

# Gender Pay Update

Following a last minute rush, a total of 10,060 companies made a submission to the Government's Gender Pay Gap Reporting website before the 4 April 2018 deadline. With a full dataset, we have now updated the analysis from our March 2018 Executive Briefing to reflect this much larger population of companies.

## What does the data tell us?

The way in which the Government has collated this information has aggregated together the submissions of all businesses, voluntary organisations and public sector organisations. In the following analysis we have shown the average of the published data on three bases: (1) All companies, (2) Public Bodies, (3) Companies with over 5,000 employees.

### Hourly Pay

Group	Number of companies	% difference in mean hourly pay	% difference in median hourly pay
1. All companies	10,060	14.5	12.0
2. Public Bodies* only	1,310	12.7	11.3
3. Over 5,000 employees	438	15.2	10.1

\* Public Bodies includes Government departments, Councils, Colleges, Schools and Academy Trusts

The data above is broadly similar to our previous analysis, albeit the overall pay gap for all companies is now higher which perhaps supports the cynical view that those with unflattering results were waiting for the last moment to report.

As before there are a number of stark variances, with Stoke City Football Club having the unenviable achievement of the highest mean hourly pay difference of 92.5%, whereas Complete Care Holdings Limited have the lowest mean hourly difference of -400% (i.e. females are paid more than males).

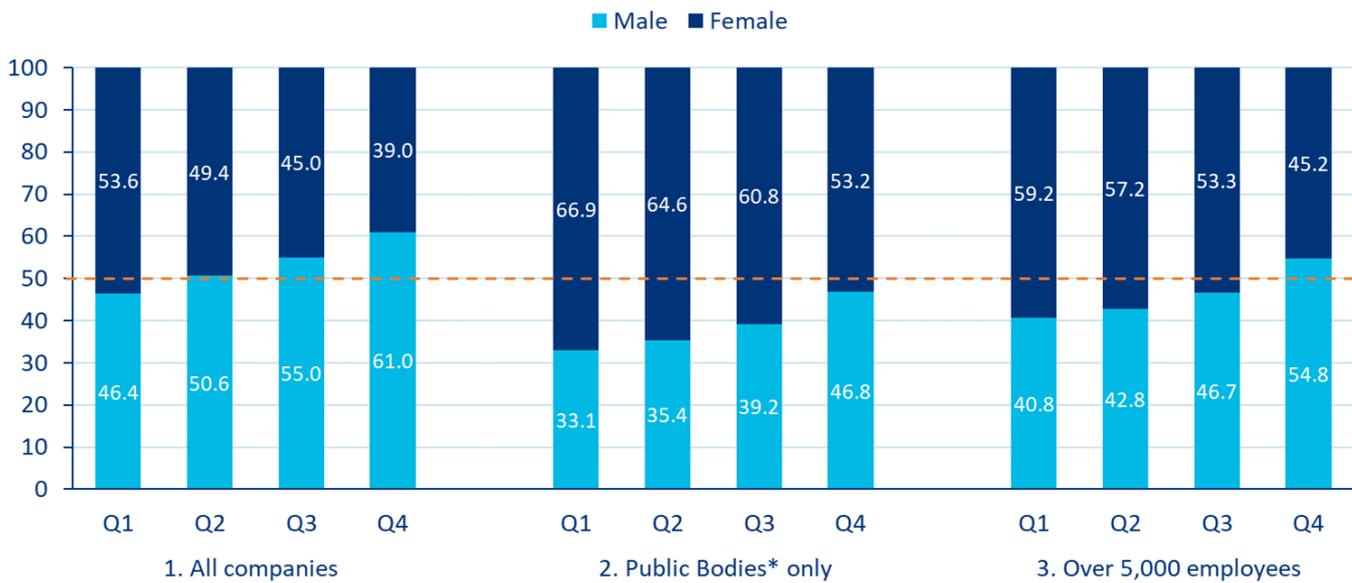
In any case, over 88% of all companies have a gender pay gap by reference to mean hourly pay (77% of companies when looking at the median hourly gap). More than a fifth of all companies have a gap in mean hourly pay of greater than 20%

### Bonus Pay

Group	Number of companies	% difference in mean bonus pay	% difference in median bonus pay	% of males who received a bonus	% of females who received a bonus
1. All companies	10,060	15.3	-14.1	35.9	34.3
2. Public Bodies* only	1,310	9.2	-18.8	10.7	9.6
3. Over 5,000 employees	438	29.8	9.7	32.2	29.4

The statistics show that there is a broadly consistent number of men and women receiving an annual bonus (supporting the view there is equal treatment regarding the inclusion of genders in incentive or bonus plans). As noted, in larger companies the gap is more evident.

Interestingly, the median difference shows bonus pay in the favour of women, something not evident in earlier analysis. It is difficult to explain this, other than noting that this dataset is particularly susceptible to extreme ranges, more so in those companies with a lower percentage of employees receiving a bonus.



**Quartile Analysis**

As with our previous analysis, the final data shows men are underrepresented in the lower quartile and overrepresented in the upper quartile. In its simplest form, this is the principal reason for the pay gap results which are being reported.

**Some other interesting observations**

- 36 of the 50 companies with the highest mean pay difference are football clubs
- When looking at large entities only (i.e. with more than 5,000 employees), the NHS dominates those companies with the highest mean pay difference. Some 27 of the 50 companies with the highest mean pay difference are NHS trusts
- 239 companies with less than 250 employees have reported (i.e. they reported on a voluntary basis)
- There are still 50 companies reporting a zero mean and zero median hourly pay gap, something which is very unlikely given their employee quartile distribution (unless the entire workforce is on the National Living Wage)
- Perhaps even more implausible, 9 companies reported an equal 50:50 split between men and women in every quartile

- It would appear that over 40 companies missed the cut off point and have been classified as reporting for the 2018-19 reporting year rather than 2017-18. Reuters reports that about 1,500 companies have failed to report and could be facing legal action from the Equality and Human Rights Commission

## Conclusion

With most companies now having completed their first reporting cycle, we expect specific issues to have been identified and relevant action plans been put in place. The next phase is to put in place the appropriate processes to ensure that progress can clearly be monitored and reported.

FIT is well placed to assist with any questions regarding the reporting process and more generally regarding Gender Pay Gap action plans and analysis. If you wish to discuss anything arising from this briefing, please ask your usual contact at FIT or call us on 020 7034 1111 or email us at [Info@fit-rem.com](mailto:Info@fit-rem.com).

## FIT Remuneration Consultants

### April 2018

**The Business, Energy and Industrial Strategy (“BEIS”) Committee has launched an inquiry on the gender-pay gap and executive pay in the private sector (see full announcement [here](#)).**

The BEIS Committee asks the following questions:

#### Gender pay gap

- Whether the annual information related to pay required under the Equality Act 2010 is sufficient? Should any further information be required?
- What is the extent of compliance? Is the information accurate?
- How effective are the sanctions for non-compliance with reporting requirements?
- What requirements, if any, should there be on companies to address gender pay gaps?

#### Executive pay

What progress has been made on implementing the recommendations on executive pay by the previous Committee in its 2017 report on Corporate Governance?

- What improvements have been made to reporting on executive pay in the last 12 months?
- What steps have been taken by Remuneration Committees and institutional investors to combat excessive executive pay in the last 12 months.
- What further measures should be considered?

**Deadlines for submission are 10 April 2018 for gender pay gap reporting and 8 May 2018 for executive pay comments**