



The Prince's  
Responsible  
Business Network

## About This Document

**This document was published before 2020 but still contains useful and relevant information about responsible business. Please note that some links, case studies and statistics may be out of date.**



**Royal Founding Patron:** HRH The Prince of Wales  
**Chairman:** Jeremy Darroch  
**Chief Executive:** Amanda Mackenzie OBE

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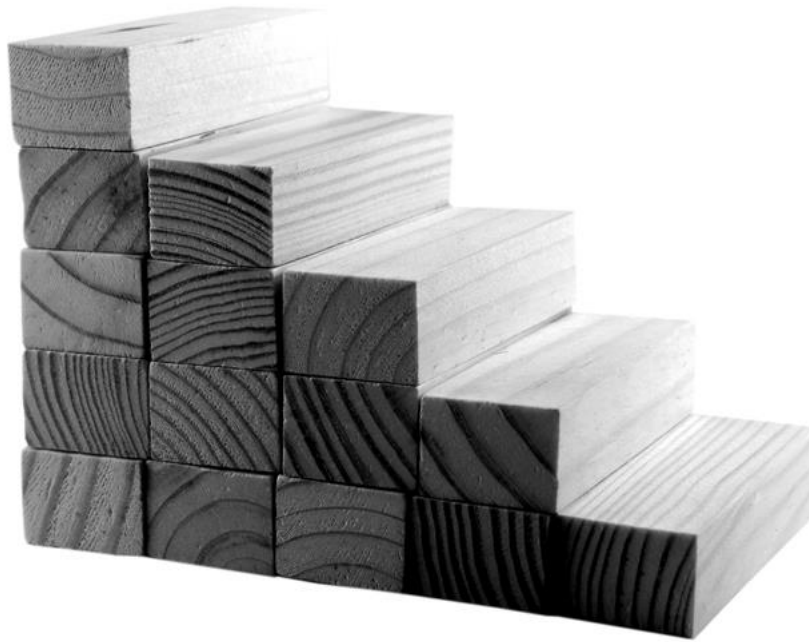
**Registered Office:**  
137 Shepherdess Walk, London N1 7RQ  
[www.bitc.org.uk](http://www.bitc.org.uk)



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# TACKLING YOUR GENDER PAY GAP: RETENTION AND PROGRESSION

GENDER PAY GAP TOOLKIT  
FEBRUARY 2020



In this last toolkit in the series on tackling your gender pay gap, we look at how to retain your talent and ensure fair progression processes across your organisation. This includes developing a strong workplace culture and pioneering inclusive leadership.

## Business in the Community's gender pay gap toolkit suite:

- Understanding your gender pay gap
- Analysing your gender pay gap
- Communicating your gender pay gap
- Tackling your gender pay gap – Attraction and Recruitment
- Tackling your gender pay gap – Retention and Progression



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## Retention

### Workplace culture

In order for diverse talent to flourish, employers must create a working environment in which each employee can bring 'their whole selves to work' and feel motivated to realise their potential. From meeting times to internal communications, from physical environment to management behaviours, small nuances in a workplace can accumulate into a culture that enhances innovation, individualism and engagement, or one that undermines it.

Workplace culture has a significant influence over the wellbeing and engagement levels of employees, including how valued, included and confident they feel – therefore affecting staff retention. The wellbeing of employees is linked to business performance, so creating an agile and inclusive culture is key to business success,<sup>i</sup> as well as crucial to closing the gender pay gap.

To retain your staff, we advise you to put your employees at the heart of your organisation, by dismantling hierarchies and encouraging transparency.

### Know your people

Regularly gauging employee engagement through surveys and focus groups can provide real insight into the current organisational culture and the impact this has on staff. It is essential that this learning is acted upon and changes put in place wherever negative practices or processes are detected. Information from employees should be disaggregated by demographics (e.g. gender, race, age etc.) to ensure that diverse groups feel equally valued, motivated and rewarded. Where one dominant group is found to succeed and thrive in a workforce at the expense of others, those in the dominant group should be made part of the solution in working towards a healthier culture to ensure their understanding and buy-in for doing things differently.

#### Recommendations:

- Regularly assess employee engagement.
- Ensure inclusive internal communications.

**Business in the Community can support your organisation with this process. Please get in touch with your Diversity Advisor for more information.**

## IMPACT STORY – Deloitte

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Deloitte recognises that none of the firm's gender balance actions will succeed without the right culture and working environment. To this end, the professional services firm have relentlessly focused on agile working and on providing a working environment that is truly inclusive, underpinned by respect at all times.



Deloitte's focus on respect and inclusion is about creating an environment where everyone can be themselves at work and is able to thrive, develop and succeed. This includes:

- Putting 6,000 senior leaders through mandatory inclusive leadership workshops since 2015 – using real-life anonymised examples to bring to life issues and force people to think – with a further 1,000 partners attending updated sessions in 2018 and mandatory digital training for all staff
- Introducing a network of 39 Respect & Inclusion Advisors; trusted senior leaders who provide a safe way for individuals to confidentially raise concerns, as well as providing a hotline for its people
- The award-winning 'Ask Yourself...' film which sends a clear message about judging every person only on the value they can – or could – bring
- Taking clear action where individuals are found to have behaved in a way which is counter to the firm's values – including exiting senior individuals

The firm's focus on agile working focuses on enabling all of their people to balance a successful career with commitments outside of work. This includes:

- Providing a variety of formal agile working arrangements – from part-time working to the award-winning Time Out scheme which offers the opportunity to take a four-week block of unpaid leave each year
- Embedding informal agile working arrangements – including working from home or another office and informally flexing working hours
- Underpinning their entire approach with three important principles – trust and respect, open and honest communication, and judging solely on output
- Ensuring that all its people believe that agile working will not have a negative impact on progression

## Inclusive Leadership

For organisations to succeed in today's complex and diverse environments, and with increasing competition and disruption, their leaders and managers need to be able to get the best out of all their people. Inclusive leadership is key to increasing employee engagement and productivity, and is effective in breaking down the barriers to progression many women face.

**Inclusive leadership:** A leadership style which embraces, encourages and taps into the creativity and ideas which come about in non-homogenous groups.

Business in the Community's inclusive leadership research, undertaken with Shapiro Consulting, found that more than 80% of employees who have worked with an inclusive leader are more motivated, productive, loyal to the organisation and more likely to go the extra mile.<sup>ii</sup>

Truly inclusive leaders make everyone in their workforce feel more valued, more confident, more authentic and clearer about their career opportunities – regardless of their gender. As a result, leading inclusively increases loyalty and motivation, leading to better staff retention and greater innovation, as well as, crucially, better advancement of women. Inclusive leaders are currently pioneer leaders; breaking new ground, learning through example and experience, not through organisational design.

Our [Five-Point Framework for Inclusive Leadership](#) sets out practical activities, across five stages, which are required to develop and embed inclusive leadership in your organisation, and equip your people with the knowledge and skills needed to become inclusive leaders. We recommend that employers define the strategic imperative for inclusive leadership; identify the organisation's inclusive leadership gap; equip leaders to become great inclusive leaders by examining their behaviours, knowledge, skills and actions; and building a change agent group to drive through change by walking the talk.

Including inclusiveness criteria into the performance appraisal of management is an effective tool towards making rapid progress; assessment of managers' inclusiveness should include upwards feedback from managers to ensure 360 degree evaluation.

### Recommendations:

- Assess how inclusive your leadership teams are using Business in the Community's inclusive leadership resources.
- Develop leaders' adaptability, innovativeness and open-mindedness.
- Identify change agents to lead by example.

## Bullying and Harassment

Business in the Community's Project 28-40 report asked participants what their organisation could do to improve the culture in their workplace – addressing bullying and harassment was the most frequent suggestion with one in six women recommending it.<sup>iii</sup>

Bullying and harassment includes, but is not limited to:

- Exclusion or victimisation
- Unfair treatment
- Overbearing supervision or other misuse of power or position
- Someone deliberately undermining another person by overloading them with work or constant criticism
- Being prevented from progressing by intentionally blocking promotion or training opportunities

The report further revealed that 52% of women had experienced bullying and harassment in the past three years alone.<sup>iv</sup> Among these women who have experienced workplace bullying and harassment during the previous three years, the rates were highest for Black British / African / Caribbean women (69%), women with disabilities (71%), bisexual (61%) and lesbian and gay women (55%).

More than one in four experienced overbearing supervision or misuse of authority, or felt undermined by being deliberately overloaded with work and constant criticism.<sup>v</sup> More than one in six experienced exclusion and victimisation or experienced being prevented from progressing by intentionally blocking promotion or training opportunities.<sup>vi</sup>

This shows us that employers need to go above and beyond zero tolerance policies to improve workplace culture. Business in the Community advises employers to call it out, deal with perpetrators, and make it simple and straightforward to report. Training is key at all levels, and it is essential for senior leaders to be engaged change-makers too.

### Recommendations:

- Ensure managers attend training and courses on:
  - Anti-discrimination
  - Communication style and people management skills
  - 'Difficult conversations', to improve their ability to deal effectively with bullying, harassment and inappropriate behaviour
- Address the issue of discrimination and inappropriate behaviour in regular training for all staff.
- Disciplinary action against perpetrators must be taken and made visible.
- Senior leaders must walk the talk and take a strong line on bullying and harassment – this must be communicated regularly throughout the organisation.

## Sexual Harassment

More than half of all women polled have experienced some form of sexual harassment in the workplace and thirty-five per cent of women have heard comments of a sexual nature being made about other women in the workplace.<sup>vii</sup> Even more concerning is that certain groups of women appear even more vulnerable to experiences of sexual harassment at work – young women (under 28 years), disabled women and bisexual women were all more likely to have experienced sexual harassment at work.<sup>viii</sup>

Whilst it can impact both women and men, research repeatedly shows that women are more likely to experience it and perpetrators are more likely to be male. In the workplace, harassment can often be used as an 'equalizer' against women in power.<sup>ix</sup> Women in senior positions and with more power disrupt the traditional gender roles in society, in which men normally hold top positions.

Organisational culture, job security of the employee and the gender composition of the workforce have a greater influence over the prevalence, type and severity of sexual harassment in work than individual employees.<sup>x</sup>

If employers want to equalise the positions of women and men to close the gender pay gap, they must create a working environment that doesn't enable or permit sexual harassment to occur. This involves all of the action points, as outlined above. Crucially, employers must create a gender balanced workforce at all levels and reduce the number of employees in insecure jobs. Our





[Workplace Sexual Harassment Toolkit](#) provides actions for structural change and cultural change to mitigate the issue.

### **Recommendations:**

- Define a policy with a holistic definition of sexual harassment – or review your pre-existing policy.
- Regularly communicate policy and behaviour standards to staff, and provide training to every employee on sexual harassment.
- Take action against perpetrators regardless of their position.



## Family-friendly policies

As our toolkit on **analysing your gender pay gap** highlights, employment rates for women start to level off after they have children. What is more, one in four UK adults will experience 'sandwich caring' at some point in their lives<sup>xi</sup> – a caring responsibility for both a dependent child and adult. Adopting family friendly-policies and initiatives is instrumental to retaining parents and carers in the workplace.

## Agile and Flexible Working

**Agile Working:** Achieving business needs whilst meeting individual needs through a flexible approach to working.

The term 'agile working' refers to a range of working styles, such as compressed hours, flexible hours, regularly working away from the office, as well as part time working. By enabling more autonomy over when and where employees fulfil their working hours, employers will leverage the skills of women returning to the labour market, whilst retaining talent and increasing productivity.

However, too often agile working is still seen as a 'women's issue'. In reality, both women and men - with or without caring responsibilities - want the opportunity to work flexibly. Business in the Community's Equal Lives research, in partnership with Santander UK, found that when provided with different options for family-friendly policies, the ability to work flexibly is seen as the most important to balance employment and care – for both men and women, and those with and without caring responsibilities.<sup>xii</sup>

**Flexible Working:** An agreed way of working which meets the individual needs the employee.

To normalise agile working and help close the gender pay gap, employers must ensure that women don't get stuck in the middle or lower end of the hierarchy just because they are working flexibly, by opening up senior positions to agile working or job sharing. There are many different ways to work flexibly, which you can consider.

Communication is key: communicate the message that agile working is equally available to all employees, and if formal requests are required look out for bias towards women when approving applications. Senior men in particular must advocate agile working practices, so that the culture supports - not stigmatises - agile working styles for both women and men

In order to make this work in practice, organisations should advocate responsible flexible working. Develop a culture that emphasises the value of people's output and performance, rather than when or where they work – and eliminate cultures of presenteeism

### Recommendations:

- Implement flexible working into all job roles, at all levels, unless there is a clear reason why a job cannot be done flexibly.
- Set up a network of 'Flexible Working Champions' to build up knowledge and expertise for employees with caring responsibilities.
- Encourage a culture focussed on outputs not inputs and ensure flexible working is a team approach; reducing the need to work beyond contracted hours.
- Monitor the take-up of flexible working, including by gender and type of caring responsibility.

## IMPACT STORY – Capgemini

Capgemini UK's Active Inclusion programme introduced a new approach to flexible working, overcoming challenges



associated with flexible working in client-facing roles. Emphasising the need to challenge the workforce and its clients rather than just introducing internal flexible working policies, Capgemini UK's delivery director wrote a guide to enable client managers to have similar dialogues based on providing their clients with the best talent. Two vice president sponsors also ran support calls for managers to help challenge their teams and clients in how they think about work. Examples of flexible working arrangements for team members at all levels (including vice president level in client-facing roles) have been shared internally as part of wider internal communications showcasing what works.

Overall, 75% (an increase of 16 percentage points on 2016) of employees make use of flexible work arrangements – through both informal and formal options. This has also translated into clients promoting flexible working in their own organisations too – Capgemini has influenced one client to introduce a joint quarterly review of ways of working, acknowledging how clients and suppliers can challenge perceptions of flexibility working together.

## Shared Parental Leave

**Shared Parental Leave:** A legal entitlement for eligible parents of babies born, or children placed for adoption, on or after 5 April 2015. It provides both parents with the opportunity to consider the best arrangement to care for their child during the child's first year.

Government stipulates that couples can share up to 50 weeks of leave and up to 37 weeks of pay between them. They need to share the pay and annual leave in the first year after their child is born or placed with their family.

Couples can use SPL to take leave in blocks separated by periods of work or take it all in one go. They can also choose to be off work together or to stagger the leave and pay.

*Source: Shared Parental Leave and Pay, GOV UK*

Research from Scandinavia demonstrates that Shared Parental Leave and subsidised childcare can contribute to decreasing the gender pay gap. A Swedish study revealed that a mother's future earnings increased on average 7% for every month the father takes leave.<sup>xiii</sup>

Gender quality at home is absolutely necessary if we are to achieve equality at work. Women make up almost half of the workforce, but they still take on the most domestic responsibilities compared with their male counterparts. This impacts career retention and progression, and consequently, the gender pay gap.

Employers need to take those aspirations into account if they want to attract and retain the best talent, and creating workplaces that are fit for the 21<sup>st</sup> century. Read our [Shared Parental Leave \(SPL\) guidance](#) and case studies for successful implementation.

Parents all need support both during and after taking time out to care for their children. The level of support required may vary depending on how long they have been out of work, whether they're a single parent, what level of responsibility they have at work and their own preferences or needs – but it should always be designed to be inclusive. Employers should offer the following in order to support all parents:

- Childcare support, such as vouchers, to both parents
- Agile working opportunities
- Guidance for staff and managers
- Line manager training

- Awareness raising events
- Proactive communications encouraging and celebrating take-up of Shared Parental Leave
- Access to staff support networks

#### **Recommendations:**

- Implement the Shared Parental Leave package with pay, if an organisation can offer an enhanced Shared Parental Leave package, implement with pay equivalent to maternity leave and communicate it widely.
- Make sure Shared Parental Leave can be taken at any point and simultaneously within the first year so men and women are equally able to remain visible across the organisation during time off.

### **Carers Leave**

As our Equal Lives research found, caring for adults is more complicated, unpredictable and less understood or empathised with in the workplace. Overall, there is seen to be less visibility for carers of adults and, often, less support from policies and managers. Although both men and women care for adults, women are still one and a half times more likely to take the lead in caring for adults.<sup>xiv</sup>

Organisations should ensure there are initiatives in place to support carers too, such as paid carers' leave.

#### **Recommendations:**

- Allow emergency provision and bereavement policies so that employees can respond to care emergencies or make alternative arrangements.
- Offer paid leave for carers (in hours). Even a small amount of paid leave could make a big difference.

**For more information and recommendations on family-friendly policies, please read our [Equal Lives](#) report.**

## Progression

Closing the gender pay gap requires helping women to progress at all levels. Across all sectors, men outweigh women in the most senior levels, whilst women dominate the lower end of the pay scale. Employers must give men and women the same access to well-paid work and development opportunities.

Progression and promotion decisions must be based on merit, and processes which can be used to help your people progress need to be bias-proofed and transparent. Processes can include:

- Regular and transparent performance reviews and objective setting
- Performance appraisals, focusing on core strengths and development areas
- Clear definitions of roles and levels
- Clear career paths and defined routes for promotion
- Job sharing and agile work availability at all levels
- Formal processes and unbiased criteria for selecting 'high potential' candidates, including targets for gender balanced selections

## Appraisals

In Project 28-40, women ranked regular and transparent performance review, objective setting and appraisal processes as the most important employee support programme.<sup>xv</sup>

Business in the Community's Gender Equality Campaign believe that talent management systems should then be redesigned taking proactive measures to reduce opportunities for perpetuating inequalities.

Evidence should be gathered on where women and men are progressing, and systems tested for bias. In our previous toolkit on **tackling your gender pay gap: attraction and recruitment**, we discuss how to monitor and measure your workforce data. For example, an appraisal system where more men are regularly assessed more highly should be reviewed.

Routine employee appraisals often represent missed opportunities to recognise those who are excelling in different ways and truly reward their success either through remuneration, promotion or personalised development. Where either manager or employee regards appraisals as a tick-box exercise or arbitrary hoop to jump through the process is unlikely to lead to a meaningful exchange which serves to significantly affect the contribution the employee goes on to make within the organisation.

We also encourage employers to align the particular skills they are seeking to identify and develop to their overall business goals, to ensure capacity to meet organisational objectives now and in the future. Each organisation should understand their own bespoke business case for achieving a diverse workforce, and this should be communicated thoroughly to ensure all managers and recruiters take responsibility for making decisions which accelerate rather than hinder the pace of change.

Most of all, appraisals should represent a genuine two way dialogue; a valuable face-to-face opportunity to listen to the aspirations and concerns of employees, and to receive and act upon feedback their own evaluation of both their professional strengths and areas for development and the organisations' pros and cons as an employer.

### **Recommendations:**

- Performance appraisals should not include a self-assessment before the line-manager's assessment, since some groups of people may be less likely to rate themselves as outstanding, which could influence line-manager's perceptions.
- Add diversity as a Key Performance Indicator in your appraisals.

## **Promotions**

Effective succession planning strategies, considering likely business needs 6 months, 2 years and 5 years into the future for example, are key to making appropriate decisions on the speed at which to develop promising employees. Tight communication between line managers and those with the power to sign off decisions on pay and reward is likewise essential.

Promotions should be closely monitored through a gender equality lens to learn more about each department's record in advancing women to different levels. For best practice, we suggest cutting this data by other factors such as race. Extensive internal advertisement of upcoming vacancies should sit hand in hand with intensive management encouragement to ensure factors such as confidence, ambiguity about responsibilities or fear of a long-hours culture do not deter any potential candidates. Appraisal mechanisms which are linked to promotion or progress should be transparent and monitored for differential gender impact. The same rigid best practice should apply to promotions panels as to external recruitment panels, with transparent processes, inclusive methods of assessment and gender-balanced interviewing teams all proving vital.

### Recommendations:

- Raise awareness of unconscious and conscious bias through training.
- Base promotions and selection of candidates for leadership programmes on merit and performance rather than self-nomination.
- Ensure recruiters consider the significance of competencies and behaviours as well as specific work experience, so that both women and men can cross over into different career paths.
- Refresh job criteria to ensure required work experience is still relevant to the role, and not likely to preclude more women or more men.





**For more information, please take a look at Business in the Community's other gender pay gap toolkits:**

- Understanding your gender pay gap
- Analysing your gender pay gap
- Communicating your gender pay gap
- Tackling your gender pay gap – Attraction and Recruitment





## References

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