

Our UK gender pay gap report

November 2022



The CIPD UK gender pay gap report 2022

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Foreword

Reflections from Georgina Powell, Head of People, and Valerie Hughes-D'Aeth, Chair of the Board

Our purpose is to champion better work and working lives. This means we take seriously our responsibility to lead by example. One of the ways we do this is by reporting our gender and ethnicity pay gap data, publishing both reports at the same time as our annual report.

Gender pay gap reporting in the UK is now in its sixth year. It is possible to have a gender pay gap and to pay men and women fairly. Equal pay looks at the difference in men and women's pay for the same or similar work. The gender pay gap is calculated by taking all employees across an organisation and comparing the average pay between men and women. Reporting annually is an important way to track how recruitment, reward, and progression decisions impact the achievement of a diverse, inclusive workforce.

This report covers the 2022–23 reporting cycle, using a snapshot date of 5 April 2022. This year our median pay gap reduced by nearly 9 percentage points to 13.7%. Our mean pay gap dropped 5 percentage points to 12.4%, the lowest it has been since reporting began.

While it is, of course, welcome to see a large reduction in our pay gap, the last six years of reporting have taught us that the drop may not necessarily be sustained. We see significant fluctuations in our reported pay gap because we are a medium-sized organisation with a predominantly female workforce, so small changes in our employee profile have a significant impact. This shows in the way our median pay gap fluctuates month by month and year by year.

In reporting our gender pay gap data, we choose to go behind the headline figures. We do this because we are committed to fostering inclusion, equity, and equality within the CIPD and we want to understand how our culture and actions help us close the gap. We also do it to support other employers and our professional community as they champion good work and fair pay.



Declaration

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

Georgina Powell
Head of People, CIPD



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Valerie Hughes-D'Aeth,
Chair of the Board



Reporting gender pay gaps – an overview

Equity, talent and growth – closing the gaps

In the UK, public, private and voluntary sector organisations with 250 or more employees are required to report on their gender pay gaps annually. The reports show the difference between the average earnings of men and women, expressed relative to men's earnings. If an organisation reports a gender pay gap, it does not mean women are paid less than men for doing the same job, but it does show that, on average, men occupy higher-paying roles than women.

Employers must report six different measures, based on a snapshot of pay data on a date set out by the Government Equalities Office:

- median gender pay gap – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- mean gender pay gap – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- median bonus gap – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
- mean bonus gap – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
- bonus proportions – the proportions of male and female relevant employees who were paid bonus pay during the relevant period
- quartile pay bands – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

Headlines about the gender pay gap tend to focus on the median figure, which ignores extremes and is therefore thought to be the most representative measure. It is, however, important to report all of these measures. Each one tells you something different about the underlying causes of the gender pay gap and each one can mask issues that another may highlight.

If there is a big difference between an organisation's mean and median pay gap, this indicates that the dataset is skewed – either by the presence of very low earners (making the mean lower than the median), or by a group of very high earners (making the mean bigger than the median).

Taking a 'snapshot' of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations. However, it masks the fluidity of gender pay gaps, which can fluctuate from month to month and across pay quartiles depending on changes to headcount.

Our UK gender pay gap data

Keeping track of our actions and their impact

The factors affecting our 2022 gender pay gaps

The CIPD has clear, externally benchmarked salary ranges in place for all job roles. This ensures that everyone is paid fairly for undertaking the same or a similar role. The gender pay gap looks at the distribution of men and women across all job levels of the organisation and identifies how this translates into the average salary and bonus payments made as a result.

Specialist skillsets command very different salaries, so the potential for significant differences in salary in a knowledge-based organisation like ours is high. And, with two-thirds women and one-third men, relatively small changes in the distribution of men across the different pay quartiles in the organisation can have a significant impact on our gender pay gap.

Recent factors

In the last year we have seen a shift in our gender balance across the quartiles. Although the overall proportion of women to men has remained stable, we have seen an increase in the proportion of men employed in our lowest salary quartile and an increase in the proportion of women whose earnings are in the upper quartile. Also, one male director left the organisation and this change of just one role has an impact on the gender pay gap (particularly the mean).

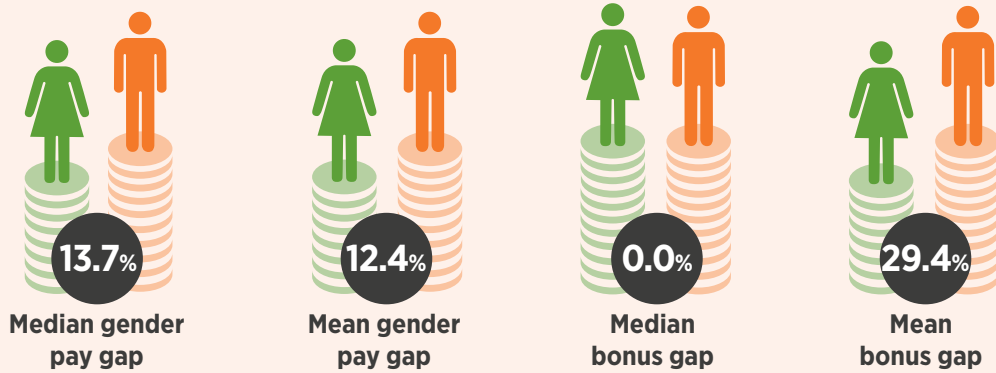
Having had a low voluntary attrition rate for many years (9.8% averaged across 2021), this year we have not been immune to a challenging recruitment market and high demand. Our voluntary attrition rate has increased to 14.5%, closer to the national average. While, of course, we want to retain our talented people and do not want to see more leaving, this shift plays a part in the change to our pay gaps, because the salaries of the women who have joined us are higher than those who have left.

Tracking our progress

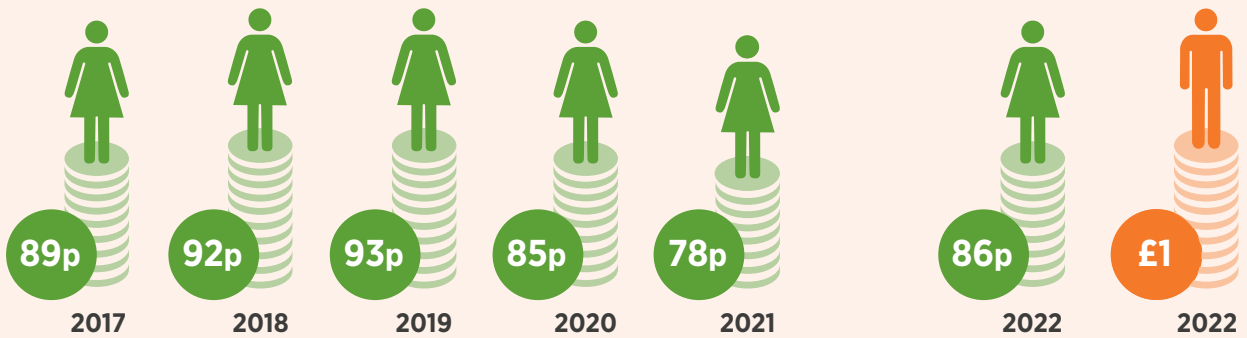
We are proud of the opportunities we give to everyone across our organisation, the flexible working cultures we have always supported, and our focus on inclusion and fairness. But the demographics will remain a factor in our ability to significantly close the median and mean pay gaps.

We are also working on areas of policy and practice, such as maternity and paternity leave, that are focused on enabling new parents to take equal responsibility for childcare commitments. It will take time, but this will help address the current imbalance that occurs when more women than men work flexibly to fulfil family responsibilities. We are proud that many of our senior roles are already carried out on a flexible basis. We're working hard to ensure our practices encourage everyone to have the option to work flexibly, in a way that suits them, so they can deliver their best work.

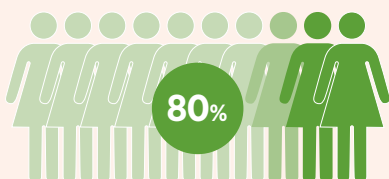
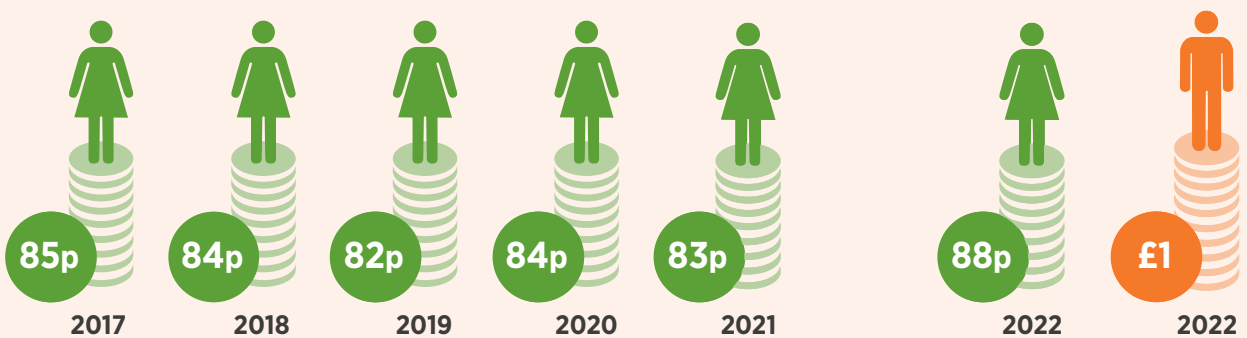
Our 2022 data at a glance



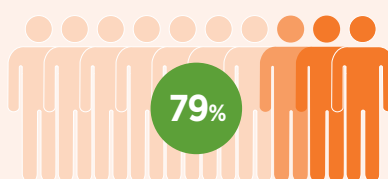
When comparing average hourly wages (median), women receive 86p for every £1 that men receive.



When comparing average hourly wages (mean), women receive 88p for every £1 that men receive.



Women received a bonus



Men received a bonus

Looking behind the headline figures

Understanding our gaps, reviewing our actions

Our workforce and pay quartiles

Our workforce

The CIPD's gender pay gap data was collected on the snapshot date of 5 April 2022. At this time there were 365 people within our UK workforce: 247 women (68%) and 118 men (32%).

Our pay quartiles

	NUMBERS		PERCENTAGES	
	Men	Women	Men	Women
Upper quartile	35	57	38.0%	62.0%
Upper-middle quartile	17	74	18.7%	81.3%
Lower-middle quartile	31	60	34.1%	65.9%
Lower quartile	35	56	38.5%	61.5%

Each pay quartile represents a quarter, or 25%, of our total workforce ranked by pay.

Note: Data for all years are shown in Appendix A.

Our median gender pay gap

To calculate our median gender pay gap, we first rank all our people by their hourly pay. Then we compare what the woman in the middle of the female pay range received with what the man in the middle of the male pay range received. The difference between these figures is the median gender pay gap.

The difference in our median pay for women and men

	Men	Women	Pay gap
Median hourly pay	£24.20	£20.90	
Median annual salary	£44,044	£38,038	13.7%

This year the woman in the middle of the female pay range received 13.7% less than the man in the middle of the male pay range. This median gap means that for every £1 a man received, a woman received 86p.

Our overall median gender pay gap had been gradually narrowing during the first three years of statutory reporting. It then widened by around 7–8 percentage points year-on-year from 2019 to 2021. It narrowed again this year by 8.7 percentage points due to the shift in the proportions of men and women in the highest and lowest pay quartiles.

NOTE: Median pay gaps, by year and by quartile, are shown in Appendix B.

Our mean gender pay gap

To calculate the mean pay gap, we add together all the hourly pay rates that women received, divided by the number of women in our workforce. We then repeat this calculation for men. The difference between these figures is the mean gender pay gap.

The difference in our mean pay for women and men

	Men	Women	Pay gap
Mean hourly pay	£27.81	£24.37	12.4%
Mean annual salary	£50,614	£44,353	

This year the average pay for women was 12.4% less per hour than the average pay for men. This mean gap means that for every £1 a man received, a woman received 88p.

Our overall mean pay gap has remained relatively steady over the past five years. We've seen a year-on-year increase of around 1 percentage point up to 2021 and a drop of 5 percentage points this year. It is the upper pay quartile that contributes most significantly to our mean pay gap.

Like many organisations of our size, our chief executive's salary has a significant impact on our mean gender pay gap. If we were to exclude the chief executive (a man) from the data, the overall mean gender pay gap would fall from 12.4% to 9.1%.

NOTE: Mean pay gaps, by year and by quartile, are shown in Appendix C.

Comparing median and mean gender pay gaps

The median is used extensively as a headline measure by pay researchers because it is less swayed by extreme values, particularly the small number of people on high salaries.

The mean is useful because it does capture the effect of a small number of high earners. This is something we are interested in, given that women’s responsibilities beyond work have traditionally limited their access to higher-level, higher-paid jobs.

The difference between an organisation’s mean and median pay gap can provide valuable insight. The presence of very low earners can make the mean smaller than the median. A group of very high earners can make the mean larger than the median.

Our median and mean gender pay gaps since statutory reporting began

	2017	2018	2019	2020	2021	2022	percentage point change 2021-22
Median gender pay gap by hourly rate	10.8	7.6	6.8	15.2	22.3	13.7	-8.6
Mean gender pay gap by hourly rate	14.9	15.7	17.7	16.5	17.4	12.4	-5.0

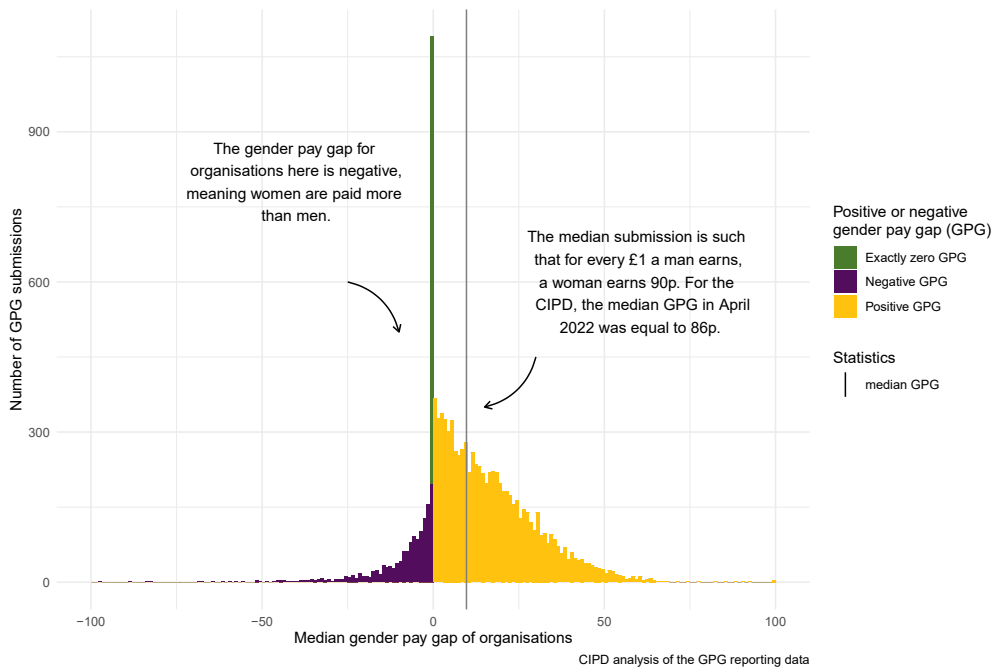
This year our median and mean pay gaps are similar, suggesting we don’t have concentrated groups of extremely high or low earners. The difference between the two pay gap figures has narrowed compared with last year.

Comparing with other organisations

Because we report our gender pay gap data ahead of the statutory deadline, it is not possible to compare the CIPD directly with other organisations reporting on the same period. Instead, we compare our current pay gap data with the previous year's submissions.

During the reporting cycle 2021 to 2022, 10,477 organisations submitted their gender pay gap data.

The distribution of all gender pay gap submissions during 2021–22



This year, our median gender pay gap was slightly wider than the median gender pay gap for the organisation in the middle of all the submissions during 2021–22.

The median of all 2021–22 submissions had a gender pay gap of 10%, which means for every £1 a man received, a woman received 90p.

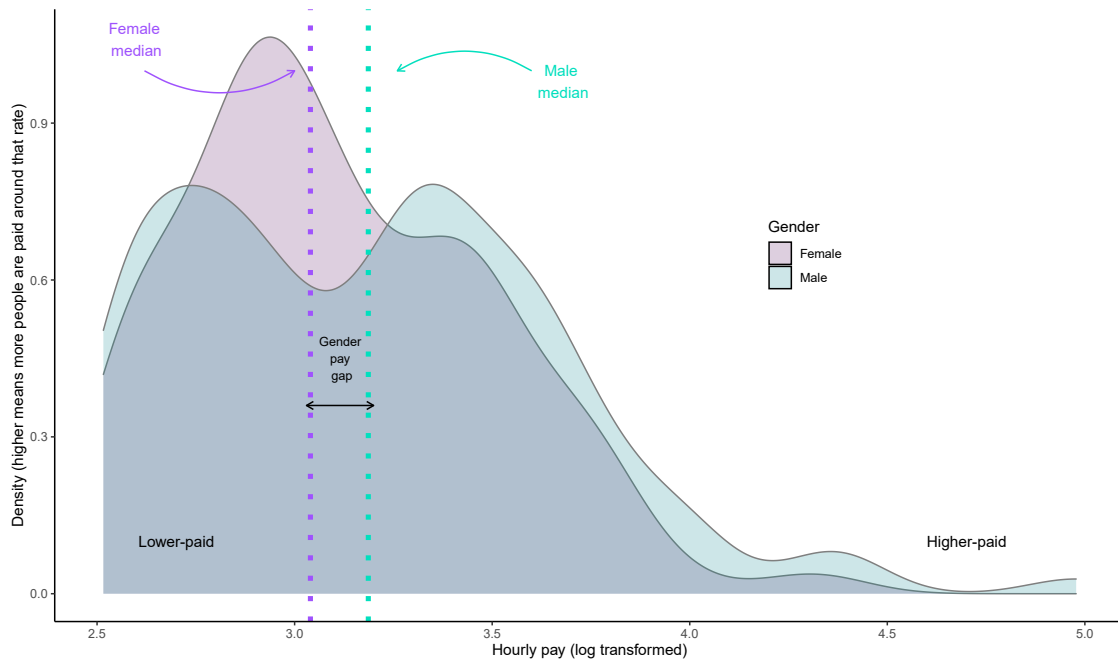
The CIPD's April 2022 pay gap was 14%. For every £1 a man received, a woman received 86p.

Taking account of how pay is distributed

The headline median pay gap is a relatively abstract concept that helps us make comparisons across organisations. It takes the distribution of hourly pay for a group of people and reduces it to one number – the median. The difference between the median value for two groups – men and women – is the gender pay gap, usually expressed as a percentage of male hourly pay.

This measure of centredness tells us something useful about the average pay of men and women. But it tells us little about the distribution of pay across an organisation. And distribution is important, because it helps us understand more about the cause of a pay gap.

The distribution of our men and women by their hourly pay



Within the CIPD, as in many organisations, a significantly higher proportion of women are clustered at the lower end of the distribution in lower-paid roles. Men are more evenly spread and are more likely to occupy more-senior roles.

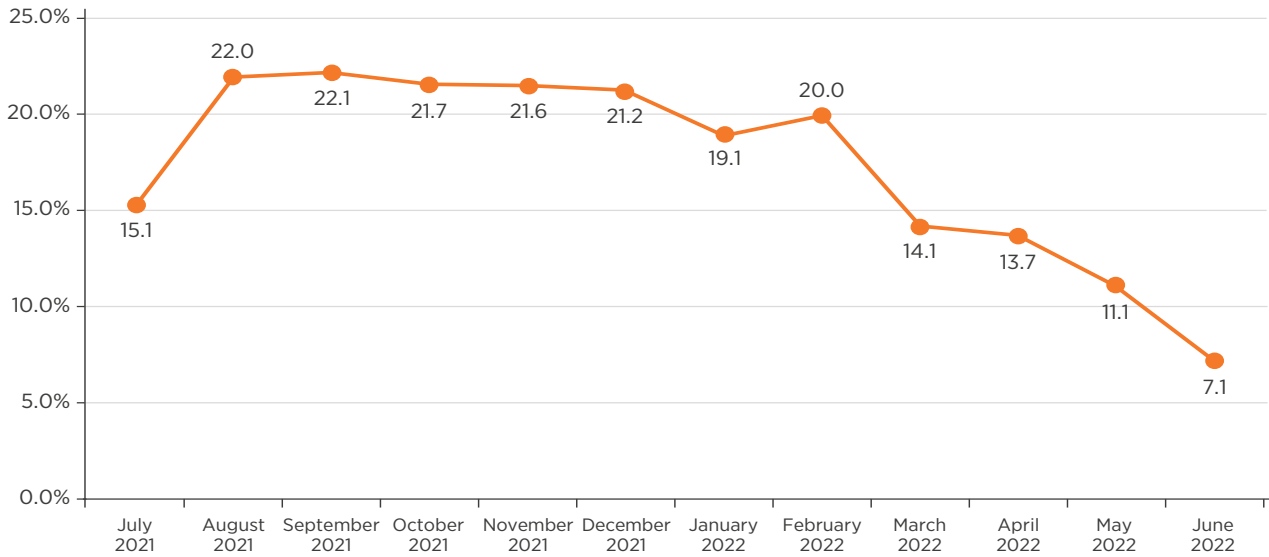
The shift in the proportions of men and women in each quartile has resulted in a slightly more even distribution of both genders this year. This distribution impacts our median pay gap – the difference between the earnings of the woman in the middle of the female pay range and the man in the middle of the male pay range.

The clustering of female and male groups across the distribution also affects our mean pay gap.

Taking account of how pay changes during a year

The statutory requirement is that we report our pay gap data taken on the snapshot date of 5 April 2022. Inevitably, this results in a relatively arbitrary headline gender pay gap figure. We are cautious in using this to interpret our progress in closing our gender pay gap.

Our median gender pay gap – month by month, throughout our last financial year



Within the space of our last financial year, month by month, the CIPD’s gender pay gap has gone from a high of 22.1% in September 2021 to a low of 7.1% in June 2022.

Taking account of people changes during a year

The major factor that impacts fluctuations in our gender pay gap, month by month, is changes in the people who work with us. In a small organisation like the CIPD, changes in recruitment and attrition can have a significant impact on our data.

The median and mean earnings of our joiners and leavers this year

	Number of roles	Median hourly salary	Median pay gap	Mean hourly salary	Mean pay gap
Female leavers	47	£20.71	9.5%	£25.00	1.9%
Male leavers	30	£22.88		£25.49	
Female joiners	62	£21.15	-11.6%	£23.82	-7.5%
Male joiners	36	£18.96		£22.16	

The median pay gap between the men and women joining us was narrower (-11.6%) than the gap between the men and women leaving us (9.5%). This is because we lost more highly paid men than we recruited, and we recruited more highly paid women than we lost.

Our bonus pay gap

The bonus gap is the difference between the bonus pay or one-off lump-sum payments (such as recognition awards) paid to male employees and that paid to female employees. Only relevant employees who received a bonus are included in the calculation.

In a typical year, only a small proportion of our employees are eligible for a bonus. But as we ended our 2020–21 financial year in a strong position, we chose to recognise our people's hard work and high performance by paying every eligible employee a one-off £1,000 additional payment in June 2021. This exceptional payment is reported as a bonus. On this basis, our bonus pay gaps this year are based on 93 men and 197 women.

The percentages of our men and women who received a bonus

	2017	2018	2019	2020	2021	2022
Men	85%	21%	25%	26%	16%	79%
Women	85%	24%	21%	24%	15%	80%

In 2019, we introduced a new commission scheme to support our sales team's ambitious business-to-business growth targets and remunerate roles in line with the external market. At the same time, we continued to phase out our organisation-wide performance-related bonus scheme. The average sales commission payment became far larger than any other type of payment included in bonus pay reporting. And the number of people eligible for a bonus became smaller.

Changes in our median and mean bonus gaps since statutory reporting began

	2017	2018	2019	2020	2021	2022	percentage point change 2021–22
Median bonus gap	26.8%	2.5%	-0.3%	24.6%	-0.2%	0.0%	+0.2
Mean bonus gap	25.7%	29.3%	-29.4%	53.0%	69.7%	29.4%	-40.3

Our sales team is predominantly male, with men occupying most of the senior roles. Those at more senior levels have higher targets and therefore the opportunity to earn higher commission payments. Therefore, the introduction of this commission scheme led to a large increase in our bonus pay gaps in 2020 and remains the key factor in our bonus pay gaps this year.

Increasing the number of people eligible for a bonus removed our median bonus pay gap this year. It also narrowed our mean bonus pay gap significantly, but a gap remains due to the sales team commission payments.

Addressing our gender pay differences

Maintaining our long-term commitment

Closing the gender pay gap is not a quick and easy fix. It requires a meaningful, consistent and sustained shift in cultural norms. Our own data shows how relatively minor changes in our people, especially in higher-paid roles, can cause big changes in our headline median gender pay gap, month by month and year by year.

In recent years, we've seen how the challenge of caring for others while fulfilling a job still falls predominantly to women, often impacting their take-up of higher-paid roles. Achieving and sustaining greater diversity across our organisations means doing things differently. Flexibility and commitment are critical if organisations are to achieve the growth, productivity and skill advantages that come from greater inclusion and equal progression.

Employers have a responsibility – to their businesses, their people and society – to keep driving the changes we need to see. And we have a unique responsibility to support the people profession and employers in this work.

We also have a responsibility to our own people, and we act on our commitment to greater inclusion, fairness and flexibility in a number of ways.

Recruitment and retention

Our aim is to achieve greater inclusion and diversity throughout the CIPD. We continue to review our talent attraction approach, using job-specific selection criteria to ensure fairness and inclusivity. We advertise job roles with transparent pay ranges and an openness to flexible working arrangements. We do not ask applicants to disclose their salary history, so they have a fair basis to negotiate pay. When we engage search firms, for example in recruiting senior roles, we request that their search methodologies reach diverse candidates. We are expanding the diversity of our recruitment and learning and development supplier network. Where we observe diversity imbalances in specific areas of our business, we explore the potential causes to remove any possible barriers to entry and progression.

We encourage everyone to use Voice, our employee engagement survey, so we can hear the views of all our people. This generates real-time data on key people issues, reporting monthly metrics and quarterly scores. And, building on our staff investment in recent years, we're progressing against our internal inclusion and diversity action plan, and we've launched our inclusion series on our learning platform.

The pandemic has given us the opportunity to role-model truly flexible and hybrid ways of working. Our approach is helping us to attract and retain talented people who are committed to our purpose.

Pay transparency

We pay above the voluntary 'real' Living Wage and benchmark all salaries externally to ensure our compensation is fair, competitive, and reflects our charitable status. We follow the principle of fair pay, so the salaries our people receive are fair for the job they do and in line with the external job market, and we carried out a review recently.

We continue to review and manage the span of our pay grades to provide greater equality for people undertaking the same or similar roles at the same level. By tracking our pay data monthly and conducting a full analysis mid-year, we're building a better understanding of what drives our gender pay gaps and what we can do to close them.

Flexible working

Gender pay gaps typically occur when more women than men work flexibly to fulfil family responsibilities, and when this in turn limits their access to higher-paid, senior roles. Our #FlexFrom1st campaign, launched in February 2021, continues to communicate our position that the request for flexible working should be a right from day one rather than after 26 weeks of service. We have followed this policy within the CIPD for many years – work is what we do, not where it is done.

While most of our part-time roles are still in the lower pay quartiles, some of our most senior people work on a flexible basis. We proactively highlight this in internal communications, so that people can see that flexible working is a viable option as they progress through all levels in the CIPD.

We continue to make full use of evolving technology, innovative workspaces, and new ways of working to empower our people to work however and wherever is most effective for the business, their team, and their own productivity.

Parental leave

Our recent policy changes are focused on enabling all new parents to take equal responsibility for childcare commitments. In July 2022, for example, we enhanced and equalised our UK maternity, paternity and non-birth parent provision to cover 26 weeks' leave on full pay for any parent.

Board oversight

The board delegates responsibility for the CIPD's equality, diversity and inclusion initiatives to the chief executive and senior leadership team. In addition, the People, Culture and Remuneration Committee monitors the progress of our actions on inclusion and diversity and our pay gaps.

Conclusions from our chief executive

Leading by example and calling for change

Our purpose is to champion better work and working lives for all. We know that work can, and should, be a force for good that benefits everyone in society. Building and maintaining diverse and inclusive workplaces is fundamental to achieving that purpose. And pay gap reporting is an important way to track progress.

However, achieving pay parity is difficult for most organisations. It challenges structures, cultures and practices that have evolved over many years. It requires clarity and commitment to sustain positive actions and meaningful enquiry. We have a responsibility to support employers – and our community of professionals – to secure the growth, productivity and talent that pay transparency helps to deliver.

We continue to share our research and guidance on the widest range of equality issues, beyond the nine protected characteristics under the Equality Act 2010, including wellbeing, psychological safety, and flexible working. We review and strengthen these areas in our Profession Map, the international benchmark for the people profession. And we encourage our community to take an integrated and intersectional approach to equalities through our website and learning programmes.

Within the CIPD, we've made positive progress against our own action plan. Our head of inclusion and diversity is helping us develop a deeper understanding and a clearer focus on the way we work. And our employee resource groups have been revitalised, each with senior leader sponsorship and allocated budget, to boost their valuable work in raising awareness and removing practical barriers to opportunity and progression.

Working flexibly is here to stay. We listened when our own people told us about the level of flexibility they wanted to retain, post-pandemic. And we grasped the opportunity to role-model flexible and hybrid ways of working, at all levels in our organisation.

I am proud that we continued to report our gender pay gap data during the pandemic and encouraged other employers to do the same, even when compulsory reporting was suspended. And I am deeply proud of our diverse workforce within the CIPD.

Peter Cheese

Chief Executive, CIPD



Appendices

Appendix A

The numbers and percentages of our people, by year and by quartile

The proportion of women has increased in the upper quartile and decreased in the lower quartile. The proportion of men has decreased in the upper quartile and increased in the lower quartile.

		NUMBERS		PERCENTAGES	
		Men	Women	Men	Women
Upper quartile	2022	35	56	39%	62%
	2021	37	49	43%	57%
	2020	32	51	39%	61%
	2019	35	46	43%	57%
	2018	33	41	45%	55%
	2017	34	50	41%	59%
Upper-middle quartile	2022	31	60	34%	66%
	2021	29	58	33%	67%
	2020	20	63	24%	76%
	2019	18	63	22%	78%
	2018	19	55	26%	74%
	2017	23	61	27%	73%
Lower-middle quartile	2022	17	74	19%	81%
	2021	21	65	24%	76%
	2020	20	63	24%	76%
	2019	21	60	26%	74%
	2018	23	51	31%	69%
	2017	23	61	27%	73%
Lower quartile	2022	35	57	38%	62%
	2021	25	62	29%	71%
	2020	22	62	26%	74%
	2019	24	58	29%	71%
	2018	19	55	26%	74%
	2017	24	60	29%	71%

Appendix B

Our median gender pay gaps, by year and by quartile

Our median gender pay gaps remain wider in the upper-middle and upper pay quartiles. However, the gender median pay gap has also widened in the lower pay quartile.

		HOURLY EARNINGS		
		Men	Women	Pay gap (%)
Upper quartile	2022	£38.46	£36.93	3.99%
	2021	£37.09	£35.16	5.19%
	2020	£35.72	£34.31	3.93%
	2019	£35.01	£33.05	5.60%
	2018	£34.22	£33.63	1.75%
	2017	£41.40	£31.75	23.30%
Upper-middle quartile	2022	£26.82	£25.63	4.41%
	2021	£26.37	£24.51	7.05%
	2020	£25.89	£23.08	10.88%
	2019	£24.73	£24.73	0.00%
	2018	£23.63	£23.34	1.16%
	2017	£22.42	£21.32	4.90%
Lower-middle quartile	2022	£18.89	£18.78	0.55%
	2021	£19.23	£18.41	4.26%
	2020	£18.06	£17.70	1.97%
	2019	£18.13	£17.51	3.44%
	2018	£17.06	£17.89	-4.87%
	2017	£16.73	£16.94	-1.26%
Lower quartile	2022	£14.84	£14.18	4.40%
	2021	£13.25	£14.39	-6.99%
	2020	£13.02	£13.32	-2.31%
	2019	£13.16	£12.97	1.45%
	2018	£12.97	£12.91	0.44%
	2017	£12.68	£12.78	-0.80%

Appendix C

Our mean gender pay gaps, by year and by quartile

The upper pay quartile continues to contribute most significantly to our mean gender pay gap.

		HOURLY EARNINGS		Pay gap (%)
		Men	Women	
Upper quartile	2022	£46.28	£39.79	14.03%
	2021	£44.38	£38.38	13.52%
	2020	£42.74	£37.26	12.81%
	2019	£43.25	£38.03	12.06%
	2018	£42.91	£39.05	9.00%
	2017	£43.25	£38.40	11.20%
Upper-middle quartile	2022	£26.74	£26.02	2.67%
	2021	£26.21	£25.19	3.88%
	2020	£25.33	£24.08	4.93%
	2019	£24.19	£24.37	-0.76%
	2018	£23.67	£23.62	0.25%
	2017	£22.88	£22.20	3.01%
Lower-middle quartile	2022	£19.24	£19.11	0.65%
	2021	£18.96	£18.57	2.10%
	2020	£18.20	£17.84	1.99%
	2019	£17.82	£17.70	0.72%
	2018	£17.07	£17.68	-3.57%
	2017	£16.56	£16.95	-2.35%
Lower quartile	2022	£14.52	£14.32	1.33%
	2021	£13.94	£14.27	-2.39%
	2020	£13.46	£13.60	-1.03%
	2019	£13.03	£13.28	-1.97%
	2018	£13.06	£13.20	-1.08%
	2017	£12.87	£12.88	-0.09%

At the CIPD, we champion better work and working lives. We help organisations to thrive by focusing on their people, supporting economies and society for the future. We're the professional body for HR, L&D, OD and all people professionals, changing the world of work. With almost 160,000 members globally, and a growing community using our research, insights and learning, we give trusted advice and offer independent thought leadership. We lead debate as the voice for everyone wanting a better world of work.

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