



Ministry
of Defence

Gender Pay Gap Reporting Year 2020

Ministry of Defence UK Armed Forces Report.
(snapshot taken 31st March 2020)

18 November 2020

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Background

What is Gender Pay Gap Reporting?

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 gaps¹; 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, broadly similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

Building a diverse and inclusive workforce that reflects the people we serve is one of the Civil Service's top workforce priorities. It is also a Defence People Strategic Objective, "To develop a more inclusive culture within Defence and a more diverse workforce at all levels" as stated in the MOD's Diversity and Inclusion Strategy². The Civil Service and MOD Diversity & Inclusion Strategies outline how we plan to achieve this.

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 information fulfilling the Department's reporting requirements, analyses the figures in more detail and describes what we are doing to close the gender pay gap in the organisation.

Declaration

We confirm that data reported by the Ministry of Defence 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.

Chief of Defence People: Lt Gen James Swift

MOD Permanent Secretary: Stephen Lovegrove

¹ Based on average hourly pay

² [Defence diversity and inclusion strategy 2018 to 2030: A force for inclusion](#)

Headlines

UK National gender median pay gap 2020 was **15.5%**³, MOD UK Armed Forces compares favourably with this:

Gender Pay Gap:

UK Armed Forces

Median pay gap of **0.78%**, a rise of **0.32 percentage points** from last year.

Mean pay gap of **1.23%**, a rise of **0.35 percentage points** from last year.

Bonus Pay Gap:

UK Armed Forces

Median bonus gap of **3.47%**, a rise of **3.47 percentage points** from last year.

Mean bonus gap of **15.17%**, down **2.86 percentage points** from last year.

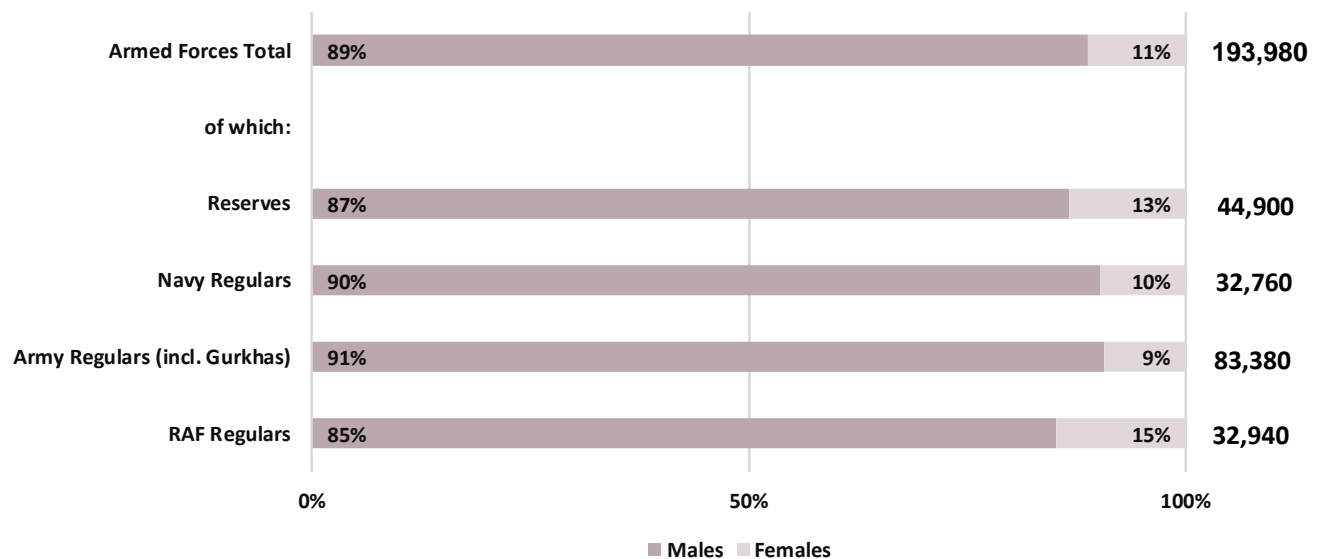
³ The UK National Median figure quoted as **15.5%** is for 2020 as quoted in the 'Annual Survey of Household Earnings (ASHE)'. Which can be found here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

Analysis

UK Armed Forces

The **UK Armed Forces** is defined as: Royal Navy and Royal Marines, Army (including Gurkhas), Royal Air Force. These all include the respective Reserve forces.

Table 1. MOD UK Armed Forces, by Service, and gender proportion, as at 31 March 2020



Gender Pay Gap

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. However, a range of activities to promote opportunities for women in Defence take place annually, including increasing outreach, particularly with a STEM focus, and the recent signing of the Women in Defence Charter.

MOD UK Armed Forces:

As at 31 March 2020 the Department is reporting a median pay gap of **0.78%**, a rise of **0.32 percentage points**, and a mean pay gap of **1.23%**, a rise of **0.35 percentage points** from last year.

There has been a very small increase in the Armed Forces median pay gap this year of **0.32 percentage points**⁴. There are far fewer women in the Other Ranks⁵ than men. Proportionally there are more women in the Officer ranks than in Other Ranks. The single Services continue to promote career opportunities to young women through a range of channels including innovative television adverts and career fairs. All roles across the Armed Forces, including Ground Close Combat, are open to women.

In 2017 when Defence published its first Armed Forces gender pay gap report narrative the issue was not about the gender pay gap but about the overall numbers of women in the Armed Forces and their seniority. As female representation increases within the military, over time this will result in the mean/median GPG figures diverging, reflecting the fact that the Services remain largely bottom-fed organisations where all improvements in female recruiting will initially serve to drive up numbers in the bottom quartile and so pull down the female averages compared to the male.

Overall, the Armed Forces compares favourably with the UK's national gender pay gap of **15.5%**⁶ for 2020, but highlights that the MOD still has further to go. We will continue to look for ways in which this may be reduced yet further⁷.

Bonus Pay Gap

MOD UK Armed Forces:

For the financial year 2019/20, there is a median bonus pay gap of **3.47%**⁸, and a mean bonus pay gap of **15.17%** a decrease of **2.86 percentage points**. The percentage of personnel receiving a bonus was **24.51%** of males and **25.59%** of females, this represents an increase from last year of **4.18 pp** and **2.24 pp** respectively.

There are no performance-related bonuses for the Armed Forces. There are, however, a range of other payments which fall within the legislation's definition of a bonus, and which mainly support recruitment and retention rather than rewarding good performance. The mean gap reflects the fact that higher bonus payments are made to professions where women remain heavily under-represented e.g. submariners, pilots, engineers. All roles in the Armed Forces are open to women (including those that receive the higher value payment), over time we would expect see a decrease in the mean bonus pay gap. This year's figures seem to support that expectation.

⁴ In favour of men

⁵ Other Ranks in the Armed Forces refer to personnel who are not commissioned officers. The ranks for the Royal Navy and Royal Marines are: Warrant Officer Class 1 and 2, Chief Petty Officer, Colour Sergeant, Petty Officer, Sergeant, Leading Rate, Corporal, Lance Corporal and Able Rate. For Army these ranks are: Warrant Officer Class 1 and 2, Staff Sergeant, Sergeant, Corporal, Lance Corporal and Private. For RAF these ranks are: Warrant Officer, Flight Sergeant, Chief Technician, Sergeant, Corporal and Aircraftmen/women.

⁶ The UK National Median figure quoted as **15.5%** is for 2020 as quoted in the 'Annual Survey of Household Earnings (ASHE)'. Which can be found here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

⁷ See 'Actions' on pages 8.

⁸ The median bonus payment is **£1,810** for females. Although the most received bonus for both genders is still 'Annual Bounty Payment' which is awarded to Reservists, the median for males falls on 'Commitment bonus 11' awarded to Reservists which has the slightly higher value of **£1,875**.

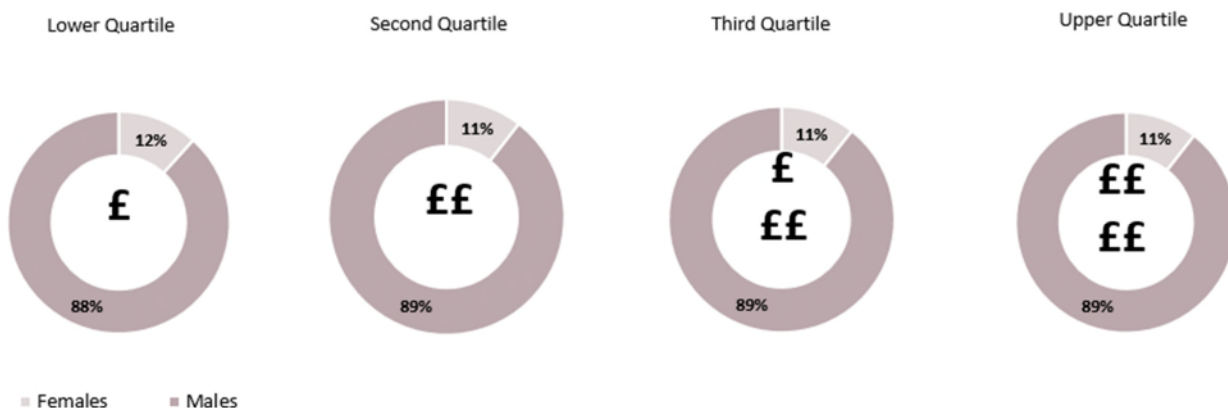
Pay quartiles

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

Armed Forces:

Pay quartiles

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



For **MOD Armed Forces**, pay scales are a function of rank, seniority and qualification and are gender blind. However, the Armed Forces are **89%** male and the MOD recognises that more needs to be done to recruit, progress and retain women. Work to address this continues (see pages 8) so that women have a better understanding of the range of career options available to them in the Armed Forces.

Actions

The Ministry of Defence Armed Forces 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 and Guidance

- The Department-wide Diversity and Inclusion Strategy, puts inclusion at the heart of the organisation to make it everyone's normal business and examine barriers to progression and ways to overcome those barriers.
- The MOD, including the Army, Royal Navy and RAF, signed the Women in Defence Charter in September 2019.

Flexible Working

- The Armed Forces already have a range of Flexible Working opportunities in place. From April 2019, Regular Service personnel have been able to request fixed periods of part-time working, or limited separation, as long as operational requirements have allowed it. We are exploring how 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 Support

- Mentoring, reverse mentoring and shadowing opportunities are provided to encouraging staff to maximise their potential.

Staff Networks

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

Champions & Allies

- Senior Gender Champions and Allies act as role models for inclusion in the Armed Forces and provide support to the Networks.

Recruitment & Outreach

- The UK Armed Forces continue to promote career opportunities to young women through a range of channels including innovative television adverts, sponsorships, career fairs and STEM events. All roles across the Armed Forces, including Ground Close Combat roles, are open to women.
- Senior personnel speaking and participating in Science, Technology, Engineering and Maths events alongside industry, the Civil Service and Military colleagues.