



The Prince's  
Responsible  
Business Network



2018 Report

# GENDER PAY GAP





# BUSINESS IN THE COMMUNITY GENDER PAY GAP REPORT 2018

## Introduction

Business in the Community is an employer required to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. We are committed to supporting employers to publish, understand and tackle their pay gaps. We have published **guidance** to support employers through the reporting process and are hosting a series of free webinars and events in partnership with the Government Equalities Office for employers across the UK.

*The first step towards a solution is to understand the problem. The first glimpse of gender pay gap reporting which we saw in 2018 was a great leap forward. But it's what we do with this new information which is most telling. I am delighted that BITC has reduced its gender pay gap this year and that that we can drive further progress by reporting on our BAME pay gap: although this is a work in progress, I hope we inspire other organisations to follow our lead. As some other powerful campaigners once said, 'deeds, not words'.*



Amanda Mackenzie, Chief Executive, Business in the Community

## Gender Pay Gap vs Equal Pay

The gender pay gap is the difference between the average earnings of women and men, expressed relative to men's earnings. This excludes those who are on leave of any type that impacts their pay, for example unpaid leave or Maternity or Parental leave. The figures were calculated by measuring the gross per hour salary rate after salary sacrifice (pension and childcare vouchers) on 5th April 2018.

The gender pay gap takes into account all roles at all levels of the organisation, rather than comparing the pay received by women and men for carrying out the same roles.

The gender pay gap is different from unequal pay, which is where men and women do not receive the same pay but carry out the same job, a similar job or a job of equal value. This is pay discrimination and is unlawful. Business in the Community is constantly reviewing our pay processes to ensure that we have equal pay.

## Methodology

To calculate our data, we took the mean salary for men and mean salary for women, removed the figure for women from that of men, divided by the men's rate and multiplied by 100. This reflects the difference as a percentage of the men's salary. The same calculation approach is used for the median figure.

For a full breakdown of how organisations are instructed to calculate their gender pay gap, and to see the guidance that we used, please visit the Government website [here](#)<sup>1</sup>.

**The UK has a national median gender pay gap of 17.9%.**

**This means that women earn on average, 17.9% less than men<sup>2</sup>.**



## Our Gender Pay Gap at BITC

In line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, Business in the Community is not required to report on the data from our Northern Ireland offices. However, we take our responsibility to report fully and transparently to our employees, members and stakeholders seriously, so we have decided to include our Northern Ireland colleagues in our calculations for our gender pay gap information.

## Our Gender Pay Gap

<b>3.42%</b> The BITC Mean Gender Pay Gap 2017	<b>0.29%</b> The BITC Mean Gender Pay Gap 2018	Mean Gender Pay Gap We see an improvement of 3.13% from 2017
<b>6.77%</b> The BITC Median Gender Pay Gap 2017	<b>0.72%</b> The BITC Median Gender Pay Gap 2018	Median Gender Pay Gap We see an improvement of 6.05% from 2017

<sup>1</sup> <https://www.gov.uk/guidance/gender-pay-gap-reporting-make-your-calculations>

<sup>2</sup>

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018>

Gender Pay Gap (Fig. 1)



### Bonus Pay Gap

BITC has a zero gender pay gap in relation to bonuses as we do not award bonus payments.

### Why do we have a gender pay gap?

The **Mean Gender Pay Gap** although very small, can be explained by occupational segregation, where women make up a higher proportion of employees in roles that are lower paid. Administrative and Receptionist roles make up the lower paid roles across the organisation and a greater proportion of these roles outside of Head Office are female.

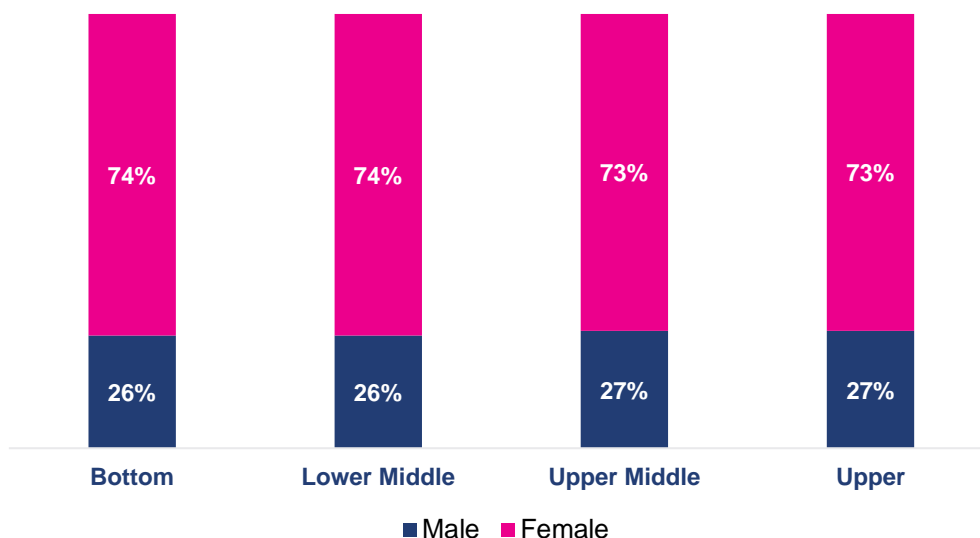
In the 2018 bottom quartile (Fig. 1) the mean female per hour salary is £12.27 and male is £12.56 which gives a lower mean figure for females. Our analysis shows that this is not because women are not represented within senior roles at Business in the Community; in the top quartile women's mean hourly pay is higher than men's.

The **Median Gender Pay Gap** which again is small, can be explained by a tighter range of salaries for males than females: the lowest hourly rate for men is higher than women and the highest hourly rate is lower than women. Combined with far fewer men, this means that the median is a slightly higher (13 pence per hour) mid-point.

### Quartile data

On the snapshot date women made up 73% (214) of the full-time relevant employees and men 27% (78). Despite the slight gender pay gap we can see that this is reflected equally throughout the quartiles.

Quartiles 2018 (Fig. 1)



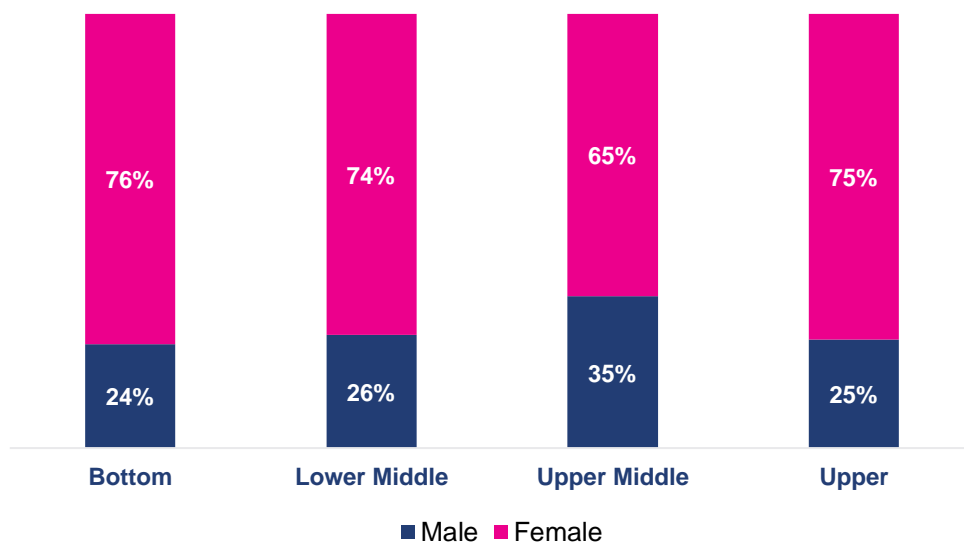
### Satisfaction with financial situation and health

If we compare this year's data to the snapshot date in 2017 (Fig. 2), we see that there has been an overall reduction in headcount as last year there were 322 employees in total, of which 72.6% (234) were women and 27.3% (88) were men.

Although the gender distribution percentage is almost the same, this was not reflected in the 2017 quartiles. There was a smaller percentage of women in the upper middle quartile which contributed to a higher mean and median gender pay gap.

One of the contributory factors to the reduction of this year's median gap was the increase of women in this quartile. This was a result of several male members of the executive team leaving and not being directly replaced, and therefore re-shaping the quartile data for male employees at upper and upper middle levels, enabling it to be more reflective of the workforce as a whole.

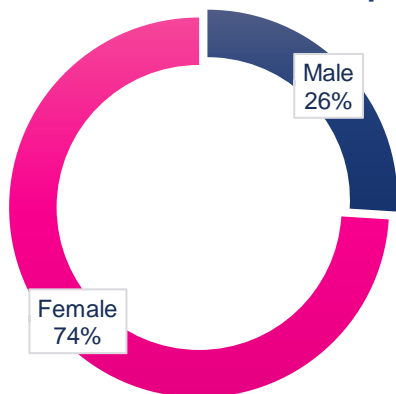
Quartiles 2017 (Fig. 2)



## Workforce Statistics on 5<sup>th</sup> April 2018

We had a total of 303 employees and 11 of those did not qualify as full-time relevant employees so were not included for the purposes of calculating the gender pay gap. Nine were women on maternity leave, one was a man on parental leave and the other was a female on unpaid sabbatical.

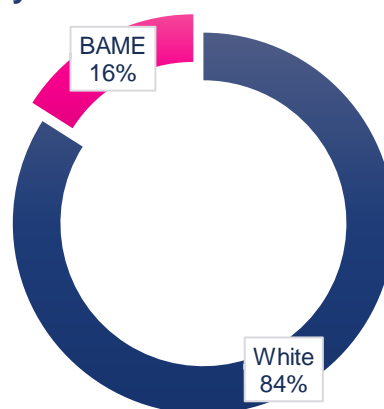
### Employees by Gender



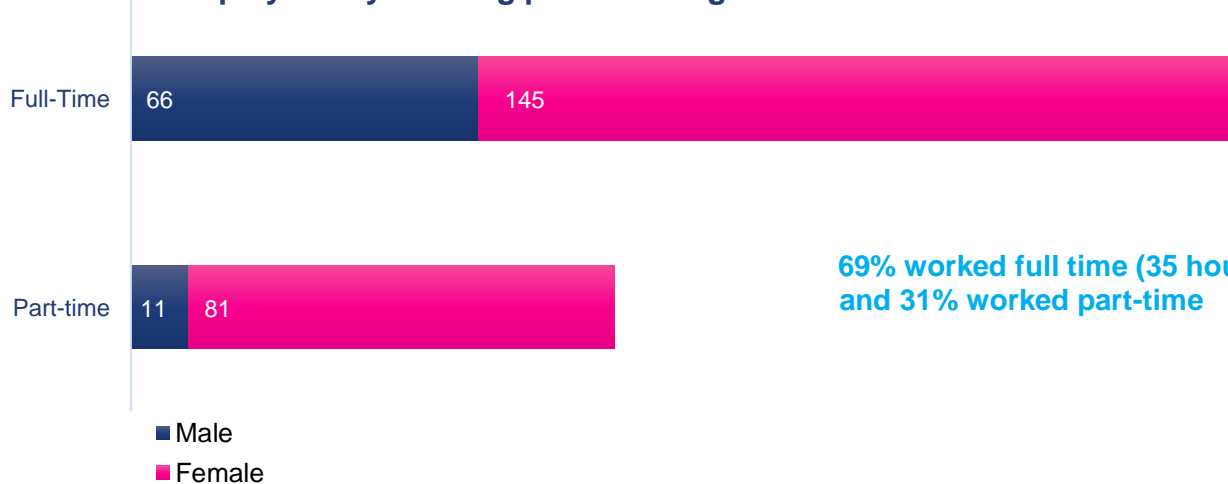
Women made up 74% (226) of the workforce and men 26% (77). The executive team was made up of 9 people, 5 were women including the chief executive: a total of 55%.

### Employees by Ethnicity

84% of the workforce (256) were of a white ethnicity and 16% (47) were black, asian or minority ethnic (BAME).



### Employees by working pattern and gender



69% worked full time (35 hours or more) and 31% worked part-time

This additional data is provided as part of our commitment to being open and transparent, and in order to more effectively identify the factors that might be driving our pay gap and help us to inform how we can improve. We consistently review our data with the intent to build and maintain a diverse workforce.

### Taking Action

- We continue to ensure that our policies and practices are fair by regularly reviewing them and, where possible, adopting practices that support a diverse and flexible workforce. For instance, we have implemented 'respect and inclusion' training at our Induction programme, which is compulsory for new joiners.
- We continue to review our recruitment processes to ensure they are free from bias and fully inclusive. For instance, we conduct structured interviews and work with our Diversity Advisors to reduce unintended bias.
- Flexible working is very important to us and is open to all our employees. We believe that this approach contributes to our high rate of women returning to work and remaining with us following maternity leave.

### Going forward

We have seen a reduction in the gender pay gap from the previous year and it is our aim to maintain a Gender Pay Gap as near to zero as we possibly can, but we acknowledge that in a small organisation a relatively minor change to the workforce can have a disproportionate impact on the figures.

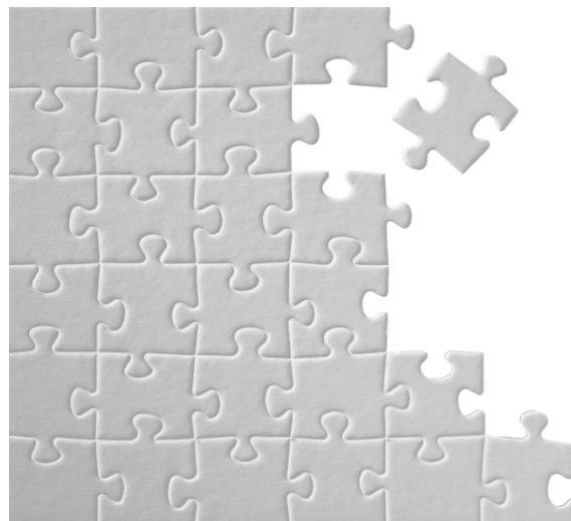
**We are determined to monitor our Gender Pay Gap and what drives it, so that we can address any gaps and ensure that men and women can progress equally within BITC.**



## Other Pay Gaps

In 2018 we ran the data required of us which was pay, hours and gender to obtain the Gender Pay Gap data reported. It is our intention to measure the pay gap in other areas as well going forward, to ensure that there is pay equality across the organisation, e.g. gender pay gap by working hours and gender pay gap by ethnicity.

**There is currently no legal requirement to report on ethnicity pay gaps, but we believe that it is incredibly important to do so and, have been encouraging organisations to also report this.**



To calculate the ethnicity pay gap at BITC, we have used the following methodology. We measured the FTE contractual salary from every employee (as opposed to the full-pay relevant data that is used for Gender Pay Gap reporting) on 1 October 2018 and divided employees into two ethnicity groups, White and Black, Asian and Minority Ethnic, based on the self-declared ethnicity data that individuals have provided to us. We have a 99% self disclosure rate for our information on ethnicity.

By using the same calculation approach as that for the gender pay gap we can establish if there is a BAME pay gap in FTE salaries. The figure below represents the pay gap of white employees vs BAME employees shown as a percentage of white employee salary.

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**2.9%**  
The BITC BAME Mean  
Pay Gap 2018

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If we then look at our female employees and compare all BAME female categories against all white female categories, we see that the mean pay gap is very small. This means that our BAME female population are paid comparably to our white female population.

**BITC BAME mean pay gap female - 0.13%**



Taking the same approach and comparing all BAME male categories against all white male categories, we see a larger mean pay gap.

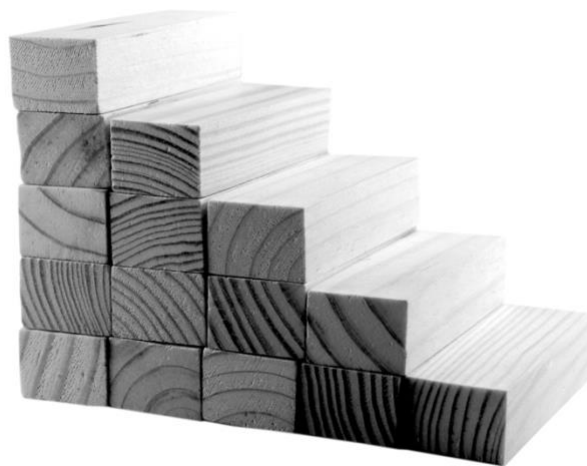
### **BITC BAME mean pay gap male – 14.4%**

Whilst we see an extremely small pay gap amongst BAME females and their white female colleagues, there is a greater gap between BAME males and their white male colleagues. This is because of a lack of BAME males in the top pay quartile.

We already have initiatives in place within the recruitment process to encourage and promote diversity and inclusion, such as working with our colleagues in the Cultural Awareness Network to eliminate any bias in the shortlisting process for roles, and monitoring the locations we advertise in, to ensure we are attracting a diverse talent pool.

### **Going Forward**

**We are keen to reduce our BAME pay gap and will monitor and review our data to ensure that we can act on the insights it gives us.**



### **Declaration**

**I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.**

A handwritten signature in black ink, appearing to read 'Sandra Knowles', followed by a small dot.

**Sandra Knowles, Director, People & Culture**



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**Sandra Knowles**  
**Director, People & Culture**

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**Chairman:** Jeremy Darroch

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