

GENDER PAY GAP REPORT- 5 April 2019

As an organisation with less than 250 employees IRC UK is not legally required to publish an annual gender pay gap report. However our senior management has agreed to report the gender pay gap in order to inform actions to address any pay inequality that may exist between men and women; to demonstrate the organisation's commitment to transparency; and to enable our staff to contribute to dialogue around gender equality in the workplace.

Findings

This is our report for the snapshot date of 5 April 2019.

- The mean gender pay gap for IRC UK was **-2%** on mean hourly salaries (£25.67 for male staff and £26.13 for female staff)
- The median gender pay gap for IRC UK was **0%** on median hourly salaries (£23.73 for male staff and £23.72 for female staff)

| Pay quartiles by gender | | | |
|-------------------------|-------|---------|---|
| Quartile | Males | Females | Description |
| Lower | 25% | 26% | Includes all employees whose standard hourly rate places them at or below the lower quartile |
| Middle Lower | 25% | 23% | Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median |
| Middle upper | 29% | 25% | Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile |
| Upper | 21% | 26% | Includes all employees whose standard hourly rate places them above the upper quartile |

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Since the last measurement on 5th April 2018 the mean gender pay gap between women and men narrowed by 2% and the median gender pay gap narrowed by 13%.

What are the underlying causes of IRC UK's gender pay gap?

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

IRC UK is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability or trade union membership. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

- carries out pay and benefits audits at regular intervals; and
- evaluates job roles and pay grades as necessary to ensure a fair structure.

IRC UK is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, mainly to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern is different from the make-up of IRC UK's workforce where women represent a large majority of employees on all levels of the organisation. On 5th April 2019, 70% of employees were women. Proportionally women have higher representation in the upper salary quartile and men in the upper middle and lower middle quartile and there is about the same number of female and male employees in the lower quartile. These findings are different from 5th April 2018, when the representation of men was higher in the lower and lower middle quartile and the representation of women in the lower quartile was lower.

Because of their reliance on strong cutting edge and competitive technical skills diamond shape organisations are more likely to buy than build talent. In order to stay competitive salary entry points into such organisation are diffused with many touch points with the external market. As consequence salary bands for these roles tend to be wide and fluctuating. At IRC UK this is true for grades 5 (A&B)

What is IRC UK doing to address its gender pay gap?

IRC UK committed to several actions in 2020 to address gender pay gap. Below is a table showing the progress against these commitments.

| Action | Deliverables |
|--|---|
| Building evidence base to identify any barriers to gender- based salary inequality and to inform priorities for action | 5 measurements introduced and monitored on a monthly basis ¹ |
| Increase awareness of unconscious bias in recruitment and performance reviews. | General unconscious bias training delivered in 2019 for managers. General implicit bias training scheduled for 2020. |
| Recruitment practices – reduce gender bias and diversify panels. | Job descriptions are textually analysed through Textio to reduce gender biased words; CVs name blinded for selected recruitment |

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- ¹the proportion of men and women applying for jobs and being recruited;
 - the proportion of men and women negotiating higher salary than on offer;
 - the proportion of men and women obtaining promotions;
 - the proportion of men and women receiving exceeds expectations in performance reviews
 - the numbers of men and women in each role and pay band.