

Gender Pay Gap Reporting 2020

What is gender pay gap reporting?

From 2017 onwards, UK businesses employing 250 or more employees must publicly report details of their gender pay gap. There are six elements that must be reported:

- the mean gender pay gap
- the median gender pay gap
- the mean gender bonus gap
- the median gender bonus gap
- the proportion of men and women who received bonuses, and
- the proportion of men and women within each quartile pay band.

The gender pay gap shows the difference in the average earnings and bonuses of all male and female employees in an organisation

The mean gender pay gap is the difference between the mean (average) hourly rate of pay of male relevant employees and that of female relevant employees. The median gender pay gap is the difference between the median hourly rate of pay of male relevant employees and that of female relevant employees. The median values are obtained by separately ranking all male and all female employees pay rates from lowest to highest then identifying the male and female who fall in the middle of these two rankings. The mean and median gender pay gaps are calculated as at a snapshot date of 5 April 2020. The mean and median gender bonus gaps report the difference between bonuses paid to men and women in the year to 5 April 2020. The gender gaps for pay and bonuses are expressed as a percentage of men's pay. A positive gender pay gap percentage shows that males are paid more than females, whereas a negative gender pay gap shows that females are paid more than males.

Pay and Bonus Gap

	Gender Gap	
	Mean	Median
Hourly pay	-11.1%	-21.6%
Bonus pay	7.1%	18.2%

The table above shows that at the snapshot date of 5 April 2020, the mean pay for female employees was 11.1% higher than that of male employees. The median pay for female employees was 21.6% higher than that of male employees. This difference is due to the profile of employee roles within the organisation. Of the 402 employees, 107 are nurses or GPs, of which 86 are female. Similarly, 88 of the employees are drivers, of which 83 are male. Nurses and GPs command a higher rate of pay than drivers and the fact that the majority of nurses and GPs are female and the majority of drivers are male means that both mean and median rates of pay are higher for female employees than males.

In the year to 5 April 2020, 85.8% of male employees on the April 2020 payroll received a bonus, compared to 83.1% of females. All employees on payroll as at 30 September each year are eligible for a bonus payment. Anyone joining the organisation after 30 September 2019 would not have been paid a bonus in the year to 5 April 2020. The mean bonus paid to male employees was 7.1% higher than that of females. The median bonus paid to male employees was 18.2% higher than that of female

employees. Employee bonuses are a function of an employee's contracted hours and length of service and are not related to rates of pay. On average male employees are contracted to more hours per week than females, which is why the mean and median bonuses are higher for males than females.

Pay Quartiles

Pay quartile data is compiled by ranking all employees from the lowest rate of pay to the highest. This list is then split into four equal sizes. Quartile 1 includes the 25% of employees with the lowest rate of pay, quartile 2 the next highest 25%, quartile 3 the next highest 25% and quartile 4 the highest 25%.

The table below shows the proportion of male and female employees within each pay quartile as at the snapshot date of 5 April 2020.

	Quartile 1 (lowest)	Quartile 2	Quartile 3	Quartile 4 (highest)	Total employees
Male	52%	49%	19%	27%	37%
Female	48%	51%	81%	73%	63%

Overall 63% of the organisation's employees are female. Within quartiles 1 and 2 there is an approximate even split between males and females therefore a higher proportion of males compared to the organisational average. Similarly, quartiles 3 and 4 contain a higher proportion of females compared to the organisational level split. These quartiles include the nurses and GPs, who are predominantly female.