

COMMUNICATING YOUR GENDER PAY GAP TO YOUR PEOPLE

1. Why an all staff communication?

When publishing your gender pay gap information, it may be useful to think about how you're going to communicate this information to your employees. Many companies overlook the importance of producing a clear and concise communication targeted at their own staff which contextualises the figures.

The regulations require you to publish your pay gap information on the UK Government viewing portal¹, and on your company website in an accessible manner. There's no obligation to produce an accompanying narrative; however, a narrative can help explain and contextualise your figures, and reassure employees and other stakeholders that any gaps are not the product of discrimination. Engaging openly can also minimise the potential impact on employee morale, and mitigate reputational risks to your company.

2. When should you communicate with your people?

When developing your pay gap information, it may be useful to develop a communication plan for sharing this information with stakeholders. This may include how to present the figures to your board, and should also include a discrete communication to employees. It can be helpful to circulate the pay gap information to employees before you report publicly but if you've already published, an employee communication can still be developed. It will improve transparency, and can then be built into your plan for next year. Communicating with employees early on in the process also provides you with an opportunity to manage any risks around employee morale.

¹ <https://www.gov.uk/report-gender-pay-gap-data>

3. What information should you include?

Your staff communication provides you with an opportunity to present your pay gap transparently, with contextualising information to reassure your people that your pay gap is not a product of discrimination. It also demonstrates your commitment to equality and diversity, and to closing the pay gap.

Defining the gender pay gap

There is widespread confusion around what the pay gap actually is; it's not uncommon for people to think it's the difference in pay for two people doing the same job. It's therefore useful to include a short section which defines the gender pay gap, and specifically identifies the difference between the pay gap and equal pay, which is also covered under the Equality Act. This will enable you to set out the common causes of the pay gap across most organisations, and will contextualise your own figures.

Pay gap figures

The full pay gap information from your published report should be included. To enhance transparency, it may be helpful to include a brief description of how the figures were calculated, and for example the difference between the mean and median averages.

Accompanying narrative

Developing a narrative is a good opportunity to contextualise your pay gap information. The narrative should set out the causes of your pay gap, based on an analysis of your pay data. This demonstrates your commitment to understanding why there is a pay gap in your company.

PRESENTING A LARGE PAY GAP

If your company has a significant pay gap, you may be concerned about sharing this information with employees, and other stakeholders. It is important to be open about your pay gap, particularly as the information is publicly available. Wide pay gaps occur for a range of different reasons, and often this is not because of discrimination. Treat reporting your pay gap as an opportunity to demonstrate your commitment to equality and diversity. Use the narrative to set out the causes of your pay gap, and to mitigate any concerns from employees. Limiting the publication will have associated risks both externally to your brand and to potential employees, and internally for staff morale and productivity. Using the narrative in your communication to highlight the underlying causes of your pay gaps, and identifying what challenges there are, provides an opportunity to engage staff and answer any concerns they have.

Actions

Staff will be interested in how the company is planning to close your gender pay gap. It can be helpful to include in the narrative any recent or ongoing work on gender equality, and the outcomes from those actions. You may have undertaken an equal pay review, developed a talent management programme for women, or be working towards gender balance at board level. Many companies are developing work which serves to reduce their pay gap, but employees may not always make the link between the two.

To reduce your pay gap in the long-term, it's essential that you develop an action plan. The action plan should be informed by your pay analysis, and set out the action that will be taken to address the causes of your pay gap, the time period in which this will be done, and how progress will be measured.

3. Next steps

Between annual reporting, it is important to continue employee engagement and provide an update on work around the gender pay gap. When evaluating how effective initiatives have been, it can be useful to include feedback from staff. Incorporating staff views into your contextualising information for next year's reporting will also strengthen your pay gap narrative. Engaging with staff will help to create a culture of openness, which in turn improves morale, and productivity.

Close the Gap, Scotland's expert on the gender pay gap, has developed a tool to help companies develop a structured approach to closing their pay gap. The tool is supported by a suite of guidance, which can be found at www.closeyourpaygap.org.uk.