

# Equal Pay Report 2015

## 1. Summary

The 2015 Equal Pay Review assessed the remuneration of our 6,319 regular employees as at 31<sup>st</sup> July 2015 by the protected characteristics of gender (with age group), ethnicity, disability and working pattern. This report presents the key findings of that review and recommendations for further action.

The Review has determined that there are no significant gender pay gaps for all employees at the same grade. Moreover, there are no significant gender pay gaps within the Education, Research and Enterprise (ERE) Level 7 bands, which were recalibrated as part of the Reward Project in 2014/15. Therefore, the University can demonstrate that it provides equal pay for work for equal value with respect to gender.

There is an overall gender pay gap of -22.9 per cent if the rate of pay for all employees is compared irrespective of grade. This figure reflects the significant gender differences of occupations across the University and the attrition of women at higher pay grades. However, there is evidence that measures put in place to increase female representation at higher grades are beginning to have an effect.

In terms of ethnicity and disability, the current rate of disclosure is too low to assess these pay gaps robustly. Only 24.5 per cent of staff have disclosed their ethnicity. Meanwhile, 3.6 per cent of staff have said that they have a disability, which may be an under-estimate if there is disability among those who have not responded to the disability question (6.2 per cent). Therefore, this report focuses on gender only and recommends action to encourage ethnicity and disability disclosure for all staff so that future equal pay reviews can consider these groups more thoroughly.

## 2. Background

The University of Southampton is committed to pay and conditions free from discrimination through our Equal Pay Policy, the Universities and Colleges Employers Association (UCEA) framework agreement and equal pay legislation. As such, we follow the Equality and Human Rights Commission's (EHRC) recommendation to conduct an equal pay review biennially. Such reviews have been undertaken for a number of years, with the last review in 2013.

Further to these voluntary commitments, the Government is currently consulting on the implementation of Section 78 of the Equality Act 2010: to make the publishing of equal pay data compulsory for organisations with 250 employees or more.

### 2.1 Pay gaps

The pay gap represents the difference in average salary between two groups of employees, as a percentage of the typically higher-paid group. For example, the gender pay gap is calculated as the difference between the average salaries for men and women as a percentage of men's average salary.

When comparing work of equal value, the EHRC recommends that pay gaps greater than 5.0 per cent are significant enough to warrant immediate action. Meanwhile, pay gaps between 3.0 and 5.0 per cent should be monitored to ensure they do not increase. This report applies this recommendation when considering in-grade pay gaps.

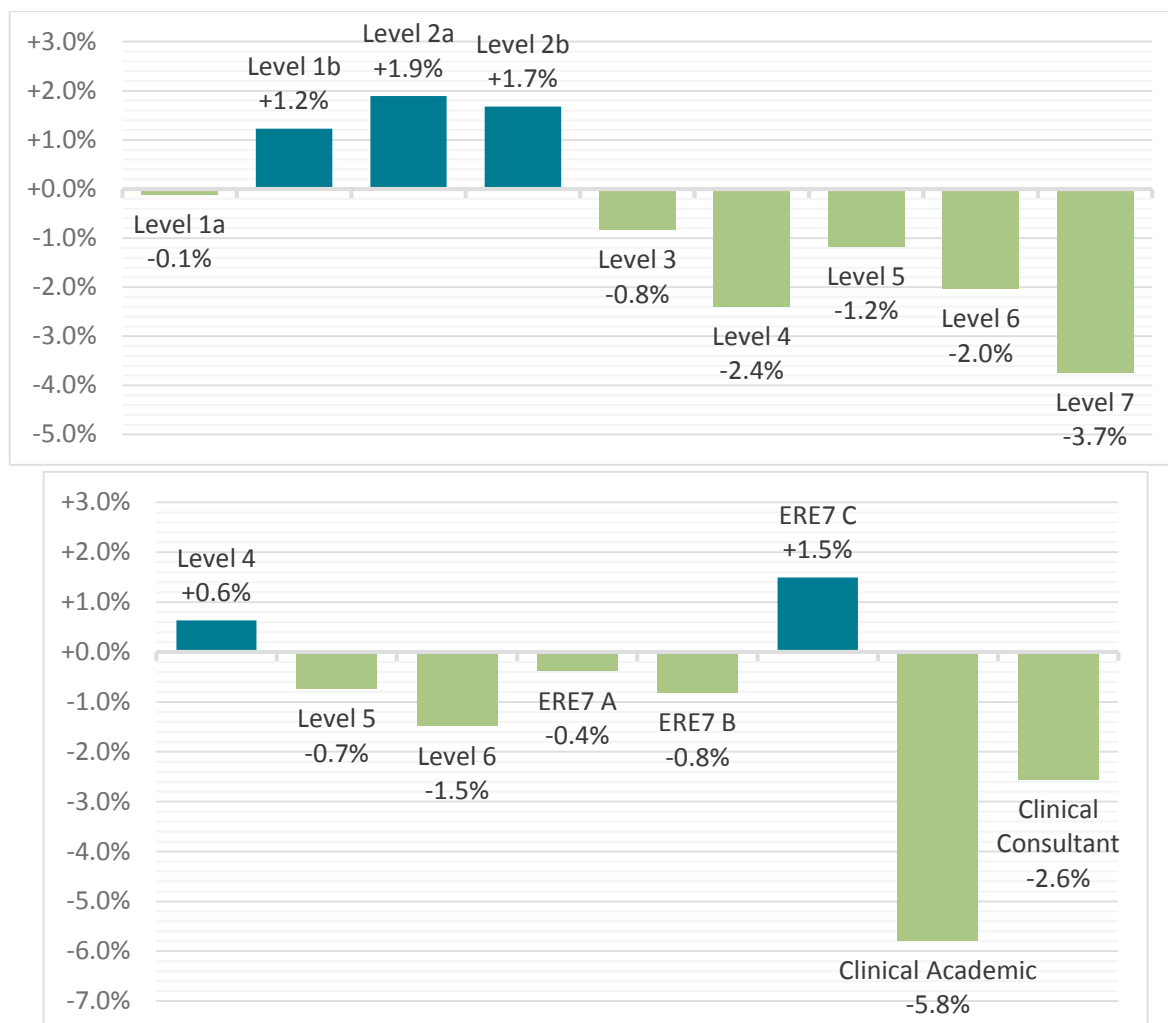
This report compares average gross base salary, with part-time employees' pay pro-rated to full-time to enable like-for-like comparison. Market pay, personal value, senior post-holder allowances and the Living Wage supplement are included in pay calculations, while overtime and pay awards are excluded.

## 3. Gender

In respect of gender, Graph 3.1 shows that the University's job families, pay grades and our job evaluation process appear to deliver equal pay for equal work across the institution.

There is a pay gap of -3.7 per cent for Management, Specialist and Administrative (MSA) Level 7 employees, which is under constant review by Senior Salaries Committee (as recommended by EHRC).

Meanwhile, Clinical Academics have a -5.8 per cent pay gap (see below). Otherwise, all pay gaps are smaller than 3.0 per cent.



Graph 3.1 | Mean gender pay gap for Professional Services (top) and Academic (bottom) employees by pay grade

Senior Salaries Committee is aware of gender pay gaps for Level 7 employees at a faculty level and is committed to addressing them. For other grades, this report recommends that Deans and Directors of Professional Services should review equal pay data for their local area to ensure that there are no significant pay gaps affecting groups in particular disciplines or occupations.

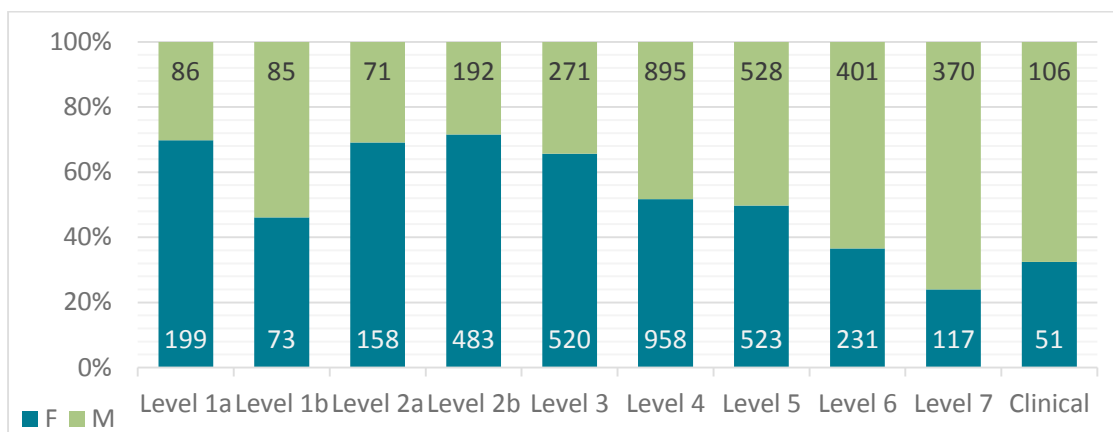
The 2015 Equal Pay Review has included Clinical employees for the first time. Clinical academic salaries are based on NHS salary scales. In addition, some medical staff receive performance-related supplementary pay awards from the NHS, called Clinical Excellence Awards (CEAs). National data (July 2014) showed that of university-employed clinical academics, 38 per cent of men and 20 per cent of women held a national CEA, and a further 21 per cent of men and 18 per cent of women held a local award. The Advisory Committee on Clinical Excellence Awards (ACCEA) report of the 2012 awards round in England and Wales revealed that while a lower proportion of women applied for a national award, success rates were similar for both genders.

This report recommends that the University should look at the rates of CEAs for men and women and identify if we can do anything more to increase the rate of awards for clinical academic women.

### 3.1 The 'glass ceiling'

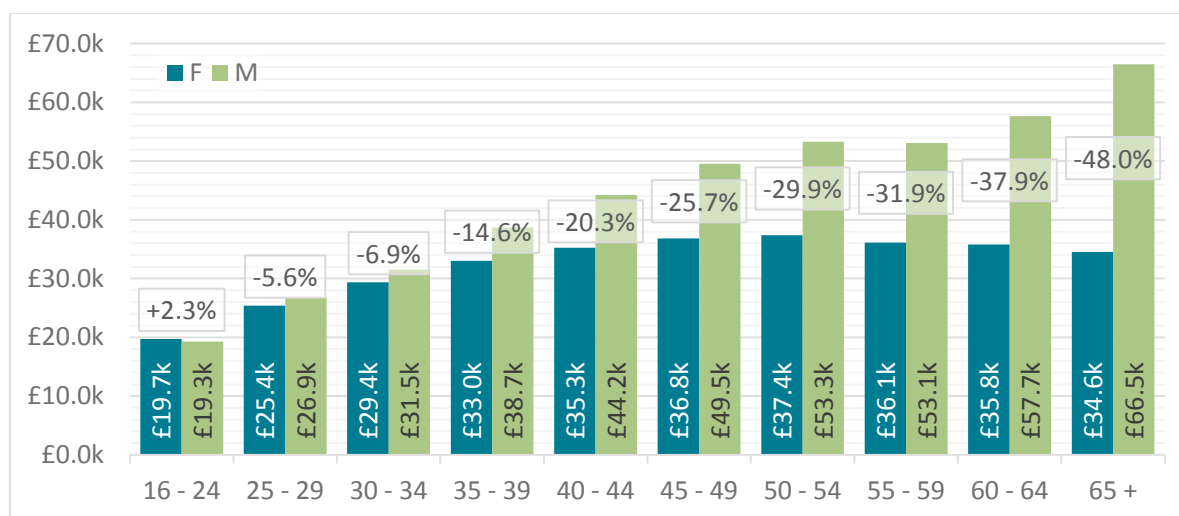
The data above demonstrate that there are no significant differences in the rates of pay for men and women within the same pay grade (and therefore contributing work of equal value). However, when comparing the rate of pay for all employees irrespective of pay grade, the University's mean gender

pay gap is -22.9 per cent (compared to -17.6 per cent nationally and -18.9 per cent in HE<sup>1</sup>) and the median gender pay gap is -18.6 per cent (compared to -19.1 per cent nationally and -14.6 per cent in HE). These gaps remain high as a result of two key factors: differences in the gender of employees by occupation and barriers to the progression of women within those occupations. The resultant effect is known as the ‘glass ceiling’.



Graph 3.2 | The number and proportion of men and women employed at each grade

Through Athena SWAN work and the Reward Project, the University has committed significant focus to addressing the under-representation of women in academic occupations and removing barriers to career progression. As a result, we have seen a significant increase in the representation of women at Level 6 (from 21 to 34 per cent since 2011) and Level 7 (from 19 to 23 per cent since 2011), which compares favourably with 23 per cent for professors nationally and 22 per cent for the Russell Group. However, it will take time for these measures to completely remove the legacy of the ‘glass ceiling’ from previous years. Graph 3.3 Graph 3.2 illustrates this effect, showing that the gender pay gap increases significantly with age.



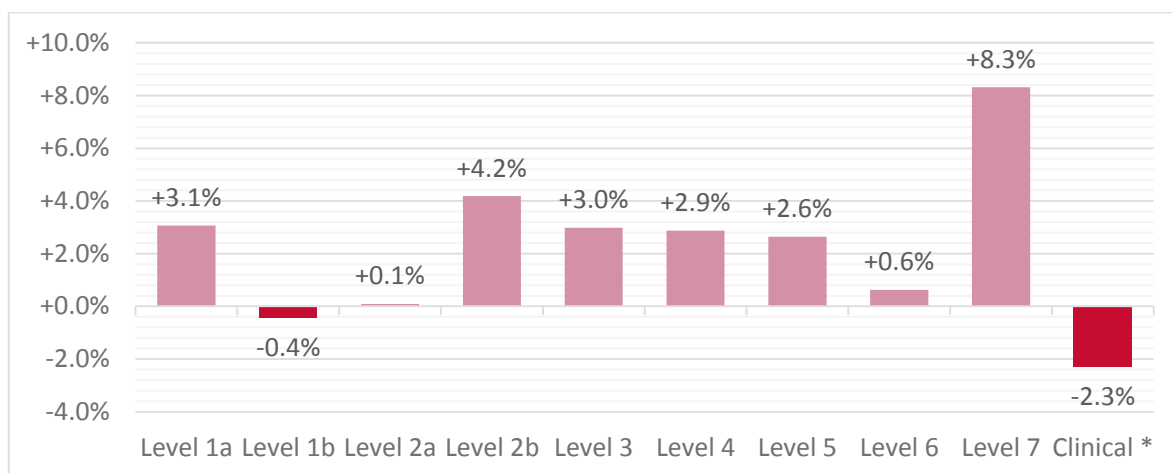
Graph 3.3 | Mean male and female salary and gender pay gap for all employees by age group

Further examination of the data indicates that to reduce the overall gender pay gap significantly we must focus more attention on the gender balance of Professional Services, which employ 62 per cent of the women who work for the University. The Reward Project may have an impact as it begins its implementation for Professional Services employees at levels 4 – 6. Academic departments are beginning to include their Professional Services employees as part of their Athena SWAN work as well. Therefore, a key recommendation of this report is that current work on gender equality is extended to other staff groups as part of wider equality and diversity work, to address the gender imbalances across the pay grades.

<sup>1</sup> National pay gap from Office for National Statistics ‘Annual Survey of Hours and Earnings’, November 2015. Higher Education (HE) pay gap from Equality Challenge Unit ‘Equality in HE – statistical reports 2015’, based on 2014/15 HESA data.

## 4. Working pattern

At most grades, part-time employees have a pay lead of around 3.0 per cent compared to full-time employees (Graph 4.1). As this is a consistent trend across grades, this report recommends further investigation to look at the length of service and time in post for part-time employees.



Graph 4.1 | Mean FTE pay gap for part-time employees compared to full-time employees

## 5. Conclusion

The 2015 Equal Pay Review has clearly determined that, as a point of policy, the University's reward schemes remunerate employees fairly regardless of their gender. However, to ensure that this is true at local levels also, this report recommends further investigation by faculties and Professional Services.

Generally, the University is making progress on improving the representation of women at senior levels. However, more work is needed to address gender imbalances at all levels, including the under-representation of men at Levels 1a – 3.

Our progress has been similar to that of the higher education sector, and compares favourably with the Russell Group. We now have 24 per cent women at Level 7, compared to 23 per cent for professors nationally or 22 per cent for the Russell Group.

As a result of the review, this report makes the following recommendations:

- There should be a comprehensive exercise to encourage greater declaration of ethnicity, nationality, disability, religion & belief and sexual orientation data to enable more robust analysis of our demographics and pay equality in these areas.
- Faculties and the Professional Services should review equal pay data for their areas to ensure that there are no gender pay gaps affecting specific disciplines or occupations.
- The successful work to improve the progression of women to senior roles should continue, as this is clearly having a positive effect.
- The measures taken by the University to increase female representation to date have focused on academic employees only and action should be taken to develop gender equality work for other staff groups.