

## Equal Pay Review 2013 – Executive Summary

### Introduction

During the course of 2013, and concluding in 2014, an equal pay review was undertaken using staff pay data as at 31 January 2013. The equal pay review was undertaken by the Human Resources Division and the Directorate Office, with advice, discussion and feedback from the Equality and Diversity Team, the Gender Equality Forum, EMBRACE (the staff network for BME employees) and the joint Trade Unions.

For the purposes of this report, two types of pay gap are considered. **Intra-band pay gaps** are those that relate to staff within a given pay grade (which can be across the School as a whole or in particular occupational cohorts). **Overall pay gaps** are those that relate to staff groups across a range of grades; again, this can be either across the whole salary range, or within particular occupational or other groupings.

**Basic pay** is the salary point of an individual employee, as mapped against the School's single salary pay spine. **Total salary** includes a number of additional payments that form a regular part of an employee's income from the School. This includes: market supplement payments, shift allowances, honoraria and contribution pay.

### Summary of key findings

#### *Gender*

1. In the 'all academic' category – i.e. across all research, teaching and combined roles – a significant intra-band pay gap emerges in the Professorial grade (Band 10 and 'off scale') for basic pay. Total pay extends the intra-band pay gap to Band 9 (Readers and Principal Research Fellows). An intra-band pay gap is also created at Band 7 when total remuneration is considered, though there is no intra-band pay gap evident at Band 8. Band 7 staff are Lecturers, Research Fellows and a number of Guest Teachers.
2. In the 'professional services staff' category, the same pattern emerges, i.e. an intra-band pay gap at Band 10 and 'off scale' with regards basic pay and an extension downwards to Band 9 when total salary is considered.
3. Both categories see much greater overall pay gaps than in individual bands, which reflects a low number of women in senior posts, whether academic or non-academic. However, the overall pay gap for professional services staff is substantially smaller than that for academics.
4. Points 1-3 combined suggest that rank is the greatest contributor to the overall pay gap between male and female staff. For career-track academic staff, market supplement payments are the second most notable factor in the total remuneration intra-band pay gaps. Market supplement payments are concentrated in a small number of large academic departments with a high density of male academic staff.
5. A significant overall pay gap is evident in the "teaching" category that covers Graduate Teaching Assistants (GTAs) and Guest Teachers. GTAs are typically appointed on a Salary Band 5, or occasionally a Band 6, whereas Guest Teachers can be appointed from Band 5 to 'off scale' Band 10. A closer examination shows a reasonably even gender split at Bands 5 and 6 but an increasingly disproportionate number of male hires at Bands 7 and above.

6. Hourly paid support staff are predominantly female and an overall pay gap is reported in this area. These may be a wide range of roles across the School (423 posts are covered by this grouping in the data that follows), therefore this may be an area that warrants further investigation.

### *Ethnicity*

1. No significant intra-band pay gaps (i.e. those greater than 3%) are evident in the 'all academic' group until Band 8 and above, although at these grades the pay gaps operates in favour of BME staff. However, the overall pay gap is high. As with gender, this indicates that there is less representation of BME staff at senior levels, though those who are employed at these grades earn higher salaries on average.
2. The same is broadly true for the 'professional services staff' category.
3. Rank therefore persists as the driver of the overall pay gap and is found to be the single dominant factor throughout the ethnicity pay analysis. This suggests that the focus of any action should be around career progression, recruitment and diversification in the senior ranks of the School.
4. This is further evidenced by the fact that large number of manual/technical roles in the lower pay bands are filled by BME staff in large professional service divisions.
5. Furthermore, as with female staff, there is a strong overall pay gap in the "teaching" category for GTAs and Guest Teachers.

### **Recommendations**

#### *Career progression for female academic staff*

- Work with Heads of Departments to both identify opportunities to encourage women's development and career progression and identify potential barriers in local review and promotions processes and criteria.
- Continue to develop and promote the research leave provision for New Academic Career staff
- Develop, implement and monitor effectiveness of organisation-wide strategies to encourage/attract women to senior academic, professional and non-traditional roles, beginning with a systematic evaluation of current procedures, recent appointments and local practices to identify where the problem lies (e.g. is there a lack of applications, a lack of short-listed women, a lack of women receiving job offers or a combination of all three)
- Work with a group of female academics on the value of designing and holding workshops (covering self-promotion, confidence, how to balance work and home, and how to maximise the promotion process) for mid-career female academics
- Promotions Committee to continue to regularly examine promotions processes and criteria for unintended bias
- The HR Division to review the E&D monitoring data provided to the Promotions Committee and the Appointments Committee, moving towards reporting on trends over time as well as 'snapshot' information
- Measures taken to mitigate inadvertent bias (e.g. the recent "mitigating circumstances" process) to be monitored for impact and further reviewed and developed by the Promotions Committee where required.

#### *Career progression for female professional services staff*

- Review current practice and support for staff returning to work following a career or maternity/paternity break
- Develop, implement and monitor effectiveness of organisation-wide strategies to encourage/attract women to senior academic, professional and non-traditional roles , beginning with a systematic evaluation of current procedures, recent appointments and local practices to identify where the problem lies (e.g. is there a lack of applications, a lack of short-listed women, a lack of women receiving job offers or a combination of all three)
- Ensure that female employees have a substantial representation on the School's Leadership Development Programme and forthcoming Future Leaders Programme (and all other development programmes)
- Work with Service Leaders to identify opportunities to encourage women's development and career progression and identify potential barriers that may affect female staff.

#### *Career progression for BME academic staff*

- Develop organisation-wide strategies focussing on the key issues that will encourage/attract BME staff to senior academic, professional and non-traditional roles, beginning with a systematic evaluation of current procedures, recent appointments and local practices to identify where the problem lies (e.g. is there a lack of applications, a lack of short-listed BME individuals, a lack of BME individuals receiving job offers or a combination of all three)
- Develop a specific initiative relating to increasing numbers of black faculty members
- Work with Heads of Departments to identify opportunities to encourage the development and career progression of BME academic staff and identify potential barriers in local review and promotions processes and criteria.

#### *Career progression for BME professional services staff*

- Develop organisation-wide strategies focussing on the key issues that will encourage/attract BME staff to senior academic, professional and non-traditional roles, beginning with a systematic evaluation of current procedures, recent appointments and local practices to identify where the problem lies (e.g. is there a lack of applications, a lack of short-listed BME individuals, a lack of BME individuals receiving job offers or a combination of all three)
- Ensure that BME employees have an increased representation on the School's Leadership Development Programme and forthcoming Future Leaders Programme (and all other development programmes)
- Work with Service Leaders to identify opportunities to encourage the development and career progression of BME staff, with particular attention to Bands 1-3 and staff in manual/technical roles.

#### *Recruitment practices for all senior appointments*

- Actively seek to widen the pool of applicants in senior promotions with the aim of increasing the number of women and BME individuals applying, engaging with existing senior and middle-tier staff to better understand the perceived obstacles to taking up a senior post.
- Analyse data on recruitment stages (advertising, application, shortlisting, selection) and the Research Quality Investment Fund recruitment campaign to identify , address and attempt to

understand any under-representation, and make appropriate revisions to recruitment policies, procedures and practices where these are identified as problematic

- Review current recruitment and selection training, and ensure that all panel members are equipped with appropriate support to conduct a fair and transparent process
- Review usage of Single Nominations procedure over the past five years and monitor data on the diversity of Single Nominations
- Ensure that all senior appointments committees have a diverse gender and ethnicity profile.

#### *Market supplement payments for academic staff*

- Establish a clear and transparent market supplement policy as relates to academic staff, with set criteria that determines whether or not supplementary payment is appropriate and a robust decision-making procedure
- Levels of market supplement payments (in relation to departmentally set supplements, rather than individuals), and other activity in this area (e.g. distribution, growth or decline of usage), to be reported on annually to the Remuneration Committee
- Market supplement payments to be reviewed on a regular basis, to ensure that they can continue to be justified (policy on this in progress), including the rigorous review of long-standing areas of market supplementation.

#### *Guest Teacher appointments*

- Further analysis to be undertaken (outside of this review) to better understand the pay gaps reported; appropriate steps to be taken to ensure that appointments are made in a fair and transparent manner
- Appointment processes for Guest Teachers to be reviewed and data on diversity to be monitored.

#### *Hourly paid female support staff*

- Further analysis to be undertaken (outside of this review) to better understand the pay gaps reported; appropriate steps to be taken to remedy any imbalances identified.

#### *Other general recommendations*

- External expertise in gender and ethnicity impact analyses to be sought to support the critical evaluation of policies, practices and procedures, as identified above
- Payments for Summer School, LSE Enterprise and office-holding to be isolated and examined both separately and collectively
- Local practices in departments and divisions that contribute positively towards the goals of gender and/or ethnic equality to be shared across the School
- Divisional/departmental profiles such as that produced in relation to the Estate Division (Appendix D) to be produced for each unit to inform appropriate local activity
- Staff who are leaving to be actively encouraged to complete exit questionnaires and take-up to be improved in this area; ensure questions asked allow for issues relating to pay, career progression and potential discrimination to arise; analyse information annually, in terms of both E&D monitoring and trends that arise, reporting to the Equality and Diversity Executive Group

- A single policy on overtime to be agreed by the end of the 2014-15 academic year, to ensure that different occupational groups are paid equally in this respect
- An E&D data validation exercise to be undertaken, with particular attention paid to creating an environment in which staff feel able to disclose disabilities, to improve data accuracy across protected characteristics, including disability
- An interim equal pay review, focused upon academic salaries, to be conducted in 2015 to monitor the impact of the New Academic Career structure
- Staff with disabilities to be engaged with to explore whether there are perceived and/or practical barriers to progression, as well as opportunities for more effective career development
- That a set of Key Performance Indicators (KPIs) are adopted and used to monitor progress over time.

### **Next steps**

The Equal Pay Review Group will meet 12 months following the publication of the report to consider progress and to begin planning for the 2016 review. The Group has already noted that future reviews would benefit from: more intersectional analysis; greater expertise in evaluating ethnicity data and an improved ability to assess career progression over time.

It is anticipated, however, that the Gender Equality Steering Group will be given principal responsibility for monitoring progress in relation to gender, and the Equality and Diversity Executive Group responsibility for other areas (whilst retaining oversight for gender as one of the equality strands). Timescales for undertaking this work should be developed by these groups, though it is implicit that many these actions should be high priority and implemented in enough good time to begin to have a positive impact by the next equal pay review (2016). It is recognised that changes to the governance structure to Equality and Diversity may alter the expected pathways for monitoring and reporting set out above.