

OUR RESPONSE TO THE EQUAL PAY REVIEW 2012

At Royal Holloway, like many organisations, we know there have been pay gaps between different groups, such as men and women, disabled and non-disabled people and ethnic minorities. These gaps occur for a variety of reasons, not all of them within our control, and we have been working hard for the past few years to tackle the issues involved.

Our pay and reward systems are within our direct control, and we have been reviewing and improving these to ensure that there is no scope for bias within them. There are other factors outside of our direct control, such as the clustering of particular genders in particular disciplines, so we have been considering ways we can offer extra help and support to encourage greater diversity in these areas, which should bring better pay parity.

So that we can monitor the impact of these initiatives, we now regularly undertake equal pay reviews, in line with the Code of Practice (EHRC 2011). Our first was completed in 2009, and we repeated the exercise last year, when an external consultant analysed all staff data as at 1 May 2012, including all people on part time and fixed term contracts. This means we can compare data between the two audits, to see how we are progressing.

This is a summary of the findings of that audit, if you'd like to read the full document, you can download it here:

<http://www.rhul.ac.uk/aboutus/documents/pdf/governance/equalpayreviewreport2012.pdf>

How pay is set

The underlying principle we are seeking to uphold is that work of equal value is rewarded by equal pay. This means parity for jobs that have similar responsibility and accountability levels, regardless of differences in context or delivery.

In order to achieve this parity, we operate a job evaluation system for all roles, which ensures that the pay we receive is determined only by the details of the role we undertake, and cannot be influenced by factors such as gender bias. We have had a job evaluation system for most roles for some time, but we have just recently also introduced the new professorial banding system, which has now been operated on one initial cycle.

However, there are times when some professional or academic disciplines are more competitive and in demand than others, and so in order to recruit or retain the best staff, we need to be able to pay more than the salary the grade determines. In these cases, we are able to use a market supplement, which is lawful tool (under s.69 of the Equality Act) that allows pay differences if they are necessary in current market conditions. In every case, detailed evidence is required to justify their payment.

Even with a rigorous and fair pay system, there may still be differences in pay that are due to other factors; our responsibility is to ensure that our pay system itself prevents gender (or other) bias as far as possible.

Gender

Our consultants analysed pay at different levels and found:

- There is reasonable gender parity at lecturer, senior lecturer and reader level

- The pay gap for the base salary of professors has reduced from 11% in 2009 to 8% last year. The pay gap increases to 11.6% when market supplements and pay protection are taken into account. We have identified two primary reasons for this residual gap:
 - The use of market supplements in competitive, but currently male dominated, disciplines. For example, the Economics department, where all professors receive a market supplement and only one female professor was employed at the time of the audit.
 - The uneven distribution of men and women within our professorial bands, and a higher proportion of male professors overall. So, we have reasonable pay parity in Bands 1, 2 and 3, but no female professors at all in the top band – Band 4, which skews the results.
- There was a pay gap of 16.9% for senior Grade 10 staff, which significantly increases the overall pay gap in Grades 6-10. Since the review, we have implemented new job evaluation and pay arrangements for Grade 10 senior managers in professorial services, with the support of the Hay Group. These new pay arrangements have already corrected the gap and there is now good gender parity between men and women at Grade 10, and therefore also at Grades 6 – 10 overall.

What are we planning to do about it?

Although the pay gap has reduced since the introduction of professorial banding, we do need to do further work to continue to close the gap.

- We have launched a number of positive initiatives that encourage female appointments and progression within the academic grades including mentoring and commitment to reaching the Athena SWAN silver award.
- We have made sure that there is an equal gender balance on the leadership course run in-house by Ashridge;
- We are planning further initiatives such as setting up a pool of mentors to help professors with presenting their case for re-banding and extending the Athena SWAN principles across all faculties.
- Now that we are past the initial implementation stage, we are reviewing the professorial banding scheme and we have identified some further refinements which we think will further close the pay gap, such as the removal of the research cap.

Ethnicity

We found that:

- Ethnicity pay gaps exist for professors (7.2%), employees in grades 1-10 (10.6%) and for researchers (9.6%) in favour of white employees.
- This partly reflects the significant differences in the proportion of minority ethnic and white employees in different roles and different grades.

What are we planning to do about it?

We are considering proactive steps that can be taken to help address the balance of ethnic minority employees both at senior levels and across all grades more generally. We will start by reviewing the recruitment and selection (internally and externally) of employees from ethnic minorities as outlined in our Single Equality Scheme.

Disability

Pay disparities between those who have declared a disability and those for whom there is no known disability is less than 2% overall. Since we have so few employees reporting a disability (2.6%), this gap has no statistical significance.

Of greater concern is the low numbers of disabled staff overall and we are considering the findings of this review at the Equality Steering Group, alongside the findings of the equality monitoring report.

What are we planning to do about it?

- We have also recently set up a new staff disability forum (which feeds into the Equality Steering Group) to explore barriers that employees with a disability face and identify initiatives that will increase the number of disabled staff at all levels.
- We have established exit interviews for all disabled staff

Next Steps

We have made some progress in reducing pay gaps since work started, but there is still much to do. We will be discussing the full report with the Equality Steering Group and with the campus unions so that we can devise an action plan with measurable targets and clear timescales for implementation.

As well as the detailed points above, we will:

- Set targets to reduce inequalities;
- Continue to develop and implement the objectives within our Single Equity Scheme*
- Conduct regular equal pay audits every 2 years
- Introduce criteria for starting salaries so that applicants can be bench-marked against each other;
- Monitor data on promotions and re-gradings;
- Review market supplements against current market and recruitment conditions in accordance with the university's market supplement policy;
- Introduce extra support for specific groups such as early career researchers, mid-career academics and women professors.

Although we recognise that there is still much work to do, we hope that you are encouraged by the effort invested and the initial results, and that you continue to work with us to ensure that Royal Holloway is a place where talent and commitment are the only requirements for success.

Click here to read a summary of the recommendations and our action plan.

<http://www.rhul.ac.uk/aboutus/documents/pdf/governance/equalpayauditactionplan.pdf>

Click here to read the full report.

<http://www.rhul.ac.uk/aboutus/documents/pdf/governance/equalpayreviewreport2012.pdf>

*The Single Equality Scheme, which is reviewed regularly by the Equality and Diversity Committee, includes objectives relating to increasing the representation of disabled and BME staff. A copy is available at

<http://www.rhul.ac.uk/aboutus/documents/pdf/governance/rhulingleequalityplanupdatedjanuary2013.pdf>

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