Pay Gap Reporting

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Agenda

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Introduction

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Where are we and what's coming?

The Equality (Race and Disability) Bill is expected to introduce mandatory reporting for larger employers.

Gender Pay Gap reporting is currently mandatory (250+ employees).

Ethnicity and disability pay gap reporting is voluntary – but under increasing scrutiny.

No formal requirement yet for disability or ethnicity pay gap reporting.

Momentum is building; transparency and accountability are being prioritised.

International influences: EU Pay Transparency Directive is also pushing UK multinationals to align

No clear timescales, it is expected to be in within the next 4 years

Consultation – https://www.gov.uk/government/consultations/equality-race-and-disability-bill-mandatory-ethnicity-and-disability-pay-gap-reporting

Why you should prepare now

Most importantly, be audit-ready when legislation does come into force

It will also;

Makes your organisation more attractive to top talent.

Avoid reputational risk from being behind competitors.

Shows commitment to fairness and inclusivity.

By having truly inclusive policies and procedures you will open yourselves to the best workforce and also reduce reputational risk and staff turnover.

Engagement and buy-in

Start building relationships with employee networks early.

And also;

Understand that not all staff feel comfortable disclosing sensitive information:

Many neurodivergent people don't self-identify as 'disabled'.

Some employees may be cautious around declaring their ethnicity in detail.

Without the employee engaging and giving you their classification data, you may end up with a very out of reality view on any possible pay gap.

Data Categories

Without engagement you don't have data, without data you have no report.

Disability Reporting – Binary

Disability Reporting – Separate Neurodiversity from Disability

Ethnicity Reporting – ONS 5 Categories

Ethnicity Reporting – ONS 19 Categories

Collect and clean your data

Source Data

- ✓ **HR and payroll systems.**

- ✓ **Focus groups and employee feedback.**

- ✓ **Data on progression, pay, bonuses, reasonable adjustments.**

- ✓ **Representation by grade and function.**

Suggested Metrics

- ✓ **Mean/median pay gaps by category.**

- ✓ **Bonus pay gaps.**

- ✓ **Representation across pay quartiles.**

- ✓ **% who didn't disclose.**

- ✓ **Distribution by job level or department.**

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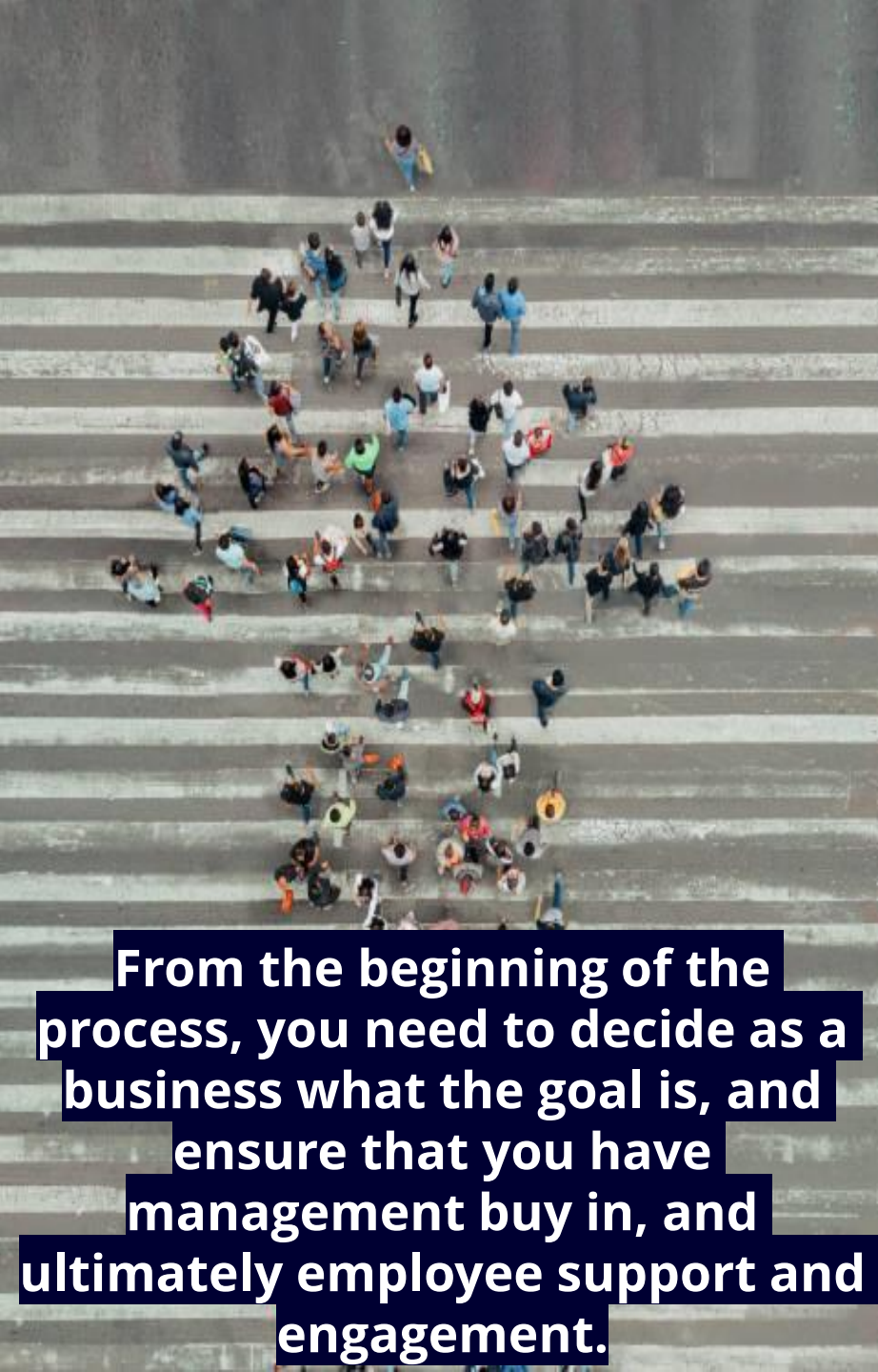# How to collect and analyse pay gap data effectively

Clarify Your Purpose

What's the goal? (Better representation? Fairer progression?)

How will this align with strategic goals and values?

How can you utilise employee networks? And which ones do you want to bring in from the early stages?

From the beginning of the process, you need to decide as a business what the goal is, and ensure that you have management buy in, and ultimately employee support and engagement.

Getting it right with timing and people

Timing

- ✓ **Avoid launching data collection during moments of instability (e.g. restructures, redundancies).**

- ✓ **Share a clear and honest message about why you're collecting data now.**

- ✓ **Align this work with strategic priorities (e.g. reviewing a disability inclusion strategy or DEI roadmap).**

People

- ✓ **Bring in employee networks, trade unions and DEI champions.**

- ✓ **Build a compelling business case for disability and ethnicity reporting.**

- ✓ **Bust the myths around why you are doing this by sharing FAQs and build trust early.**

Richness and Depth to data

Feedback sessions and open forums

Employee Engagement Survey

Diversity networks or working groups

Some employees may be cautious around declaring their ethnicity in detail.

Obtaining the information needed for pat reporting is only one part of the jigsaw .

Pay gaps are filled by just giving more pay to groups that are viewed as being paid less

Analyse what you've found

Where are we underrepresented?

What's the experience of diverse employees compared to others?

Are existing support measures working?

Where did we lose engagement and why?

Craft your narrative & Create your plan

Narrative

Action Plan

✓ Go beyond metrics – explain the story behind your data.

✓ Build your action plan based on what the data is telling you.

✓ Make it:

    ✓ Specific

    ✓ Measurable

    ✓ Time-bound

    ✓ Owned by someone senior

✓ Your actions might include:

✓ DEI or disability awareness training

    ✓ Developing your networks

    ✓ Reviewing key career touchpoints (recruitment, induction, progression).

✓ Remember: Never publish data that could identify individuals

Questions ?