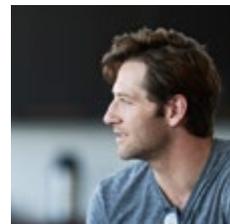




OUR GENDER PAY GAP REPORT

Corporate report
November 2018



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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 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.



1 Our gender pay gap report – Introduction

The CIPD is committed to championing better work and working lives and we recognise that fairness, inclusion and opportunity are at the heart of this important agenda.

We explore this through our work as the professional body for HR and people development, but it's also a fundamental part of our own culture.

We want the CIPD to be a place where our people can bring their whole selves to work and that means making a consistent effort to attract as diverse a candidate base as possible. It means ensuring that we are creating opportunities so that people can move through their career in a way that works for them. But it also means that we have the right systems in place so progression and pay are fair for everyone.

Gender pay gap reporting has helped us, and UK businesses as a whole, shine a light on some of the organisational and societal factors that contribute to the gender pay gap.

It has also confirmed that good intentions are not enough, and that organisations need to be making a consistent effort to understand and monitor their pay and progression activities. People professionals have a key part to play in this but this also needs to be front of mind for business leaders and line managers as well. We must all look to be principles-led, evidence-based and outcomes-driven in our approach to people management. That's why, in this second year of mandatory gender pay gap reporting, we're proud to share the journey that we have been on at the CIPD and the steps we have taken to ensure we're in a strong position to narrow our gender pay gap.

We have strengthened our training for line managers, introduced new tools to help heads of department make and monitor pay decisions and we have continued to champion flexible working across our workforce. These steps, and other actions we have taken, are a positive foundation for the future growth of the CIPD and confirm our commitment to our people.



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

Declaration

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

Louise Fisher, Chair of the CIPD Board



2 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, using six different measures:

- **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 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 bonus gap:** The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Median bonus gap:** The difference between the median 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 how large the pay gap is between an organisation's male and female employees. The data must be published on the employer's own website and a government website, and the intention is to encourage employers to take action to reduce or eliminate their gender pay gaps in order to create fairer, more inclusive workplaces.

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. It's important to monitor the gender pay gap across the year, and not just on the snapshot date. Doing so gives an organisation a better understanding of what drives its gender pay gap figure at any given time, and in turn, how it can be reduced.

3 The CIPD's pay journey

In recent years, the CIPD has explored and introduced a number of practices to ensure there is pay equality across our organisation. Between 2016 and 2017, we undertook an extensive salary review to ensure that pay processes and outcomes are fair at every level of our organisation. Gender pay gap reporting provides a further opportunity to build on many of the policies and practices that we already have in place, and to enhance key elements of our culture, such as flexible working.

In this report we describe what we've been doing more recently to ensure pay fairness and address our gender pay gap.



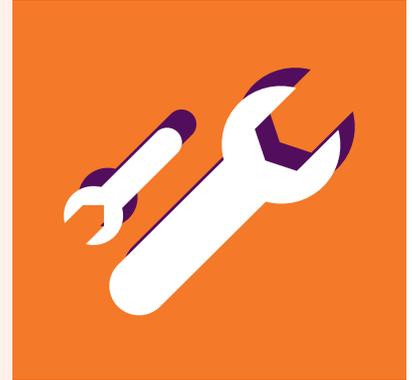
4 Taking action – The year in review

In our first gender pay gap report, which was published in November 2017, we prioritised three areas for action to reduce our gender pay gap. Here we report on our progress for each area and how we are building on our 2017 plan in order to encourage further progress towards our goal of reducing the CIPD's gender pay gap.

Improved analysis capability

We 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.



Our progress towards this goal:

- We created tools that help our department heads to monitor pay equality within their departments, and to enable managers to see the potential impact of pay decisions before those decisions are made. We introduced these tools in July 2018, so the impact of this change should be reflected in our 2019 gender pay gap reporting data.
- We are being more transparent and publishing our pay ranges for each role so employees, line managers and department heads have a clear indication of how individuals can progress within their salary band.
- As part of our transparency around pay, we continue to clearly display a narrow salary range in all our recruitment advertisements. This helps to set candidates' expectations and reduces the potential of importing pay inequalities from previous employment.
- Our narrow salary ranges reduce the likelihood of pay inequality within job families.



Melanie Bellis

Head of Customer Services and Operations

'I've always felt that I've had the opportunity to progress and I've known what I need to deliver to do well. I work compressed hours, doing 10 days in nine which helps me to have interests outside of work. In my spare time I'm an artist, it's a big part of who I am and having compressed hours gives me a full wage but it's also created space for me and helps to bring balance to my life. I get a lot of support at work for my creative efforts and while I'm already motivated, this extra layer of support and flexibility helps me bring a better self to work. At the CIPD I manage a team of 50 people and have found the new tools that we have to monitor pay really useful. It's about fairness and having sound data to make decisions on. By having checks and balances in place, I'm confident that I'm making the right decisions as a manager.'

Creating better gender balance

We committed to:

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



Our progress towards this goal:

- We have continued rolling out our internal unconscious bias training, which addresses how bias can impact recruitment and pay award decisions. Initially this training was voluntary, but we are now making it part of our mandatory *Leading the Way* training for line managers, to ensure any potential for bias is reduced in hiring and pay decisions as well as more generally in workplace practices.
- All of our recruitment advertisements are put through specialist software that ensures they only carry gender-neutral language in order to appeal to both men and women.
- We are exploring the potential for name-blind CVs to become standard practice in our recruitment activities from 2019/20. This would decrease the potential for bias on the grounds of the gender, age and ethnicity of job applicants.
- We are exploring recruitment training for all of our line managers to ensure that good practice is being applied across the organisation when hiring decisions are being made. This includes unconscious bias training and supporting managers' knowledge of the CIPD's pay policies, ensuring that offers negotiated with new employees adhere to the controls we have in place.



Ian Naylor

Head of Legal

'I asked for my flexible working arrangement shortly after I started, after learning that my manager was doing the same. I realised that this would be perfect to relieve the child care pressures my wife and I were feeling. It was all very straightforward to arrange and my line manager and the organisation in general were very supportive.'

'Working shorter hours each day means I can pick my daughter up from the school bus and be around in the evenings to help both her and my son with homework. More recently, I've used our allocated parental leave to be around a bit more in the school holidays and to help my son study for his GCSEs, which has been invaluable. Being able to work flexibly has really helped with my peace of mind and helped me to cope with parts of my personal life that often overlap with work.'

Encouraging flexible working

We committed to:

- Continue 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 family commitments.



Our progress towards this goal:

- We continue to champion flexible working across the organisation, having refreshed our flexible working policy in June 2018 to encourage more informal arrangements between our people and line managers. We have also introduced a strapline in recruitment advertisements to encourage recruiting managers and candidates to talk about flexible working as part of our hiring process. Although this won't be reflected in our 2018 gender pay gap data, it should have a positive impact on next year's gender pay gap figures.
- Creating a more agile and collaborative work environment is a key part of our people strategy. In 2018/19 we are putting a particular focus on how we can further enable flexible working right across our business through the application of technology and will be consulting with the CIPD workforce as part of our decision-making process.
- A significant portion of our learning and development (L&D) activities are accessed via online training modules, which means that our workforce can easily access L&D tools and activities whatever their working hours or location, all of which can contribute to their progression at work.



Nichole Higgins

Volunteering and Systems Officer

'I work full-time hours but I'm able to work flexibly as needed in order to help with childcare for my three grandchildren. My son and his wife needed a lot of support from me over the last three years, as the twins were very ill when they were born. Often, I'd need to leave early or come in late to help with care or hospital appointments. My line manager was hugely supportive during this time, and that support and being able to work flexibly meant the world to me.'

'There is a blur between work and life; you don't stop worrying when you walk out the door. Knowing that I had that support meant I could carry on with my job while supporting my family - it gave me peace of mind, which made me want to work harder in my role. Women can often feel the pressure of balancing work and family life, but we can do both, and inclusive workplaces can help us to achieve this.'

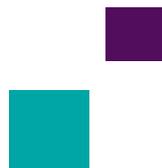


Gerwyn Davies

Senior Labour Market Adviser

‘Since starting a family I’ve chosen to work compressed hours, doing a nine-day fortnight. Having that additional day at home improves my mental well-being and puts me in a more positive frame of mind at work and at home. When our son was born, I took shared parental leave and the experience was transformative in many ways. Being able to spend that time with him and build our relationship was hugely important to me and I’m taking shared parental leave again for our second child.

‘I felt relaxed about taking time out of work. I didn’t feel that it would impede my career prospects in any way as I had such a supportive line manager who actively encouraged it. I really value that the CIPD and my line manager value the quality of my outputs rather than the number of hours I’m working or time spent in the office. I’m working in a way that works for me, my family and the organisation.’



Holly Ivins

Law Content Analyst

‘I decided to return to work part-time after starting a family so I could continue my career but also have a good work-life balance. Happily, the organisation as a whole were really supportive of my decision, and continue to be. If there are days when I need to leave early to pick my daughter up, I know that I can make the time up at another date without being judged, as it’s normal that people work flexibly here, and not just for childcare reasons.

‘Adjusting to working three days a week was challenging, but my team has been brilliant. We all have different working arrangements and we’ve learned to make it all work. I’m also part of our internal Working Parents and Carers Group, where we can talk about big stuff like career progression through to “I’ve already been awake for five hours and it’s only 9am.” It’s vital to be able to bring your whole self to work and it’s great that we have the right structure and attitude to support that.’

5 Our year two data explored

The CIPD's gender pay gap data was collected on 6 April 2018. At this time there were 296 employees within the CIPD workforce: 201 women and 95 men.

Women's earnings are lower by:

	2017	2018	+/- percentage points
Mean gender pay in hourly pay	14.9%	15.7%	+0.8
Median gender pay in hourly pay	10.8%	7.6%	-3.2

Mean gender pay gap

If we add together all the hourly pay rates that women earn, divide by the number of women and then compare that with the same calculation for men, we find that women receive 15.7% an hour less than men. This is an increase of 0.8 percentage points from our 2017 figure.

We believe this slight increase is largely due to changes made to the makeup of the CIPD's senior leadership team, and this is also reflected in our upper pay quartile figures.

The CIPD's gender pay gap is largely concentrated in the upper pay quartile. As a comparatively small organisation, the CIPD chief executive's salary has a big impact on our overall gender pay gap. A quarter (26%) of the CIPD's mean gender pay gap is accounted for by our chief executive. If he were to be excluded from the analysis, the mean gender pay gap would fall by 4.1 percentage points, from 15.7% to 11.6%. As a comparison, our 2017 mean would drop by 4.6 percentage points from 14.9% to 10.3% when we remove our male chief executive from the calculations.

Mean

When comparing average hourly wages (mean) women make 84p for every £1 that men make



Median

When comparing average hourly wages (median) women make 92p for every £1 that men make



Men ■ Women ■

Median gender pay gap

If we rank all women by pay and rank all men by 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 find the typical woman received 7.6% an hour less than the typical man. This is a decrease of 3.2 percentage points from our 2017 figure and we see this as a reflection of the changes we have put in place to reduce the risk of pay inequality across all levels of the organisation – in particular, the narrowing of pay ranges.

In July 2017 (after the 2017 snapshot date), we further benchmarked our UK and global salaries, bringing them more in line with the market median and narrowing the span of our salary range. This resulted in an exercise to bring those below the minimum level of the range up to at least the minimum and further restricting individual salary growth for individuals already above the range (largely due to historical inflationary increases year on year). This activity has created a positive impact on the CIPD's median gender pay gap as we now have greater controls over pay inequality in similar-sized jobs.

Our pay quartiles

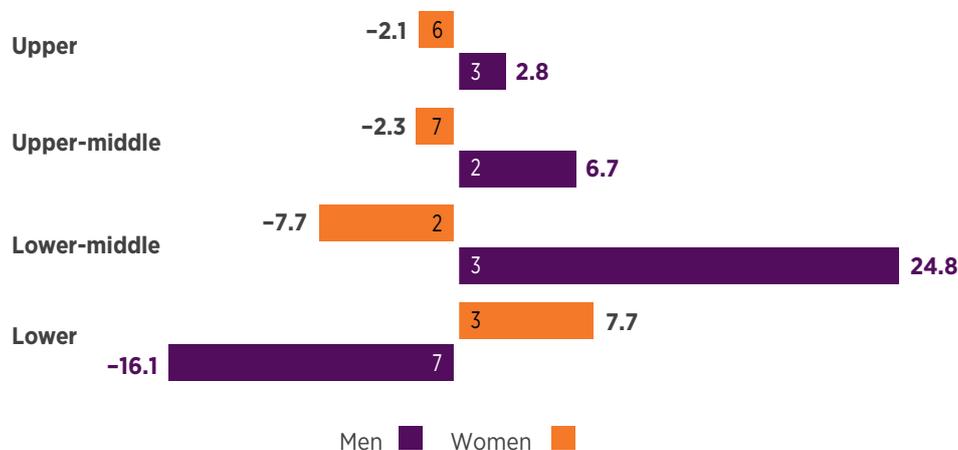
A pay quartile represents a quarter, or 25%, of the workforce, ranked by pay. The pay quartiles are then broken down by gender.

At our snapshot date, there were 201 women and 95 men in the CIPD. 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 an increase in the percentage of women in the lower pay quartile (7.7%) and a slight decrease in the number of women in the upper (-2.1%) and upper-middle pay (-2.3%) quartiles. In contrast, there was a decrease in the number of men in the lower pay quartile (-16.1%) and an increase in the number of men in the upper-middle (6.7%) and upper (2.8%) pay quartiles.

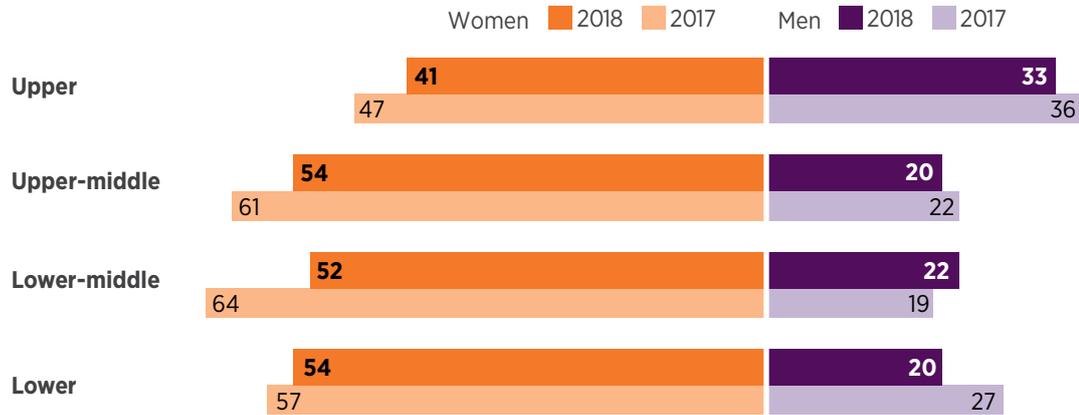
Gender balance differences between our 2017 and 2018 reporting (%)

(Figures in bars denote number of individuals affected)

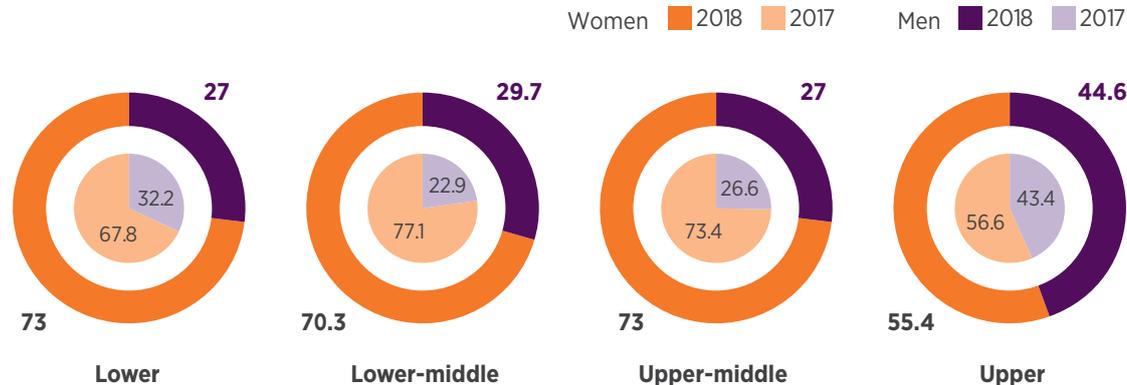


To improve gender balance in our organisation, we have taken steps to make the CIPD attractive to as wide a range of candidates as possible. While we have increased the proportion of men in the organisation, this increase hasn't been evenly spread, with more men in the middle quartiles and fewer in the lowest quartile. There are also proportionately more women in the lower quartile, despite there being a strong female presence at every level of our organisation.

Number of men and women in each pay quartile



Proportion of men and women in each pay quartile (%)





Our bonus pay gap

As part of our wider salary and bonus review in 2017, informed by insights from behavioural science regarding the ways in which employees respond to reward, we took the decision to remove annual bonuses linked to individual and organisational performance.

Instead, during our annual salary review, managers were given the discretion to award a small one-off payment to individuals who demonstrated outstanding performance and went the extra mile in their role.

As of April 2018, the snapshot date for this year's figures, 10.5% of men (compared with 85% in 2017), and 11.4% of women (compared with 87.0% in 2017) received one of these payments in the previous 12 months. However, half the men who received a payment were in the upper pay quartile, compared with just a fifth of women. This resulted in a bonus pay gap of 3.0% mean (down from 16.0% in 2017) and 30.0% median (up from 17.6% in 2017).

To help close our bonus and overall gender pay gap, our people strategy sets clear guidelines for managers making decisions about promotions, salary increases and one-off rewards. We give managers training to help reduce unconscious bias and provide them with market evidence to help guide their decisions. The people team also give managers a steer on appropriate reward mechanisms.



Regarding promotion and pay progression, as part of our people strategy we have also documented promotion guidelines. These clearly set out the criteria for decision-making on promotions and awarding salary increases outside the annualised salary review process – for instance, should the requirements of a department change to meet the needs of the organisation. This further demonstrates our commitment to use relevant controls within our pay practices that will act to narrow our gender pay gap.



6 Chief executive's perspective: Peter Cheese

We are committed to being a diverse and inclusive organisation, and understanding and improving our gender balance is an important part of this journey. Reducing our gender pay gap through a better gender balance across all levels of the organisation requires understanding and focus from leadership, the board and people managers across our business. It also requires us to continue to be evidence-based, with real insight on the makeup of our workforce, progression and pay differentials.

Around two thirds of our workforce is female, and we have around 50/50 balance of women and men in more senior roles. We are working hard to promote equality of opportunity for all people across the CIPD, and it is good to see a modest improvement in our overall median gender pay difference through the actions we are taking. We also need to ensure we are attracting men into more junior roles alongside supporting women into more senior roles.

In other activities, we are training all our people in understanding difference, and how to manage, treat, and develop people from all backgrounds. Promoting and making more of our flexible working opportunities, and encouraging open dialogue and a culture of trust are also very important elements in our desire and need to create a truly inclusive organisation.

As the professional body for HR and people development, as well as considering our own workforce, we are committed to helping our members to understand and address their own gender pay gaps and will continue to explore ways in which we can help them to achieve this.

A handwritten signature of Peter Cheese in black ink on a light background.

Peter Cheese
Chief Executive



7 Our wider work on pay and transparency

Gender pay gap reporting

The CIPD has helped shape the gender pay gap regulations since the initial consultation on reporting in 2015, steering government away from a league table approach towards encouraging narrative reporting, on the grounds that this was more likely to lead to positive and sustainable action on closing the gap. The CIPD was amongst the first 250 organisations to publish its gender pay gap data and supporting narrative in 2017 and created a guide on gender pay gap reporting to support CIPD members and the wider HR community on their own reporting journey.

Ethnicity pay gap reporting

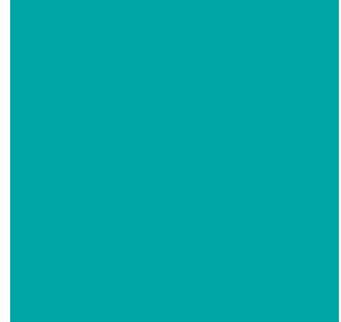
In October 2018 the CIPD signed the new Race at Work Charter, which aims to help tackle the barriers facing ethnic minority people in the workplace today. The Charter is composed of five principal calls to action for leaders and organisations across all sectors, a key one being the commitment to capture and publicise ethnicity pay gap reporting. The CIPD will also be feeding in the views of its members to the government consultation on ethnicity pay gap reporting and providing HR with relevant support once the framework for reporting has been established.

Executive pay

In 2017 and 2018 we partnered with the High Pay Centre to release an analysis of FTSE 100 CEO pay packages in order to highlight the gap between average workers and the top executives in organisations, calling for a broader definition of performance, a new approach to rewarding employees, (including executives), and a change to the existing governance structure so that directors review how all people are recruited, managed, developed and rewarded. We have explored the impact that high executive pay has on the wider workforce and the behavioural science of executive reward. The CIPD has also played an active role in discussions around the requirement for companies with more than 250 employees to publish their CEO pay ratios, which will come into effect from 2019. The CIPD has been voluntarily publishing its own CEO pay ratio since 2015.

A living wage employer

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.



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Incorporated by Royal Charter
Registered as a charity in England and Wales (1079797)
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Issued: November 2018 Reference: 7781 © CIPD 2018