



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 Please note that some links, case studies and statistics may be out of date.



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COMMUNICATING YOUR GENDER PAY GAP

GENDER PAY GAP TOOLKIT
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You've calculated your gender pay gap and identified the key factors driving it; now it's time to publish. Will you tell your employees first? How will you write your narrative – is there a positive story to tell?

In this toolkit, we provide guidance and advice on how to communicate your pay gap internally and externally, where to publish it and, crucially, how to write your accompanying narrative. Your narrative is instrumental in helping you to shape stakeholder, employee and public reaction. It will prepare you for developing your action plan and, ultimately, closing the gender pay gap.

Once you have designed your narrative and communications strategy, read our next toolkits in the series on **tackling your gender pay gap** to find out how to address the root causes of the pay gap.

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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The gender pay gap and unequal pay

A Business in the Community survey of more than 1,000 employees found that over half of all respondents are doubtful that women and men working at the same level or doing similar work earn the same.ⁱ

We recommend explaining the differences between the gender pay gap and unequal pay clearly as part of your narrative in order to mitigate adverse reactions amongst employees, since the two are often mistaken for the same.

Gender Pay Gap

The gender pay gap is a measure of **the difference between men's and women's average earnings across an organisation**. The gender pay gap in the UK is currently 17.3%. A company might have a gender pay gap if a majority of men are in high-paying jobs, despite paying male and female staff the same amount for the same or similar roles. *Source: Gender pay gap in the UK, Office for National Statistics (2019)*

Unequal Pay

Unequal pay refers to the pay differences between two individuals or a group of workers carrying out the same or comparable work. Under the Equal Pay Act 1970, it is unlawful to pay people unequally because they are a man or a woman. Unequal pay is linked to sex discrimination in pay and may be a contributing factor to the gender pay gap.

Recommendations:

- Explain differences between the gender pay gap and unequal pay in your narrative.
- If your organisation conducts regular equal pay audits, include this in your gender pay gap report.

For more insight into the causal factors behind the gender pay gap, take a look at our toolkit on **understanding your gender pay gap**.

Writing your narrative

As an employer, you will benefit from publishing a detailed, evidence-based narrative along with the gender pay data. By explaining the key factors driving your gender pay gap, your narrative can prevent employees and the public jumping to conclusions about discrimination and unequal pay.

It is equally important to publish a narrative if you have a small pay gap (less than 5%), no pay gap at all (0%, though this is statistically rare), or a pay gap in favour of women (reversed or negative pay gap e.g. -10%), since all may raise questions amongst your stakeholders.

Components of your narrative

The below guide outlines the key components of a solid gender pay gap narrative, including additional elements which would enable a more nuanced understanding of the context:

<p>Pay gap figures</p> <p>The six gender pay gap as your headlines:</p> <ul style="list-style-type: none"> • Mean gender pay gap • Median gender pay gap • Mean bonus gender pay gap • Median bonus gender pay gap • The proportion of male & female employees who received a bonus • The proportion of male and female employees within each pay quartile <p>We recommend reporting to one decimal place.</p>	<p>Statutory</p>
<p>Causes</p> <p>Explain the causes of your pay gap. Employees and stakeholders will want to know why the pay gap exists in their organisation. Use the second toolkit in the series on analysing your gender pay gap to learn more about the biggest causes in your business. Comparisons with sector averages can also help provide context to your pay gap.</p>	<p>Recommended</p>
<p>Additional pay gaps</p> <p>Publish the pay gaps at each pay grade, job level or quartile, along with the single figure pay gap. It's likely that your pay gaps for each pay grade will be smaller than the overall figure, because the impact of vertical occupational segregation (proportions of women and men at different levels of the hierarchy) is reduced. Therefore, it helps to illustrate the biggest causes of the single figure pay gap more clearly and persuasively.</p>	<p>Recommended</p>
<p>Workforce statistics</p> <p>Include other workforce statistics to enhance your narrative and demonstrate more clearly why the pay gap exists. Many of the causes will relate to specific characteristics of your workforce, such as higher proportions of women employed in lower-paid supporting roles. Many companies publish information</p>	<p>Recommended</p>

on their workforce data, including the gender breakdown at each level of the hierarchy. Workforce data helps illustrate the bigger picture and challenge misconceptions around unequal pay and discrimination.	
Pay gap vs unequal pay Clarify the difference between the gender pay gap and unequal pay and state whether you plan to undertake any equal pay audits to confirm individual people are paid fairly.	Recommended
Action plan Describe your plan of action for closing the gap. Even if you've demonstrated that unequal pay is unlikely, the pay gap still highlights the uneven distribution of women and men across the employment hierarchy (or other 'problem areas') – something that may be called into question. Outlining how the business plans to tackle the gap works to your advantage. See the final toolkits on tackling your pay gap for practical advice.	Recommended
CEO statement Include a message from your CEO with a description of your progress to date and your organisation's strategic approach to gender equality.	Recommended

Examples of narrative styles

Employers are not be obligated to publish an additional narrative yet about the gender pay gap under the Section 78 regulations. However, most responsible employers will choose to do so. A contextual narrative will enable you to set out the likely causes of the gender pay gap in your organisation and your strategy for closing the gap.

There are broadly two options of narrative style available to you: short and simple or detailed and informative. We recommend a more detailed and informative approach. These are demonstrated in the following two brief examples:

Short and simple

<i>"We calculated the six mandatory gender pay gap figures. The gender pay gap stands at 15.2%. This is mostly caused by the higher proportion of men employed in our higher-paying roles."</i>	Includes: ✓ Pay gap ✓ Key causes
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Detailed and informative

"Our gender gap, based on all UK employees in 2018, is 13.6%. Looking at each pay grade, the average pay grade gap decreases to 3.2%.

The gap does not represent unequal pay for equal work or 'like work', which is unlawful. It represents a number of other causes.

The overall pay gap is mostly caused by the higher proportion of men employed in our higher-paying, senior roles – our senior management teams are made up of 30% women and 70% men, whereas administrative support and junior level roles are made up of 62% women and 38% men. Our data on maternity returners further shows that only 65% of women stay at work for longer than one year after maternity leave, which also affects the size of the gender pay gap.

To help tackle the pay gap, we're streamlining all parental leave policies (including SPL) into one, distinct offer for all staff and increasing the pay. Since line managers are responsible for developing their staff, we are rolling out mandatory unconscious bias and inclusive leadership training, diversity-proofing jobs descriptions and holding senior managers to account by setting diversity targets linked to bonus pay. We will be measuring the impact of these each year."

Includes:

- ✓ Pay gap
- ✓ Key causes
- ✓ Workforce statistics
- ✓ Equal pay vs pay gap
- ✓ Action plan

Recommendations:

- It is essential to include the following information:
 - Methodology
 - Causes
 - Pay gap
 - Data breakdown
- It is best practice to include the following information:
 - Workforce statistics
 - Pay gap vs unequal pay
 - Action plan

Is there a positive story to tell?

Even if your pay gap is large, publishing a contextual narrative presents an opportunity to highlight the positive work your organisation is doing – or plans to do – to tackle it. Publishing a detailed description of the issues driving your organisation's pay gap demonstrates your understanding of the barriers women face in the workplace. Being open and honest, particularly to employees and shareholders, and explaining an appropriate plan of action should work in your favour.

If your pay gap is small or non-existent, then take this opportunity to promote your gender balanced workforce and your commitment to gender equality. There are still possible inequities behind a non-existent or a small pay gap, so it is worth identifying and acknowledging these.

IMPACT STORY – PwC

PwC published their gender pay gap action plan clearly and concisely, including additional pay gap information to develop their narrative.

"In 2018 our mean gender hourly pay gap was 12.2% and 43.2% if we include partners. We are pleased that we are making progress but we also know we still have work to do. Our five-point action plan aims to address this by focusing on the areas where we know we can have the biggest impact:

- senior level accountability
- fair work allocation
- investment in returnships
- recruitment activity
- senior progression coaches

The transparency and accountability that gender pay gap reporting brings is crucial in driving greater equality in the workplace. We first voluntarily published our gender pay gap data in 2014 and since then we have held ourselves accountable to disclose beyond the regulatory requirements; we published our pay and bonus gaps to include Partners, and were one of the first firms to publish our Black, Asian and Minority Ethnic ('BAME') pay and bonus gaps."



pwc

Having a positive story to tell is highly beneficial; it can strengthen your brand as an employer of choice, enabling you to attract and retain a talented workforce.

Be aware: A non-existent pay gap may be hiding horizontal occupational segregation, which means your business is not benefiting from diverse teams. For example, a professional services firm where the HR Consulting department is female-dominated and the Transactions department is male-dominated may not have a significant pay gap. However, the business is not benefiting from gender diverse teams. Salaries across the department may be similar, but if one unit starts to generate more profit, the average salary may change and a pay gap could develop. Whilst this is not essential for a narrative, it is important to raise awareness internally and develop a strategy to attract both women and men into non-traditional roles.

Recommendations:

- Publish the positive work your organisation is doing to support gender equality even if your gender pay gap is large.

Communicating your narrative

Internal Communications

What will you share?

To increase or maintain high levels of trust, understanding and engagement amongst staff, it is worth publishing all elements of your pay gap narrative, with a strong focus on the causes and the action plan. Signposting to external information on the pay gap and unequal pay will add value to your communications strategy by educating your employees.

How will you communicate internally?

Collaborating with your Internal Communications Team as early as possible can help you decide on the best way to circulate information and to maximise the opportunity to raise awareness amongst staff. Whether it is in written format, illustrated animation, a pre-recorded video or a podcast, there are multiple routes for circulating your narrative to staff:

- Intranet or employee section of your website (employee portal)
- E-mail to all staff, preferably sent by the CEO / UK Director
- Line manager cascade
- Central media channels such as TV screens in offices or internal YouTube channel
- Internal social media platforms such as Teams, Chatter or Yammer
- Office notice boards
- Messaging on the back of payslips
- During internal meetings, events or conferences, such as 'town halls'

However you choose to inform your employees, it would be beneficial to include as much information as possible in your early communications – employees will want to know more than the single figure pay gap.

Employees may want to discuss or respond to the information, so enable two-way conversations and feedback through face-to-face meetings, online forums, follow-up emails answering FAQs and/or live Q&A sessions both online and in-person. Ensure line managers are briefed to understand to all aspects of the gender pay gap, particularly the differences from unequal pay.

Who should talk to employees?

- Senior executives should be responsible for internal, company-wide communication. For example, we recommend sending the company-wide email from the CEO. This will send the message that the gender pay gap is a core business issue, not an HR matter.



- Ensure line managers are fully equipped to deliver key messages and respond to employees' questions about the gender pay gap.

IMPACT STORY – BUSINESS IN THE COMMUNITY

At Business in the Community, we published our gender pay gap report in early December 2018 on both our own website and the government website – four months before the statutory deadline. The information was also published in our annual report a few days later.



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An internal lunch and learn session was held to inform staff of our figures and action plan, and to provide them with the opportunity to ask any questions. We also published figures on our ethnicity pay gap and provided a transparent narrative alongside this.

“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.”

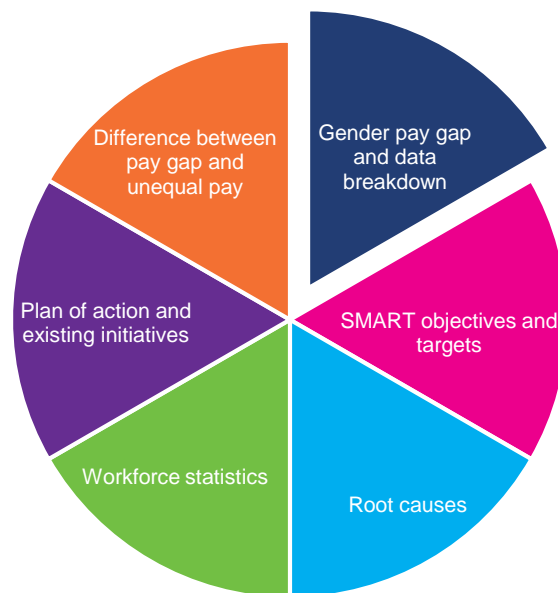
Recommendations:

- Share as much information on your pay gap as possible with employees in order to promote transparency.
- Utilise a number of channels to share the information, including face-to-face, online and paper-based methods.

External Communications

What should you share?

To help people understand why the gender pay gap exists in your organisation, and to prevent any assumptions being made about unequal pay, we strongly advise publishing every element of your narrative, with particular focus on the causes (backed up by evidence) and your action plan for tackling these causes. Presenting your action plan is crucial to enhancing your reputation as an employer of choice. Include SMART objectives and targets, with achievable timings against them so show your commitment.



Where will you publish it?

We recommend publishing your narrative and your data through multiple platforms, such as:

- An easily accessible page on the company website
- Annual report and CSR/Transparency report
- Through print and online media
- Company social media platforms such as Twitter, Facebook or LinkedIn profiles

IMPACT STORY – NETWORK RAIL

Network Rail were keen to display the work that has been going on to address their gender imbalance and subsequent pay gap and decided to publish in December 2018, ahead of the deadline. This was part of a wider communication strategy that involved targeting various audiences to maximise engagement. They published an internal article about the report which is available to all employees, whilst providing supporting material such as FAQ documents to their HR community so they were equipped to deal with any queries. With an organisation of their size with almost 40,000 employees, it is important for their various departments to understand the gender pay gap at a local level so that more targeted initiatives can be developed – so they produced scorecards for each function showing a breakdown of their figures.



They also created a short film clip which summarised the report and enabled them to promote their story via social media channels, such as LinkedIn.

Their Group HR Director, Alison Rumsey says:

“For the first time, Network Rail achieved 17 per cent female representation in 2018. This is a major milestone on our journey to becoming a more gender diverse organisation. I’m particularly pleased with the increase we’ve seen in the female intake in our apprenticeship schemes, from eight per cent to 22 per cent in just a year. And our returners programme for surveyor roles which recently won a WISE career award. It’s fantastic to see that our hard work is beginning to pay off. But there is still much to do if we are truly to be recognised as a diverse and inclusive employer.”

Recommendations:

- Publish your report through multiple platforms.
- Include the data, your methodology, the root causes, workforce statistics, action plan and a statement on the difference between the gender pay gap and unequal pay.

Media Considerations

Engage your Directors/Heads of Internal and External Communications as early as possible in all planning around the publishing of your gender pay gap, as you would the Executive Team and/or Board.

By ensuring their involvement during the early stages you will enable them to incorporate the media announcement into the organisation's media calendar. In addition, you will benefit from their expert knowledge of your target media and external audiences, and support and advice on:

- Messaging
- Briefing of spokespeople
- Development of Q&A documents
- Most effective internal and external channels
- Media planning, support and delivery
- Development of press and media content




Recommendations:

- Work with the communications team(s) to anticipate questions from external audiences, including media, and develop a comprehensive Q&A to equip your spokespeople and external communications, e.g. press/social media teams and consultants.
- Include as much narrative and action plan information in all external communications in order to provide the full context around your unique gender pay gap statistics.
- Include senior statements in communications to press to demonstrate that this is a core business issue and commitment.

Mitigating adverse reactions

Pay gap transparency is beneficial to business; it enhances your brand, distinguishes you from the competition and helps to attract and retain the most talented and engaged employees. Nonetheless, it is worth taking actions to minimise any potential adverse reactions to your pay gap data. Negative reactions can be prevented by carefully managing the reporting process, starting with your narrative.

- Negative media coverage can be mitigated by proactive reporting, focusing on the positive story you will tell in your narrative, being open and honest about the root causes and your intention to close the gap.
- Discrimination claims and employment tribunals can be prevented by involving staff in the reporting process from the beginning, and seeking their feedback on what actions are required to close the gender pay gap.
- Inform all staff about the processes in place which prevent discrimination in the pay and reward system, such as equal pay audits and unconscious bias training. Ensure line managers and HR teams are trained to deal with any equal pay queries.
- Demonstrate your understanding of the problem areas, and be clear about the actions you are taking/intend to take to close the gap.

Only 7% of employees would seek legal advice if there was a gender pay gap in their organisation and only 1% would take legal action.	
If there was a gender pay gap, most respondents (91%) said they would want to talk about the issue at work.	
Two-thirds of participants reported that they would ask their employer what they are doing to close the pay gap and more than half would ask for more information.	

Source: [*The gender pay gap: what employees really think, Business in the Community \(2015\)*](#)

FAQs

Employee engagement and public trust are important to our organisation – how do we get the messaging right?

Demonstrate your commitment to achieving gender equality in the workplace through your narrative:

- To minimise misconceptions and adverse reactions, ensure you educate employees on the differences between unequal pay and the gender pay gap, and clarify that the gender pay gap does not necessarily reflect discrimination.
- Be honest and transparent about the reason behind your gender pay gap. Don't take a defensive approach or try to hide information.
- Focus on the initiatives you have in place to advance gender equality and your plan of action for closing the gender pay gap. To demonstrate that this is a core business priority, your messaging should come from the CEO as well as all managers with people responsibility.

How can we educate people on the differences between the gender pay gap and unequal pay?

Use your narrative to bust myths around unequal pay, discrimination and the gender pay gap. You can be creative – try developing a video, having a lunch and learn session or creating a resource sheet or video.

How will our employees react to the bonus gap and how should we manage their reaction?

If you have a gender bonus gap, your messaging should focus on plans to audit your pay and reward systems to ensure the gap is not caused by discrimination or bias.

How do we prevent our gender pay gap from conflicting with our branding as an employer of choice for women?

Demonstrate your commitment to achieving gender equality in the workplace by publishing information on every component of the narrative. Going the extra mile here will enhance your brand. If you have a large gender pay gap, the key is to focus on closing it – specifically how your organisation plans to do so. Transparency should be celebrated, not feared.



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 (Available to Gender Equality Campaign Partners only)
- Tackling your gender pay gap – Attraction and Recruitment (Available to Gender Equality Campaign Partners only)
- Tackling your gender pay gap – Retention and Progression (Available to Gender Equality Campaign Partners only)





References

ⁱ Gender Pay Gap: What Employees Really Think, Business in the Community (2015)

