
Median pay gap

Same as 2018



We have carried out further analysis to identify and better understand the main causes of our gender pay gap so we can take mitigating action where needed.

This additional analysis identified that more women than men are employed at lower grades. In contrast, the highest paid roles are Senior Civil Servant roles where women are disproportionately represented at 44.6% compared to men at 55.4%. Whilst this demonstrates an under-representation of women in senior grades the figures have improved from 2018 (40.2% women, 59.8% men).

The following table illustrates how the gender pay gap increases as we add more senior grade groups.

Pay gap grade breakdown			
Grade	AA-HEO	AA-G6	AA-SCS
Mean pay gap	1.0%	4.5%	5.2%

When we further analyse these figures by grade we can see a slight increase in the overall GPG figure for AA to HEO grades from 0.6% in 2018 to 1.0% in 2019.

Historically, in grades AA to EO the gap has been in favour of women as they have been higher up the pay scales. This has offset

some of the GPG in the more senior grades.

As we reduce pay ranges and move towards spot rates men have received higher increases due to being lower down the pay ranges. This has resulted in less of an offset, and therefore led to a widening of the overall GPG.

Over time, as we reduce the pay ranges so all employees are on the same, or similar, rates of pay, the GPG will reduce significantly or disappear altogether in these grades. However, until we reach this point we expect the gap to continue to widen.

At SCS where the gap is widest we have exceeded gender parity in onboarding during 2018/19, with 70% of those new to SCS being female.

However, although we have made improvements in the proportion of women in more senior grades (SEO and above), our analysis shows that DWP's GPG can again be largely attributed to there being more males than females in senior level, higher paid roles.

As female representation at SCS increases we will continue to monitor rates of pay, as we know that we currently have a higher proportion of men in the upper quartiles of our pay ranges, and need to consider how we can shift this trend in future.

Employee Deal

DWP operates with two core contractual terms and conditions, with accompanying pay scales:

1. DWP's Employee Deal (ED) terms
2. DWP's historical legacy terms

ED was implemented in September 2016 to support our business transformation. Pay was one element of ED, enabling us to start to reform our pay structures by reducing the length of our pay scales, moving towards spot rates, and aligning DWP's pay rates to other Civil Service departments for grades AA to HEO (around 94% of our workforce).

All new recruits in the AA to HEO grades automatically join ED terms and conditions and we have small proportion of employees remaining on legacy terms. We have analysed the pay gaps between ED and legacy employees, to understand how they impact the overall picture.

Mean Gender Pay Gap %			
Grade	ED	Legacy	Total
AA-HEO	0.1%	2.4%	1.0%

Due to the shortening of pay scales under ED we can see significantly smaller gender pay gap figures of 0.1% at these grades, compared against 2.4% for legacy staff where pay ranges have not shortened. Whilst we recognise and anticipated a short term impact on the GPG, longer term we expect spot rates and shorter pay ranges to support in reducing it.

Bonus pay gap

The significant majority of DWP's performance bonus awards were paid as end of year awards, dependent on performance level and grade. These are paid at set values irrespective of gender or any other protected characteristic. The overall amount paid in year-end non-consolidated bonuses by DWP reduces as part of ED and therefore will form a smaller part of overall remuneration in future years.

Overall 94% of females and 91% of males were paid a bonus in the 12 months ending 31 March 2019.



Analysis revealed DWP has a mean bonus pay gap of 11.5% and a median bonus pay gap of 5.7% in favour of men. Both of these figures have increased since 2018.



11.5%
Mean bonus
pay gap

From 9.9% in 2018

5.7%
Median bonus
pay gap

From 4.8% in 2018

It's common standard practice across organisations for non-consolidated end year bonus payments to be pro-rated in accordance with the number of hours worked by each employee. Within DWP 51% of women work part-time compared to only 15% of men.

As a result, women will show as receiving disproportionately lower bonuses than men, which accounts for a significant proportion of the 11.5% bonus pay gap.

In DWP, if all bonuses were converted up to the full-time equivalent values, the mean bonus pay gap would instead fall in favour of women at -0.95%, unchanged from 2018.



An additional contributory factor is that the value of the end year performance award increases by grade and more senior grades have a higher proportion of men.

In-year recognition payments also fall within the bonus pay category; these include both cash payments and vouchers. There is no difference between the values or number of vouchers awarded to men and women. However, men tend to receive higher cash payments, resulting in the median bonus pay gap increasing from 4.8% in 2017/18 to 5.7%.

DWP is currently reviewing its approach to recognition and reward over the longer term and impact on gender and other protected characteristics forms one element of this review.

Pay by quartiles

The table below shows DWP's pay by quartiles. The quartiles approximately map with the gender composition of the department (67% female and 33% male).

Quartile	 %	 %
Lower quartile	67.72%	32.28%
Lower middle quartile	65.48%	34.52%
Upper middle quartile	70.29%	29.71%
Upper quartile	62.21%	37.79%

Figures remain broadly similar to 2018

How we are starting to address DWP's gender pay gap

Overall our analysis illustrates that DWP's gender pay gap is, in the main, as a result of the structure and gender composition of our workforce, exacerbated by the proportion of men in higher paid grades and roles compared to women. However, we know we have more work to do to improve this where possible.

Building a diverse and inclusive workforce that reflects the people we serve is one of the Civil Service's top workforce priorities. Our collective aim is to make the Civil Service the UK's most inclusive employer. Our Diversity and Inclusion Strategy outlines how we plan to achieve this. The Civil Service should create opportunities for all in a truly meritocratic way and reward all civil servants fairly, regardless of gender, ethnicity or any other personal characteristic.

DWP is committed to continuing to improve the gender pay gap. We are working closely with our Diversity and Inclusion team and other colleagues to continue to promote, build and further develop initiatives and programmes to support progress towards gender parity, making improvements in representation, and gaining insight on what works year by year.

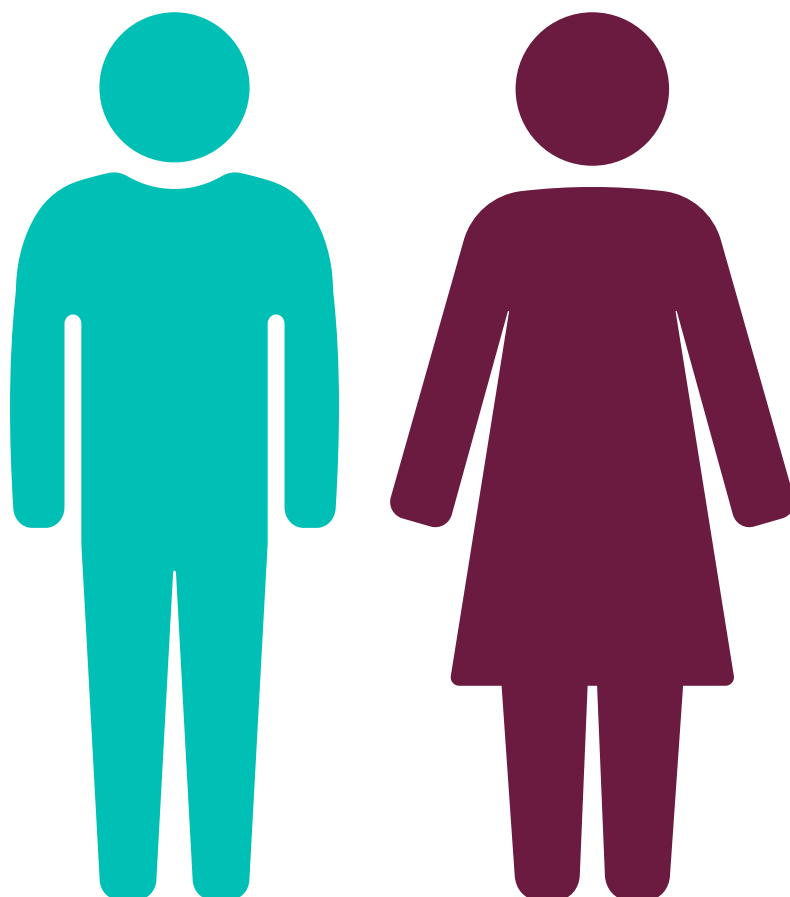
We continue to champion practices we believe should be as standard, such as name blind recruitment, as well as building on innovative actions that we cited in our report last year.

In our 2018 report, we highlighted our commitment to change, with our newly published stretching target of 50% female on-flow into the SCS, in order to tackle the lower female representation at this level. Over the last 3 years, we have seen a 5.2% increase in women in SCS roles (from 39.2% in 2017, 40% in 2018 to 44.4% in 2019). This year we exceeded the gender parity on-flow target, with 70% appointments to SCS being female.

The commitment our gender parity target was supported at the highest levels, with Director General sign off on SCS appointments, diverse panel make-up and all male shortlists by exception alongside our long standing commitment to significant investment in Civil Service talent schemes for under-represented groups. We now need to maintain this progress and build on it by encouraging greater fairness and consistency of salaries between men and women.

We have undertaken targeted work with the DWP Specialist Talent and Recruitment team to investigate and address gender balance during the attraction stage of our recruitment in areas with lower female representation. Digital Recruitment over the last three years has shown significant improvement in the numbers of female candidates hired (a year on year increase, with 27% female hires in 2017/18, 35% in 2018/19, and the figures for 2019/20 currently standing at 46%). This area has also seen a decrease of 2.3% in their mean Gender Pay Gap, down from 7.5% in 2018 to 5.2% in 2019. Work is continuing in this area, with recent funding of the Be Applied tool for six Digital recruitment campaigns, which is now being evaluated after the initial pilot phase.

In addition, we have taken new supplementary actions, piloting positive action initiatives targeting a number of areas for improvement. We have specifically targeted areas where women may be slower to gain a promotion with our Crossing Thresholds Programme pilot in Operations, and have begun supporting near misses to SCS promotion, where we introduced our “Catalyst” pilot targeted at Grade 6/7, giving them access to monthly development days (inspirational speakers, application support, confidence building and an active SCS sponsor) over a six-month period.



1. Recruitment, retention and developing a diverse workforce

DWP understands that our recruitment and retention practices are pivotal to eliminating the gender pay gap; in our organisation this means by breaking down the barriers faced by women progressing to senior roles. DWP is continuously improving how we attract women into the organisation, in both generalist and specialist roles, however our recruitment policies and selection guidance maintain the following as standard:

1.1 Implementation of ‘name-anonymised’ recruitment since 2016.

1.2 Selection panels must include female representation to ensure gender balance. DWP provides training for all selection panel members to highlight principles of fair recruitment.

1.3 Use of gender-neutral language in job adverts and inclusive language in all communications to gain the attention and interest of diverse applicants; this is done through the use of language checking software where possible.

1.4 Vacancies must be advertised as equally available to all working patterns, and must not be restricted unless there is a strong business justification. Vacancy holders must objectively consider any requests for alternative working patterns in order to attract and retain candidates that require flexible working.

1.5 We have updated our recruitment methodology and have begun using Success Profiles. The Success Profiles Framework moves recruitment away from using a purely competency based system of assessment. It introduces a more flexible framework which assesses candidates against a range of elements using a variety of selection methods. This will give the best possible chance of finding the right person for the job, driving up performance and improving diversity and inclusion. The elements that can be assessed to find the best candidate for the role are: behaviours, strengths, ability, experience and technical.

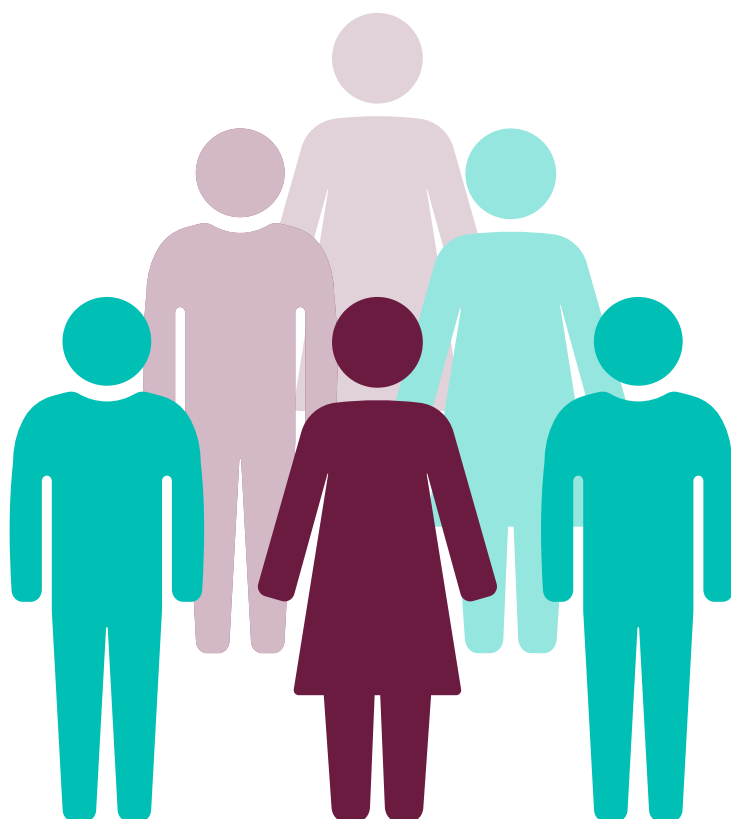
1.6 Diverse shortlists as standard, with Director General (DG) sign-off required by exception for all male interview shortlists. DG sign-off is also required for all SCS appointments.

1.7 DWP has set the target that by 2025 we will achieve gender parity of 50% for all newly promoted SCS; this figure applies only to those new to DWP, or new to the SCS role within DWP. Female on-flow to SCS for the year 2018/19 reached 70%.

1.8 Targeted work on addressing the gender balance during the attraction and recruitment stage is also being undertaken in tandem with the SCS Talent Recruitment team. This includes:

- Funding of a trial on Digital recruitment campaigns of the 'Be Applied' tool developed by the Behavioral Insights Team, which anonymises applications in order to remove bias during the recruitment process. This trial has come to an end, and we are examining the data gathered.
- Investigation into external best practice in attraction and recruitment of women into under-represented business areas – enhanced LinkedIn and Glassdoor profiles are now in place to reach a wider audience in the technical and professional sphere.

- Introduction of DWP pages on the new Civil Service Careers Website.
- Investigation into the last 12 months SCS recruitment campaigns to understand where under-represented groups fall out of the process, with a view to providing additional support, or troubleshooting any diversity issues found in our application process.



2. Progression and building a diverse talent pipeline

2.1 We continue to actively promote participation in talent and leadership development programmes including: Civil Service Positive Action Pathway (PAP), which is a development scheme only open to colleagues from diverse or underrepresented groups; Future Leaders Scheme (FLS); and Senior Leaders Scheme (SLS). We closely monitor the diversity of all applicants throughout each stage of the application processes. To help build on the levels of successful female applications, G6/7 participants in PAP applying for FLS and SLS are given a guaranteed interview, and additional support with interview preparation.

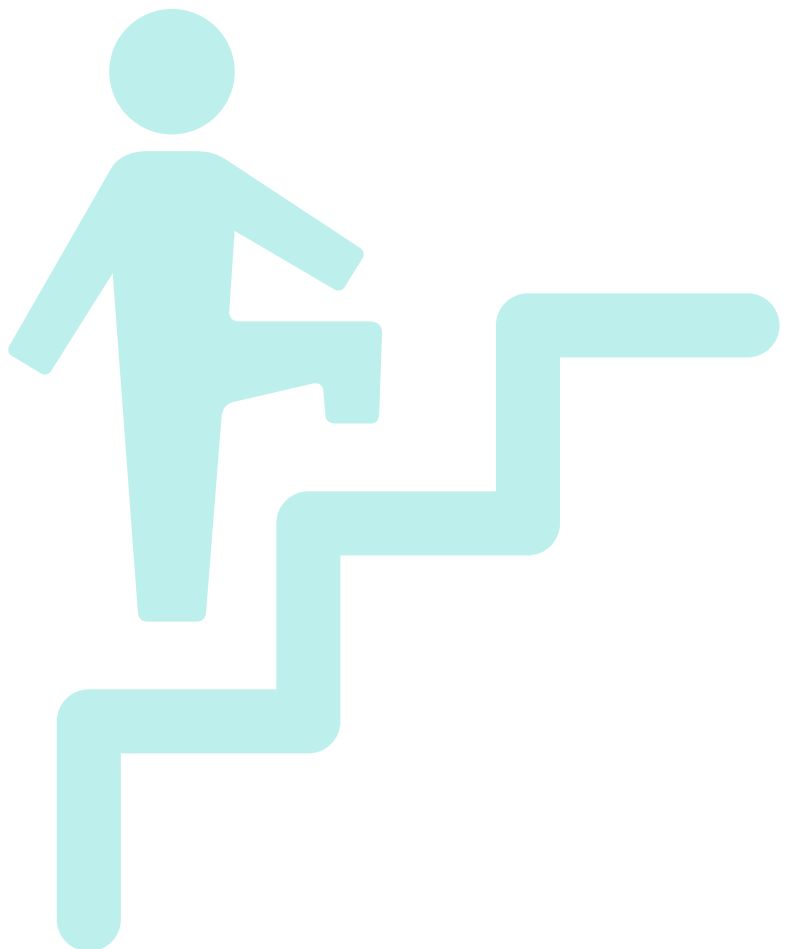
2.2 Following a recent SCS recruitment campaign, a positive action pilot 'Catalyst' was put in place to support a cohort of senior women, BAME and disabled individuals to grow confidence and reach their full potential. The pilot commenced in September 2018 and successful applicants for this year's G6/G7 PAP programme will become part of the departmental Catalyst cohort and benefit from the support and sponsorship of DWP's Talent Alliance.

2.3 Identifying and developing talent through Talent Alliance which has remained a priority with Grade 6, Grade 7 and SCS1 colleagues supported through one-to-ones, mentoring and talent events to ensure a strong succession pipeline into the SCS.

2.4 Within DWP we have a board level Gender Diversity Champion, who chairs bi-monthly Gender Steering Group meetings to identify and address gender representation and inclusion barriers. DWP also has a Deputy Director Gender Champion who is role modelling and championing gender issues. Our Gender Champions ensure senior level buy-in and commitment required for a cultural shift in this area. Some specific actions taken include:

- Funding of a Crossing Thresholds Pilot aimed at SEOs within Operations who have been identified as ready to move into a Grade 6 and Grade 7 role.
- Continued membership to Business in the Community's (BITC) Gender Campaign which we have made extensive use of to gain knowledge of best-practice, being recognised this year in the Times Top 50 Employers for Women list.

- We are currently working with BITC on a bespoke development initiative for talented women at grades EO – SEO, to ensure a healthy talent pipeline.
- Work to promote Inclusive Culture will be piloted through a planned event during National Inclusion week, with specific reference to our work on gender parity and female progression across the grades.
- Commitment to introduce a DWP Returners Programme, to support talented women on their return to DWP.



3. Career paths

3.1 Colleagues at all grades have access to a number of staff networks to support them throughout their careers and progression. Those specifically focused on supporting women include the DWP Women's Network, which has regional branch offshoots in the North East and North West, the Women in Digital Network, and the Menopause Network. The DWP Gender Champion continues to regularly meet with national staff network leads and this year funding has been made available to networks to support gender activities in service of meeting our gender objectives.

3.2 DWP also provides guidance on planning and managing long-term breaks including advice and support on how to have career interviews. We have recently committed to develop plans to introduce a DWP Returners Programme, with support from both the DG and Deputy Director Gender Champions in order to maintain the female talent within the department. We are also currently piloting 'Career Reviews' to explore career options and financial wellbeing, well in advance of retirement.

3.3 We are also participating in the Civil Service Returners Programme, which offers placements to individuals who have been out of work for an extended period and provides the opportunity to experience the breadth and depth of careers in the Civil Service. The returner placements will provide the opportunity for people to be involved in delivering key government objectives providing the chance to refresh and test their skills and experience, or build up and gain insight into new areas of interest.

4. Promoting a family friendly DWP

4.1 We at DWP actively promote flexible, home-working, job-sharing and part-time working to support employees with caring responsibilities and encourage a good work-life balance. Awareness and support of those with caring responsibilities is embedded into all of our HR policies and our commitment to this is strengthened by DWP's membership to the Employers for Carers forum.

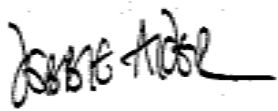
4.2 DWP is taking steps to increase the promotion of Shared Parental Leave (SPL). In order to provide parents with more flexibility in how to share time off work after their child is born or placed for adoption, we encourage and support a SPL policy that exceeds statutory provisions throughout the department.

4.3 Information on SPL is specifically targeted towards men during International Men's Day with the goal of increasing awareness and uptake amongst men. We are reviewing our intranet pages to ensure information regarding policies on childcare and carers leave is delivered in a gender balanced fashion.

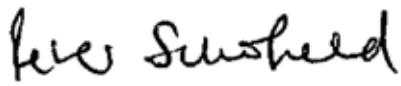
4.4 The 'I Can be me in DWP' campaign was launched in September 2017 during National Inclusion week, with the simple aim to encourage and enable people and teams to talk about inclusion openly, and what it takes for them to feel they can be themselves at work. Sharing of 'I Can Be Me' stories to promote inclusion and increase awareness and understanding of personal differences has included candid stories and blogs from Senior Leaders on their own personal and family circumstances. The campaign has not only brought inclusion to the forefront, but has driven a cultural shift towards embracing that we are all individuals with lives and responsibilities outside of the workplace that can affect our health, wellbeing and work. Through 'I Can Be Me' colleagues are now proactively sharing their stories and are encouraged to ask DWP for what they need to bring their full self to work.

Declaration

We confirm that data reported by DWP 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, People and Capability:
Debbie Alder



DWP Permanent Secretary:
Peter Schofield





Department
for Work &
Pensions

Designed by the
Department for Work & Pensions
Date: December 2019
© Crown copyright