

CIPD

*Championing better
work and working lives*



Our gender pay gap report

November 2019

Contents

Our gender pay gap	3
Gender pay gap reporting – an overview	4
Taking action – the year in review	5
Our year three data explored	8
Chief executive perspective	11
Our wider work on pay and transparency	12

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our gender pay gap

Ensuring that the CIPD is a diverse and inclusive place to work is at the heart of our overall purpose – to champion better work and working lives. Three years in and the gender pay gap regulations continue to help us challenge our thinking about the construct and fair remuneration of our workforce. At the CIPD, we have worked hard to make this issue front of mind for our senior leaders, our people department and our people managers. As a result of our approaches, and the tools we have developed over the past three years, we are encouraged to see our median gender pay gap fall for a second consecutive year. This is a positive indication that our action plan is creating sustainable results across our business that will act to close our gender pay gap even further in the coming years.

However, the increase in our mean gender pay gap serves as a reminder that changes in our senior people can have a significant impact on our gender pay gap. It's important that we continue to pay particular attention to how we are recruiting, developing and retaining our senior staff and creating clear pathways for people to progress in their role at the CIPD.

Addressing the gender pay gap speaks to the broader culture, diversity and attitude towards inclusion in the workplace. At the CIPD we continue to have discussions and debates on ways in which we can enable a workplace where everyone is able to bring their best self to work. Flexible working remains a big part of the CIPD culture and our commitment to our people, enabling them to work and progress in a way that works for them. Building trust between our people and line managers underpins this and we have strengthened our training for line managers and improved our recruitment processes to ensure that flexibility is discussed across the employment lifecycle.

Our approach to inclusion, fairness and flexibility at work confirms our commitment to our people and builds a strong foundation for both individual and organisational growth.



Declaration

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

Brad Taylor, Director of People, CIPD

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Louise Fisher, Chair of the CIPD Board



Gender pay gap reporting – an overview

As of April 2017, public, private and voluntary sector organisations with 250 or more employees have to report on their gender pay gaps annually. To do this, six different measures are used:

- **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.

The aim of gender pay gap reporting is to show the difference between what women earn at a workplace and what men get paid at the same organisation – irrespective of their jobs. Taking a ‘snapshot’ of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations, but a snapshot may also mask the fluidity of gender pay gaps. Gender pay gaps can fluctuate from month to month and across pay quartiles depending on changes to headcount.

We recognise the importance of monitoring the gender pay gap across the year, and not just on the snapshot date. Doing so gives us a better understanding of what drives our gender pay gap figure at any given time, and in turn, how it can be reduced.



Taking action – the year in review

In our first gender pay gap report we committed to three action areas to reduce the CIPD’s gender pay gap: improved analysis capability, creating better gender balance and encouraging flexible working. Here we report on our progress against those areas, building on the last two years’ work.

Improved analysis capability

We are committed to:

- building gender pay gap analysis into the tools our department heads use when they complete their annual pay reviews
- using these tools to monitor pay, enabling us to take action to ensure there is no bias towards either gender from the point of recruitment right through to salary conversations and progression opportunities.



At the CIPD we recognise that addressing the gender pay gap requires conversations about diversity, inclusion and opportunity to be at the heart of our culture. However, these efforts must be supported with appropriate policies and frameworks to create standard approaches to pay, recruitment and development. It’s also important that these measures are constantly analysed and reviewed in order to make sure they are effective and inclusive at all levels of our business.

- In July 2018 we introduced tools to help our department heads to monitor pay equality in their departments, and to see the potential impact of pay decisions. The use of these tools has now been extended to anyone who reports into a member of our senior leadership team. This means a number of additional managers are now using the pay analysis tools when making salary decisions.
- We continue to be transparent about our pay ranges for each role so our people understand their pay potential and managers know the pay limits of each role. We also display the pay band in all our recruitment advertisements to set candidate expectations and to reduce the likelihood of pay inequality being imported into the business from previous employment.

‘We’ve taken a number of steps to ensure we recruit from the widest possible talent pool. The introduction of insightful analytics in our process is the next step for us to take as a recruitment function. With meaningful data, we can start to track candidate journeys through the recruitment lifecycle and pinpoint aspects that we can improve before making further positive change.’

Charlie Donoghue – Talent Acquisition Manager



Creating better gender balance

We are committed to:

- exploring how we can attract more men into our organisation to create better gender balance at all levels.



The CIPD has a predominantly female workforce and we have committed to creating better gender balance at all levels of the business. This latest report finds that the number of men in the lower pay quartile increased by 8.3% and the number of women decreased by 3.1%, showing encouraging progress towards this goal. To support this:

- The CIPD has run unconscious bias training sessions over the past two years to address the potential for bias in recruitment and pay decisions. Unconscious bias modules have now been incorporated into our management training programme, Leading the CIPD Way. In the last 12 months, 46% of our people managers have been through this training, which will continue across 2019/20. However, we recognise that such training must also be supported by a range of other practices. For instance, we've increased our focus on creating appropriate panels at interviews to further reduce bias in recruitment.
- All of our recruitment advertisements go through specialist software that ensures they carry gender-neutral language in order to appeal to both men and women.
- The external testing for recruitment into our senior leadership team has been extended to our heads of department to ensure we have a rigorous process for our most senior roles.
- In 2018/19 we have further strengthened our recruitment function with the creation of the role of a talent acquisition manager. This person will partner with hiring managers at all levels to support a fair and open recruitment process for all roles at the CIPD. They will constantly scrutinise, review and improve existing recruitment processes to ensure that we are considering a full range of candidates at every level of the business.

'You need to be able to bring your best self to work. Balance is a big part of that and it's especially important when you have children. A lot of organisations "talk the talk" when it comes to flexibility, but at the CIPD, we really put it into practice. I know that my manager is looking at the tasks I'm delivering on and not how much time I spend in the office. If I come in at 10am because I've done the school run, no one raises an eyebrow, it's just normal.'

'Being an active father is important to me and the flexibility that this job gives me means that I can do that without guilt. There is genuine empathy from managers to support you, and help you balance work and family commitments so you can be your best self at work. People talk about trust in the workplace and that doesn't always show in actions, but it absolutely does here.'

Roy Ajifoh – Customer Research Manager



Encouraging flexible working

We are committed to:

- continuing to actively encourage flexible working across our organisation, in every role, at every level, to ensure that our people have the opportunity to work in a way that works best for them. We recognise that flexible working is a goal in its own right, but we think it can contribute to a narrowing of the gender pay gap by enabling men and women to balance working life with personal commitments.



Flexible working is a key part of the CIPD's culture, including a range of both formal and informal arrangements. Providing flexible opportunities for how, when and where people work is key to how we attract and retain our people, and help them balance their personal and professional commitments.

- As part of our commitment to create a more agile and collaborative work environment, we successfully rolled out a web-based platform to all our people across 2018/19. Using this platform to access shared documents and systems has increased our workforce's ability to work together, regardless of geographical location or individual working patterns.
- We recognise that maternity leave and caring for children in their early years can impact women's ability to progress at work. In response, we've begun to explore changes to our parental leave policies to enable working parents to share leave more easily. Options to further enhance paternity pay are also being explored.

'After starting a family I knew I wanted to drop down to four days a week so I could really focus on my daughter for the other day. I think it's quite telling about the CIPD culture that I didn't worry about having that conversation with my manager, or think it wouldn't be possible. There was a lot of transparency about what I was entitled to and my keep-in-touch days helped to give me a smooth transition back into work.'

Just four weeks after returning to work, I was offered the role of acting head of social impact and innovation. It felt great to come back from maternity leave and to get that positive opportunity straight away. Just because you have been off for a year, it doesn't mean that your career has to stop. For me the offer was real confirmation of my contribution to the company and the fact that progression was not just possible, but actively encouraged.'

Jemeela Quraishi – Acting Head of Social Impact and Innovation



Our year three data explored

The CIPD's gender pay gap data was collected on the snapshot date of 5 April 2019. At this time there were 325 people within the CIPD workforce: 227 women and 98 men.

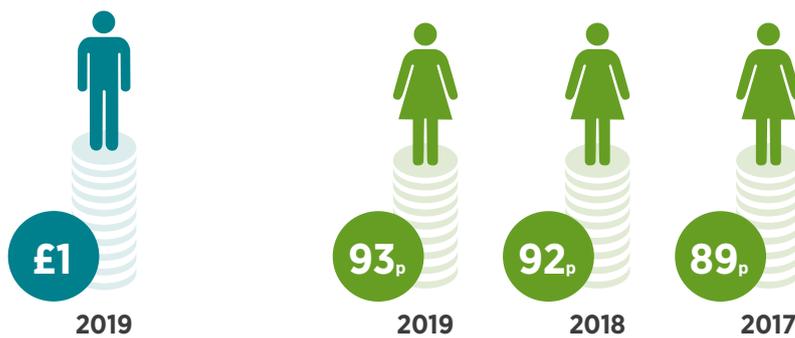
Women's earnings are lower by:	2017	2018	2019	+/- percentage point change 2018-19
Median gender pay in hourly pay	10.8%	7.6%	6.8%	-0.8
Mean gender pay in hourly pay	14.9%	15.7%	17.7%	+2

Median gender pay gap

If we rank all of our people by their hourly pay and then 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, we get the median gender pay gap. We found that the woman in the middle of the female pay range receives 6.8% less than the man in the middle of the male pay range. This is a decrease of 0.8 percentage points on last year and represents a continued fall in the CIPD's median gender pay gap since official reporting began. The decrease in our overall median gender pay gap is the result of a reduced gender pay gap in the middle pay quartiles of our workforce.

We see the fall as positive progress and a reflection of our continued efforts to close the gender pay gap at the CIPD. In particular, we see it as evidence of the effectiveness of our pay benchmarking exercise in 2017, which has reduced inequalities where they did exist and reduced the risk for future gaps.

When comparing average hourly wages (median), women make 93p for every £1 that men make:



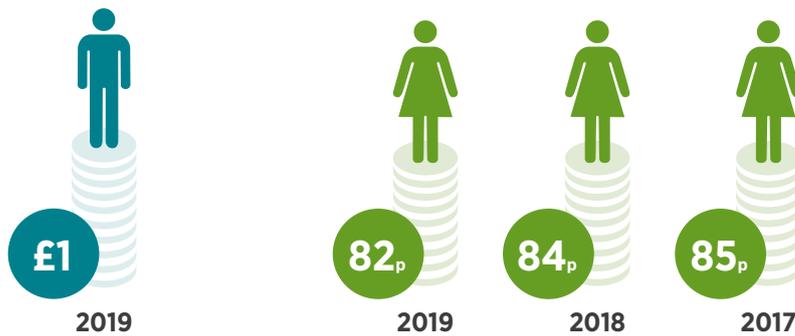
Mean gender pay gap

If we add together all the hourly pay rates that women earn, divide by the number of women in our workforce, and then compare that with the same calculation for men, we find that women receive 17.7% an hour less than men. This is an increase of two percentage points from 2018.

The increase in the overall mean gender pay gap is the direct result of changes in the upper pay quartile. There were two female resignations between the snapshot dates of 2018 and 2019, both in the upper pay quartile, which impacted the mean gender pay gap. The successful replacement candidate for one of these positions was a man. The other, a member of our senior team, had not been replaced at the time of the snapshot but has since been replaced by a woman.

As a comparatively small organisation, the CIPD's chief executive's salary has a significant impact on our mean gender pay gap. If he were to be excluded from the analysis, our mean gender pay gap would fall significantly from 17.7% to 11.6% and the median gender pay gap would fall from 6.8% to 4.9%.

When comparing average hourly wages (mean), women make 82p for every £1 that men make:



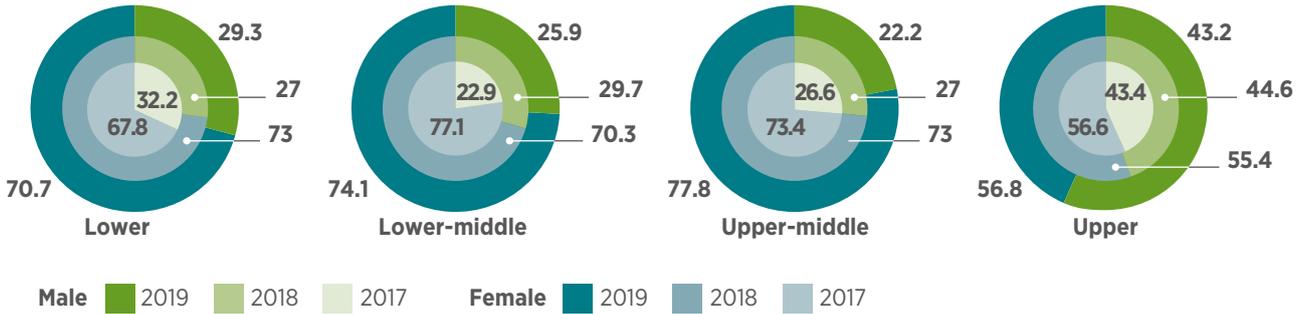
Our pay quartiles

A pay quartile represents a quarter, or 25%, of the workforce, ranked by pay. The pay quartiles are then broken down by gender. At our snapshot date there were 227 women and 98 men in the CIPD workforce, representing 69.8% and 30.2% of the workforce respectively. As in previous years, although we have a predominantly female workforce, there are a greater proportion of men in the upper pay quartiles compared with a greater proportion of women in the lower pay quartiles.

This year's data shows that there have been some improvements in the gender balance in the upper and upper middle pay quartiles over the past year. Between 2018 and 2019, the number of women in the upper pay quartile increased by 2.5% and the number of women in the upper middle pay quartile increased by 6.6%. The number of men in the lower pay quartile increased by 8.3% and the number of women decreased by 3.1%.

Overall, at the top and bottom end of the pay quartiles, there has been a positive move towards better gender balance. However, more than half of women (118) are in roles in the lower and lower middle pay quartiles, while more than half of men (53) are in the upper middle and upper pay quartiles, highlighting the need for continued work on gender balance at all levels of our workforce.

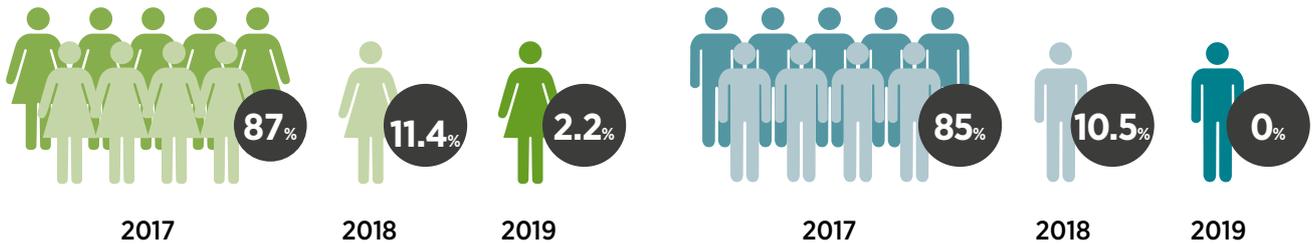
The CIPD's UK workforce by pay quartiles (%)



Our bonus pay gap

In 2017, the CIPD took the decision to remove annual bonuses linked to individual and organisational performance, which were previously applicable to the whole workforce. In instances of exceptional performance line managers are able to offer small, one-off payments to staff. During our July 2018 salary review, five women were awarded a one-off payment. No men were awarded such a payment, resulting in a median bonus gap of -100% and a mean gap of 0%. This contrasts with our 2018 report, which showed that during our July 2017 salary review, the median and mean bonus gaps were 30% and 3% respectively.

Proportion of the workforce that received a bonus (%)



'I joined the CIPD in October 2018, working full-time but with flexible hours. I wanted to work full-time but on my own terms so I could be challenged at work but also have quality time with my children and be part of the school community as well. On joining the CIPD, it wasn't just accepted, but expected, that I'd want to explore flexible working options; it's a really strong part of our culture.'

'Being able to work flexibly helps me to have a healthier outlook. It increases my engagement with the organisation, which will ultimately make me better at what I do. Being able to spend quality time with my children in the week also means that I have time to do things for myself at the weekend and pursue my passions. For me, flexible working is about keeping myself whole – it's a real resilience piece.'

Jenny Gowans – Director of Research, Policy and Content, and member of the senior leadership team



Chief executive perspective

Diversity and inclusion are at the very heart of our organisation and our broader contribution to both businesses and society. Gender pay gap reporting brings transparency to the issue and enables us to examine and address the causes through interrogating our workforce data.

In this third year of reporting we can start to get a real understanding of what's happening within the CIPD and how we are performing against our action areas. It's encouraging to see that our median gender pay gap has fallen again, marking a fall of more than a third since official reporting began in 2017. This is a positive indication that the processes, practices and culture that we have in place are all helping to make the CIPD a fairer, more inclusive place to work.

We recognise that reducing our gender pay gap is an action that requires a concerted effort at every level of our business and at every point in the employee lifecycle, from recruitment through to progression opportunities. We have made investments in our staff through line manager training and by creating a new role in our People Team to enhance inclusive thinking and practices at the point of recruitment. I'm also pleased to see that we are bringing better gender balance to our upper and upper-middle quartiles, which have both shown an increase in the number of women at this more senior level.

But we know as well that it's not just processes and practices, but culture that plays a huge part in making our organisation a good place to work. By continuing to have a culture of trust, openness and flexibility, we're creating an environment where people can bring their best selves to work while balancing work, home and personal commitments. Flexible working is at the heart of how we work at the CIPD and in our wider work with the UK Government, through the Flexible Working Task Force, which I'm proud to co-chair. This taskforce is a partnership across government departments, business groups, trade unions and charities, all committed to increasing the uptake of flexible working in their own organisations and society more broadly.

By having open conversations about flexibility and inclusion, we can start to make a real difference in how, when and where people work and their ability to progress at work. This agenda is something we are committed to at the CIPD, and as the professional body for HR, we are working with our own members and the broader HR community to encourage wider change in the world of work.



Peter Cheese
Chief executive



Our wider work on pay and transparency

Gender pay gap reporting

The CIPD has helped to shape the gender pay gap regulations since the initial consultation on reporting in 2015. The CIPD was also among the first 250 organisations to publish its gender pay gap data and supporting narrative in 2017. We continue to work with the Government Equalities Office, feeding into their guidance on gender pay gap reporting and family-friendly working. The CIPD has created a guide on gender pay gap reporting to support CIPD members and the wider HR community on their own reporting journey and we regularly hold local and national events on it as part of our broader work on diversity and inclusion.

Ethnicity pay reporting

In October 2018, the CIPD signed the Race at Work Charter, which aims to tackle the barriers facing ethnic minority people in the workplace today. The Charter is composed of five key principles to encourage action, and one of these is ethnicity pay gap reporting. In response, the CIPD has published its ethnicity pay data in its 2019 annual report, which can be found at cipd.co.uk/ouryear

In January 2019 we responded to the Government's consultation on ethnicity pay reporting. This was informed by a series of roundtable events with CIPD members and a survey of HR professionals. We are currently conducting new survey research related to ethnicity pay reporting to provide our members with practical guidance on how to help address race inequality in their organisations.

Executive pay

Since 2017 the CIPD has partnered with the High Pay Centre, the independent think tank, to create an annual analysis of FTSE 100 CEO pay packages in order to highlight the gap in pay between top executives and the wider workforce. In 2019 the analysis was extended to cover key management personnel in FTSE 100 companies and CEO pay in FTSE 250 companies. This influential annual report is the cornerstone of our work on executive pay and our calls to make the pay of top executives more transparent, more closely related to individual performance and a reflection of how the wider workforce is managed and developed. The CIPD has also played an active role in pay ratio regulations, which will apply to large listed companies from 2020. The CIPD has voluntarily published its own CEO pay ratio since 2015 as part of its annual report.

Living Wage

The CIPD is a Living Wage employer, and in 2018 we received the Living Wage Champion Award for Innovation. The award was given to a pilot scheme that the CIPD designed to encourage its members to become champions for the Living Wage and inspire others to sign up. This initiative was part of the CIPD's broader work in addressing key workplace issues through in-work campaigning and proving that people professionals can play a huge part in driving positive change, both in the workplace and the community.

Good Work Standard

The Good Work Standard is a framework developed by the Mayor of London in partnership with the CIPD. It brings together best employment practice and links to resources and support from across London to help employers improve their organisations. It follows four guiding principles: fair pay and contracts; workplace well-being; skills and progression; and diversity and recruitment. By achieving the Good Work Standard, businesses of all sizes and sectors signal their commitment to healthy, fair and inclusive workplaces. The CIPD is an accredited organisation.



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