

## **LSE EQUAL PAY REVIEW – AN UPDATE**

Following the last equal pay review that took place in 2010 the School established an Equal Pay Review Group in 2013. Its members include colleagues from the School's recognised trade unions, E&D networks and HR.

During the summer of 2013, to inform the Equal Pay Review group's activity, detailed regression analysis was undertaken by a research assistant in the Directorate. This focused on these protected characteristics for which reliable data was readily available – gender and ethnicity. The data used included base salary, salary supplements and additional payments (including honoraria paid to academic office-holders, overtime and shift allowances).

### **Ethnicity**

There was no residual pay gap associated with BME status once the statistical adjustments were made, meaning that the average BME LSE employee earns approximately the same FTE base salary as the average white LSE employee of the same rank.

### **Gender**

The main reason, for the 20.2% apparent pay gap between male and female academics was job grade and 68% of the gender pay gap was attributed to this. The apparent pay gap for other groups of staff was 13.7% with 72% of this gap explained by grade differences. Another important factor driving the gender pay gap as a whole was the School's policy of paying market supplements to career-track staff in some, mainly the quantitative, departments and the remaining pay gap amongst career-track academics was explained by this factor (such departments employ proportionately more men than women than other departments and the use of supplements has skewed the pay distribution). That said, it was found that male and female colleagues benefit equally from market supplements within these departments.

Following this analysis and discussion with the Gender Equality Forum with whom the full results have been shared, further work is currently being undertaken. This work will review the pay progression of female and male academics over time and analyse pay differences potentially caused by a proportionately greater number of male academics being recruited externally as opposed to being promoted internally and whom, in consequence, require a higher salary to tempt them into a new job.

HR are also undertaking a review of market supplements policies used elsewhere in the sector and undertaking benchmarking of market rates in the USA.

The Equal Pay Review Group will continue to meet during this academic year and will report its findings, conclusions and any recommendations to the School via the Equality and Diversity Executive Group chaired by the School Secretary.

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