EQUAL PAY AUDIT

2014

Equal Pay at Staffordshire University

Staffordshire University is an inclusive organisation with a strong commitment to equality and diversity. We support the principle of equal pay for work of equal value and undertake regular equal pay audits to monitor the fairness of our pay system.

Although the legislation does not currently require the University to publish its pay gap data, in the spirit of openness our Equal Pay Audits are published on our Equality and Diversity web page.

Equal Pay Audits were undertaken in 2010 and 2012. This report contains the finding of the third audit for 2014.

Purpose

The general aim of the equal pay audit is to ensure that we are not discriminating against any particular group with a protected characteristic (as defined under the Equality Act 2010) by paying them less than another group for work of equal value.

The specific actions identified by the audit group were:

- To establish whether there are pay inequalities arising as a result of gender, race, disability, sexual orientation, religion or belief and age.

- To establish whether there are pay inequalities arising from differing contractual arrangements.

- To analyse in more detail the nature of any equalities and the factors creating the inequities revealed by the analysis and diagnosis.

- To determine what action is required to deal with any unjustified inequities.

Audit process

The equal pay audit has been conducted using best practice and guidance from JNCHES, the Equality Challenge Unit and the Equality and Human Rights Commission.

A project team was set up to undertake this project on behalf of the University:

Clare Ridgley	Equality and Diversity Manager
Spencer Clarke	Systems Support Manager
Emma Davis	UNISON Representative
Angus McDonald	UCU Representative

The Equal Pay Review project team agreed the following:

- that the audit would focus on 'work related as equivalent' in its analysis phase as the University has a job evaluation scheme in place.

- how the data would be analysed and what reports would be required to undertake the analysis.

- that the analysis of the data would focus on:
  - any significant pay inequalities i.e. those of more than 5%
  - any pay inequalities between 3% and 5%, in line with best practice

- that the audit would focus on the identification of inequities arising because of gender, race, disability, sexual orientation, religion or belief or age, where the information was available.

- that the audit also considered any inequities as result of an employee being part-time, hourly paid or fixed term and any inequalities in starting salaries.

- that the pay data (referred to as 'total pay') would include honoraria payments, market supplements and salary protection payments.

The analysis of the data was conducted using the 'Link Equal Pay Software' which is specifically designed to be used when undertaking an Equal Pay Audit. The Project Team agreed that the data extracted from ResourceLink for analysis would be on data as at the July 2014.

Analysis of the data took place in four phases:

- Identifying any pay inequalities above 3%
- Analysing these inequalities in order to diagnose the likely factors which led to the pay difference
- Considering whether these differences could be objectively justified
- If the inequality could not be objectively justified, indicating what remedial action was required

The Equal Pay Policy is contained in the University's Remuneration Policy and was agreed as part of the National Pay Framework Agreement implementation. This was reviewed by the Project Team in 2014 and it was agreed that the Policy adequately covered this requirement.

Analysis of data

Overview of staff profile by grade

The staff profile by salary grade and split by the equality characteristics of sex, disability and race is shown in Table 1 and by Sexual Orientation and Religion/Belief in Table 2 * below:

TABLE 1	Total headcount	Male %	Female %	Disabled %	Not disabled %	White British %	Black or Minority Ethnic %	Not known %
Grade 1	98	13	87	5	95	94	5	1
Grade 2	29	7	93	7	93	100	0	0
Grade 3	146	24	76	10	90	97	2	1
Grade 4	171	28	72	6	94	96	3	1
Grade 5	157	32	68	9	91	94	5	1
Grade 6	147	47	53	5	95	90	9	1
Grade 7	192	44	56	5	95	94	5	1
Grade 8	337	51	49	5	95	96	4	0
Grade 9	99	51	49	4	96	95	5	0
Grade 10	51	71	29	8	92	84	16	0
Grade 11	7	71	29	0	100	86	14	0
Grade 12	22	68	32	5	95	90	5	5
Grade 13	<5	100	0	0	100	100	0	0
Grade 14	12	42	58	0	100	83	0	17
Total	**1469**	**40**	**60**	**6**	**94**	**94**	**5**	**1**

TABLE 2	Total headcount	Hetero-sexual %	Other sexual orientation %	Not known %	Christian %	Other religion or belief %	Not known %
Grade 1	98	20	2	78	18	5	77
Grade 2	29	38	0	62	31	7	62
Grade 3	146	28	0	72	17	10	73
Grade 4	171	22	0.6	77	16	5	79
Grade 5	157	29	3	68	19	6	75
Grade 6	147	19	0	81	10	5	85
Grade 7	192	42	1.6	57	23	11	66
Grade 8	337	20	0.6	80	13	3	84
Grade 9	99	17	0	83	11	4	85
Grade 10	51	10	0	90	4	6	90
Grade 11	7	14	0	86	-	-	-
Grade 12	22	27	0	73	5	5	90
Grade 13	<5	0	0	100	-	-	-
Grade 14	12	33	0	77	17	8	75
Total	**1469**	**25**	**0.9**	**74**	**15**	**6**	**79**

*There is a high percentage of 'not known' for sexual orientation and religion/belief information as this was only recently requested from current staff).

This data is represented graphically below and illustrates the change in composition (male and female) with the change in grade.

Chart 1: Percentage of male and female staff by grade
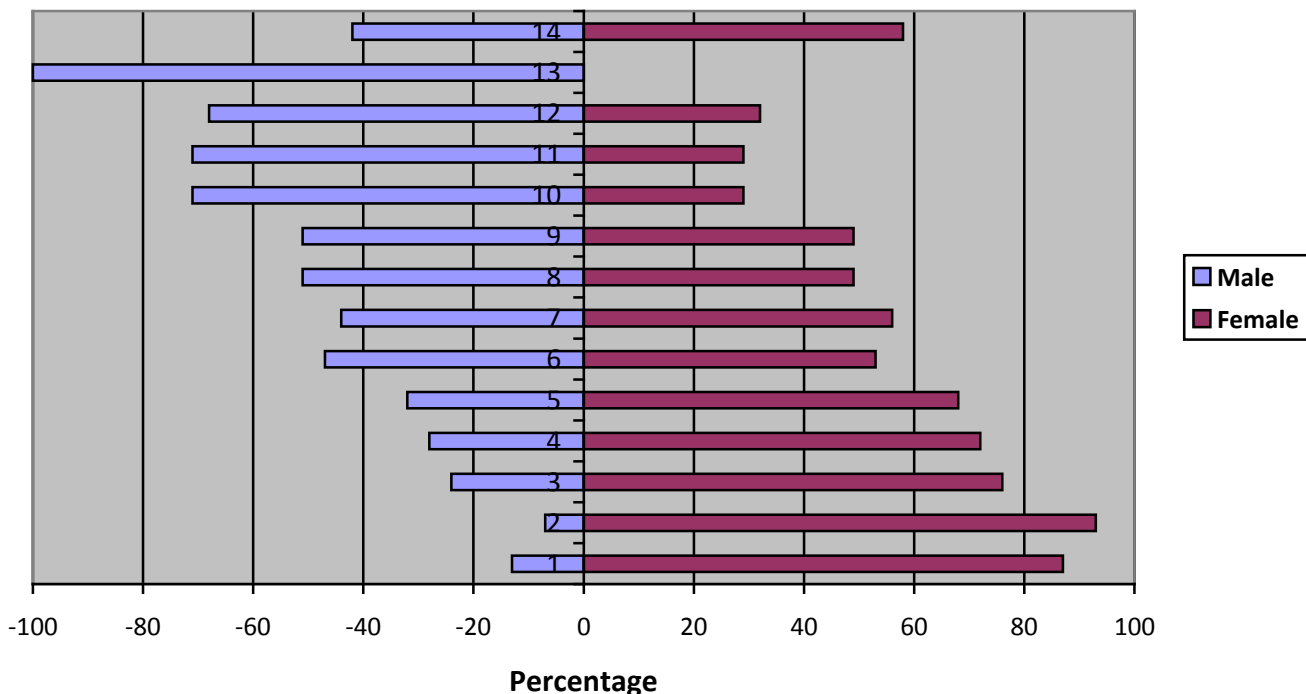(overall male = 40% and female = 60% of workforce)

Chart 2   Percentage of disabled and not disabled staff by grade
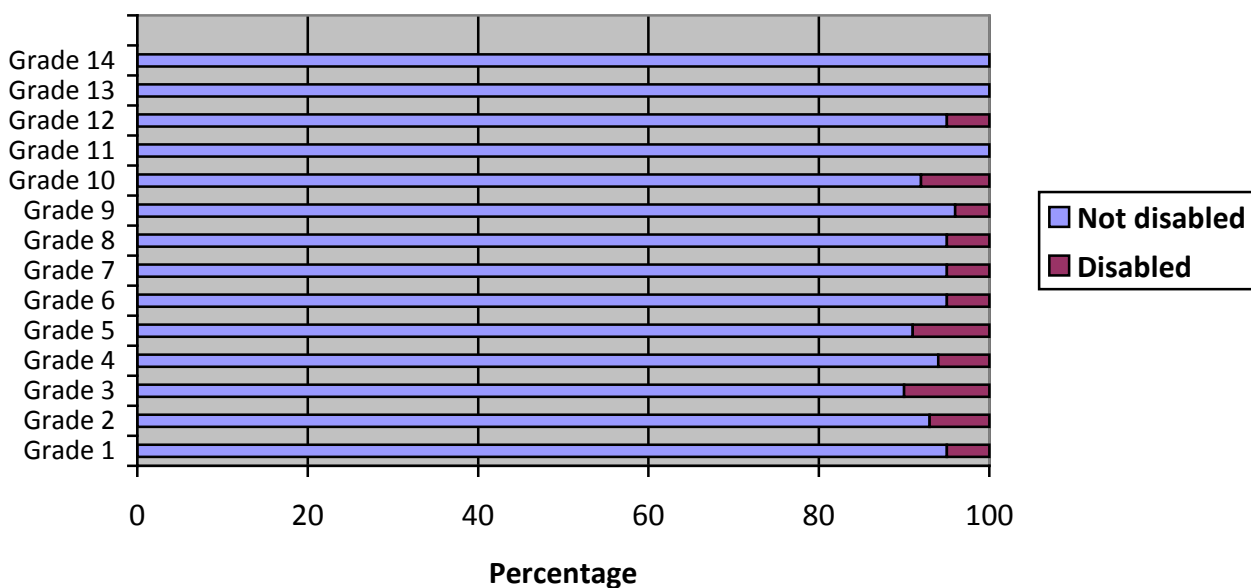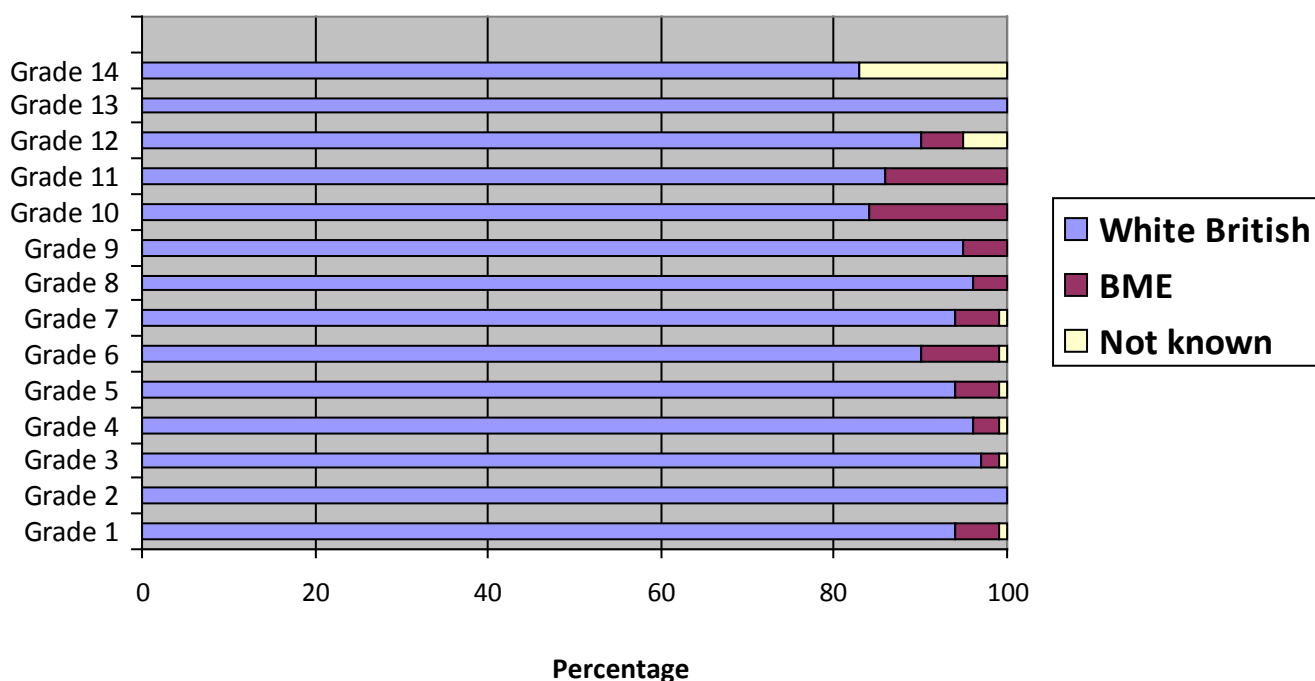(overall disabled = 6%, not disabled = 94%)

Chart 3   Percentage of white British staff and staff from a Black or Minority Ethnic background (BME) by grade
(overall white = 94%, BME = 5% and not known = 1%)

Gender

The staff profile by salary grade and gender is shown in table 3 below. While there is no significant pay gap (more than 3%) within each individual grade (as shown in the far right column) because of the high numbers of women in the lower grades (1 – 5) and the low numbers of women in the higher grades (10 – 12), the overall pay gap is 19.9%.

TABLE 3	Total Headcount	Female			Male			Difference (£)	Pay Gap (%)
		%	Head count	Avg Basic Pay	%	Head count	Avg Basic Pay		
GRADE 1	98	87	85	14318	13	13	14259	59	0.4
GRADE 2	29	93	27	15118	7	<5	15456	-337	-2.2
GRADE 3	146	76	111	17789	24	35	17903	-114	-0.6
GRADE 4	171	72	123	21053	28	48	20998	54	0.3
GRADE 5	157	68	106	24769	32	51	24788	-19	-0.1
GRADE 6	147	53	78	29873	47	69	30049	-176	-0.6
GRADE 7	192	56	108	35225	44	84	34992	233	0.7
GRADE 8	337	49	166	43941	51	171	44047	-105	-0.2
GRADE 9	99	49	49	50776	51	50	51141	-365	-0.7
GRADE 10	51	29	15	58287	71	36	58037	249	0.4
GRADE 11	7	29	<5	64170	71	5	63424	745	1.2
GRADE 12	22	32	7	68940	68	15	68886	54	0.1
GRADE 13	<5	0	0	-	100	<5	72203	72203	-
GRADE 14	12	58	7	82310	42	5	82707	-397	-0.5
Total	**1469**	**60**	**884**	**30309**	**40**	**585**	**37850**	**-7541**	**-19.9**

This 19.9% gap at the University can be explained by the occupational segmentation by gender at the University as shown in Chart 4 below.

Chart 4   The percentage of men and women within a group of grades
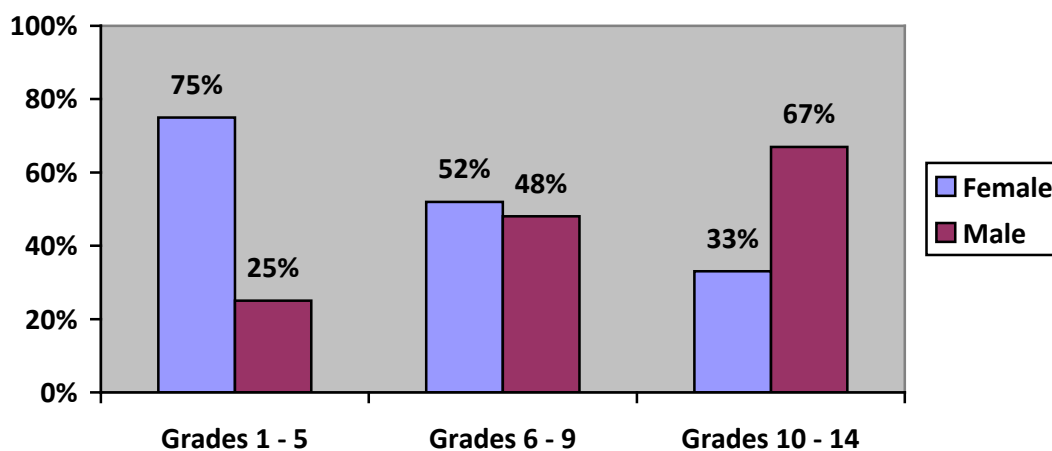
This pattern reflects the situation across both the HE sector and the UK more generally and therefore does not necessarily indicate that University practices are unsound but that there are wider social issues that have an impact on gender and pay. This issue does, however, require further consideration in order to establish if there are any actions that the University could usefully undertake in order to redress the male/female imbalance across the grades, for example, the consideration of some form of positive action.

Although this top-level data showed no inequalities within each grade, the team nevertheless checked every grade individually to assess if there were any anomalies within job groupings. This analysis showed that there were some apparent inequalities (over 5% pay gap) in a number of specific roles when comparing male pay to female pay and vice versa – see Appendix 1 for details of the number of roles within each grade.

However, when each of these anomalies was investigated a reasonable explanation was found which satisfied the team that no discrimination was occurring. The reason for the pay gap was usually one of the following:
- length of service or length of time in post
- difference in starting salary (one instance)
- secondment (three instances)
- re-grading

These pay gaps were also found to be temporary in nature as either a secondment will finish or employees within a particular grade will reach the top salary point in the grade within 4 or 5 years.

Part–time

When considering full-time employees and part-time employees separately the data showed that there was a 15% pay gap between full-time male and female employees and a 32% pay gap between part-time male and female employees as shown in tables 4 and 5 below.

So while there is less inequality between full-time employees (male and female) compared to the all employees, the pay gap is greater between part-time employees (male and female). This can be explained once again by the distribution of female and male staff; for the full-time workforce the distribution is more evenly spread throughout the grades and so the pay gap reduces from the overall figure of 20% to 15% whereas for the part-time workforce the distribution of female employees is concentrated more in the lower grades while the male employees are concentrated in the higher grades so the pay gap increases to 32%.

TABLE 4	Full time female		Full time male			
	Count	Avg Basic Pay	Count	Avg Basic Pay	Difference (£)	Pay Gap (%)
GRADE 1	<5	14344	<5	14344	0	-
GRADE 2	<5	15188	<5	15456	-268	-1.76
GRADE 3	51	17660	23	18012	-352	-2.00
GRADE 4	80	20924	44	21012	-88	-0.42
GRADE 5	73	24790	49	24864	-74	-0.30
GRADE 6	61	29786	65	30059	-272	-0.92
GRADE 7	82	35171	68	35185	-13	-0.04
GRADE 8	111	43708	149	43973	-265	-0.61
GRADE 9	39	51001	47	51130	-129	-0.25
GRADE 10	11	58122	28	58197	-74	-0.13
GRADE 11	<5	64170	5	63424	745	1.16
GRADE 12	7	68940	15	68885	54	0.08
GRADE 13	0	0	<5	72203	0	-
GRADE 14	6	82081	5	82706	-625	-0.76
Total	530	33531	503	38535	-5005	-14.92

TABLE 5	Part time female		Part time male			
	Count	Avg Basic Pay	Count	Avg Basic Pay	Difference (£)	Pay Gap (%)
GRADE 1	81	14316	10	14233	83	0.58
GRADE 2	24	15109	<5	15456	346	-2.29
GRADE 3	60	17898	12	17693	204	1.14
GRADE 4	43	21291	<5	20835	455	2.14
GRADE 5	33	24720	<5	22912	1808	7.31
GRADE 6	17	30181	<5	29875	305	1.01
GRADE 7	26	35395	16	34171	1223	3.46
GRADE 8	55	44411	22	44538	127	-0.29
GRADE 9	10	49895	<5	51310	1413	-2.83
GRADE 10	<5	58739	8	57477	1261	2.15
GRADE 11	0	-	-	-	-	-
GRADE 12	0	-	-	-	-	-
GRADE 13	0	-	-	-	-	-
GRADE 14	<5	83680	-	-	-	-
	354	25483	82	33647	8164	-32.04

Race

The overall pay comparison between all White and Black and Minority Ethnic (BME) employees is shown in Table 6 below.

There is no significant pay gap (above 3%) within each grade as shown in the far right column. However, the data shows an overall pay gap of 8.5% in favour of those from a BME background.

TABLE 6	White British		BME			
	Count	Avg Basic Pay	Count	Avg Basic Pay	Difference (£)	Pay Gap (%)
GRADE 1	92	14316	5	14197	118	0.83
GRADE 2	29	15141	0	-	-	-
GRADE 3	141	17814	<5	18016	-201	-1.13
GRADE 4	165	21070	5	20304	766	3.64
GRADE 5	147	24805	8	24411	393	1.59
GRADE 6	132	29920	13	30193	-273	-0.91
GRADE 7	180	35112	10	35220	-108	-0.31
GRADE 8	322	43979	13	44198	-218	-0.50
GRADE 9	94	50985	5	50481	504	0.99
GRADE 10	43	58111	8	58105	7	0.01
GRADE 11	6	63859	<5	62306	1553	2.43
GRADE 12	20	68884	<5	68067	817	1.19
GRADE 13	<5	72203	0	-	-	-
GRADE 14	10	82957	0	-	-	-
	1382	33123	72	35955	-2831	-8.55

Disability

The overall pay comparison between those employees who are not disabled and those who are is shown in Table 7 overleaf. There is no significant pay gap (above 3%) within each grade as shown in the far right column. However, due to the distribution of disabled staff across the grades the data shows an overall pay gap of 7.6%.

TABLE 7	Not disabled		Disabled			
	Count	Avg Basic Pay	Count	Avg Basic Pay	Difference (£)	Pay Gap (%)
GRADE 1	93	14308	5	14344	-35	-0.25
GRADE 2	27	15147	2	15060	87	0.58
GRADE 3	132	17792	14	18042	-249	-1.4
GRADE 4	160	21032	11	21114	-81	-0.39
GRADE 5	143	24753	14	24998	-244	-0.99
GRADE 6	139	29917	8	30616	-699	-2.34
GRADE 7	182	35100	10	35530	-429	-1.22
GRADE 8	321	43972	16	44435	-463	-1.05
GRADE 9	95	50985	4	50364	621	1.22
GRADE 10	47	58057	4	58739	-681	-1.17
GRADE 11	7	63637	0	-	-	-
GRADE 12	21	68942	1	68067	875	1.27
GRADE 13	1	72203	0	-	-	-
GRADE 14	12	82475	0	-	-	-
	1380	33465	89	30925	2540	7.6

Age

It was not possible to provide age data in the correct format to enable an analysis to be carried out.

Sexual orientation and Religion/Belief

There is insufficient data at present to enable a meaningful comparison of pay for these categories.

Comparison to previous Equal Pay Audit information

The change in the overall pay gap between men and women has decreased over the past 4 years as illustrated in table 8 below.

Table 8	2010	2012	2014
Overall pay gap	27.1%	20.5%	19.9%

Since 2012 there has been a 4% increase in female pay and a 3% increase in male pay and therefore the gap has reduced by 1% overall.

There has been a slight change in the proportion of female and male employees in bands of grades since 2012. There has been an almost 1% movement of female employees from grades 1-5 to grades 6-9 (grades 1-5 reducing from 52% to 51.1% and grades 6-9increasing from 44.4% to 45.4%), with the percentage at grades 10-14 remaining the same. For male employees the percentage at grades 1-5 has remained the same while there has been a 1.5% movement from grades 6-9 to grades 10–14 (grades 6-9 reducing from 65.5% to 63.9% and grades 10-14 increasing from 9.1% to 10.6%) as shown in table 9 below.

Table 9	Grades 1 - 5		Grades 6 -9		Grades 10 - 14		Total
	2012	2014	2012	2014	2012	2014	
% of women within a group of grades	52.0	51.1	44.4	45.4	3.6	3.5	100
% of men within a group of grades	25.4	25.5	65.5	63.9	9.1	10.6	100

Conclusion

While a significant number of pay gaps were identified by grade as part of the analysis, the project team were satisfied that these discrepancies could be explained by one of the following reasons:

- Length of service – each grade is made up of 4 or 5 scale points and so length of service can have an impact for a few years although this should disappear after 4 or 5 years as each employee reaches the top of the grade.

- Starting salaries – staff are normally appointed on the bottom of the grade scale but can be appointed at a higher scale point if their level of skill and experience is sufficiently high.

- Temporary upgrades – some staff are put on a higher scale point on a temporary basis while they cover more demanding work. Although they have the same length of service as other colleagues on the same grade they are shown to be on a higher salary. Because of the temporary nature of these arrangements and the small number of instances they were not deemed to be discriminatory.

- Re-grading – some staff have had their role re-graded which means that although their length of service may be longer than other colleagues on the same grade they have been appointed to the grade more recently.

While the significant gender pay gap can be explained by wider social influences there are nevertheless some actions that the University could undertake in order to try and reduce this figure. Progressive employment practices can have an impact on equality issues and one of our University Equality Objectives addresses the issue of improving our staff profile.

Recommendations

The project team have agreed some recommendations based on an analysis of the data and wider discussion around pay.

The team recommends that:

- The University continues to conduct an Equal Pay Audit every two years to ensure that the equal pay situation is regularly monitored.

- The University's Remuneration Policies continue to be reviewed and an equality analysis carried on a rolling three year programme to ensure that they are current and comply with appropriate legislation.

- The University considers how best to improve the gender profile across all grades and includes this in the revised University Equality Objectives.

Equal Pay Audit Project Team
September 2014