

Getting to Grips with the Gender Pay Gap

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14 June 2023

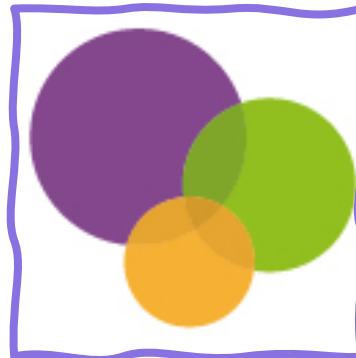
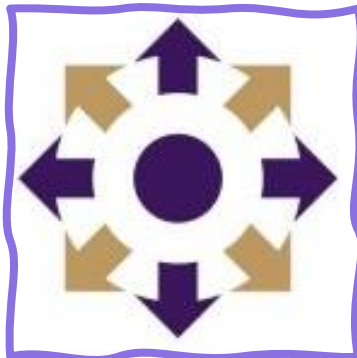
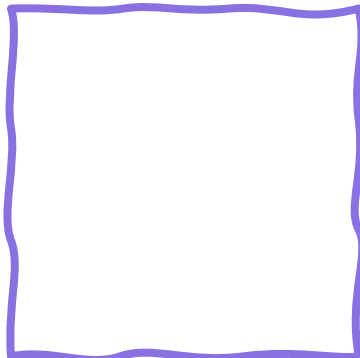
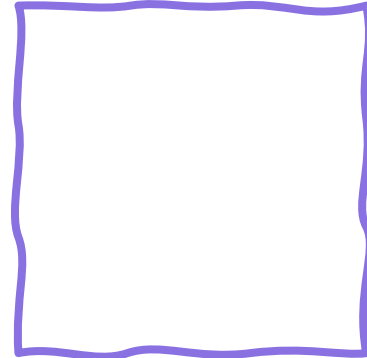
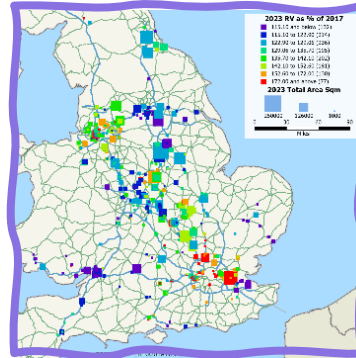
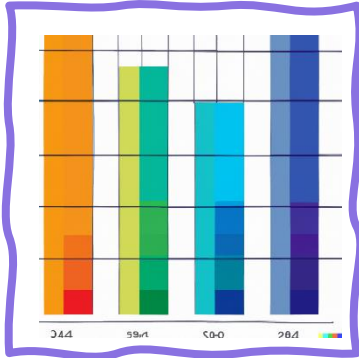
What I'm covering

- > Bit about me
- > Why it all matters
- > What is the pay gap?
- > Logistics v UK
- > Getting worse first?
- > What else can we learn?
- > Getting to grips

A bit about me...



**Kirsten
Tisdale**



Diversity matters because it's good for business

Catalyst: "Diversity & inclusion are key to healthy businesses"



Source: Catalyst, *Quick Take: Why Diversity and Inclusion Matter* (2020).

Catalyst is a global non-profit supported by many of the world's most powerful CEOs & leading cos to help build workplaces that work for women

These links go to c100 articles & studies, supporting many financial performance benefits

<https://www.catalyst.org/research/why-diversity-and-inclusion-matter/>

<https://www.catalyst.org/research/why-diversity-and-inclusion-matter-financial-performance>

In the 21st Century, what size gender pay gap is acceptable?

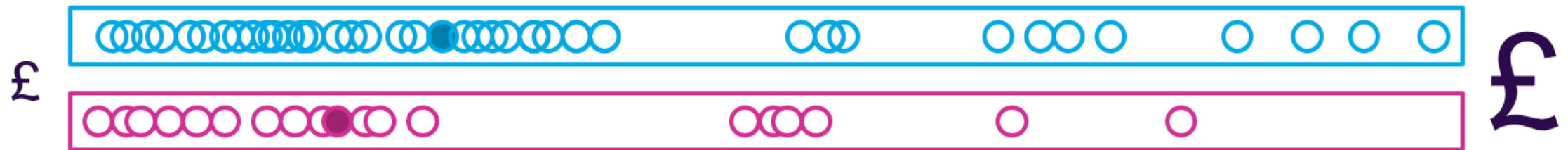


- > The criterion I've used in this presentation today is +/-7.5% for both measures - we'll look at the two pay gap measures on the next slide
- > Either way - a pay gap in favour of women is no fairer than a pay gap in favour of men
- > But, interestingly, Nigel Marriot - an ex-Mars statistician, has shown that smaller companies with a low percentage of women could be fair in how they pay, but still have a wide gap without there being any evidence of discrimination
- > <https://marriott-stats.com/nigels-blog/gender-pay-gap-and-life-on-mars/>
- > In my opinion, the best thing about the need to report is that it's made us all talk much more about the gender pay gap (and other gaps and inequalities) in the UK



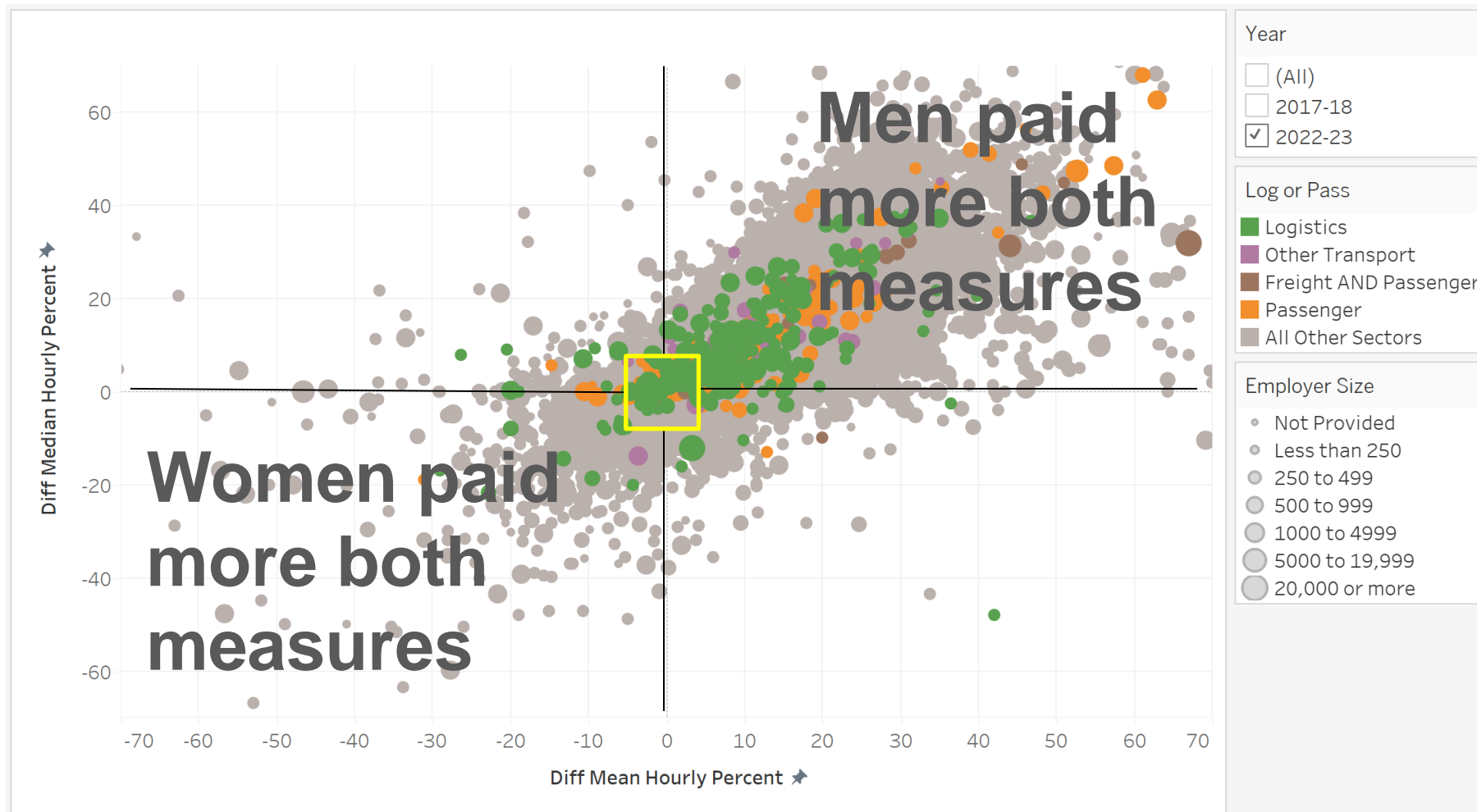
How is the pay gap calculated?

- > First, calculate the hourly pay of all employees – there is a set way of doing this
- > Then, to calculate the **Median pay gap**...
- > Put all the men in a line and pick the middle one = £11 say
- > Put all the women in a line and pick the middle one = £10 say



- > Gender Pay Gap = $(£11 - £10) / £11 = 9\%$ (NB Calculation is sexist as women tend to be paid less!)
- > +ve figure = Women paid **less** than men ...in UK, -ve figure = Women paid more than men
- > The reason the median gender pay gap is low in, say, storage is because the comparison is of the pay of male and female medians who both tend to be operatives
- > The **Mean** pay is what you normally think of as the average (add all the hourly pay together and divide by the total number of men or women to get each average), and then calculate the gap

Gender pay gaps 2022-23

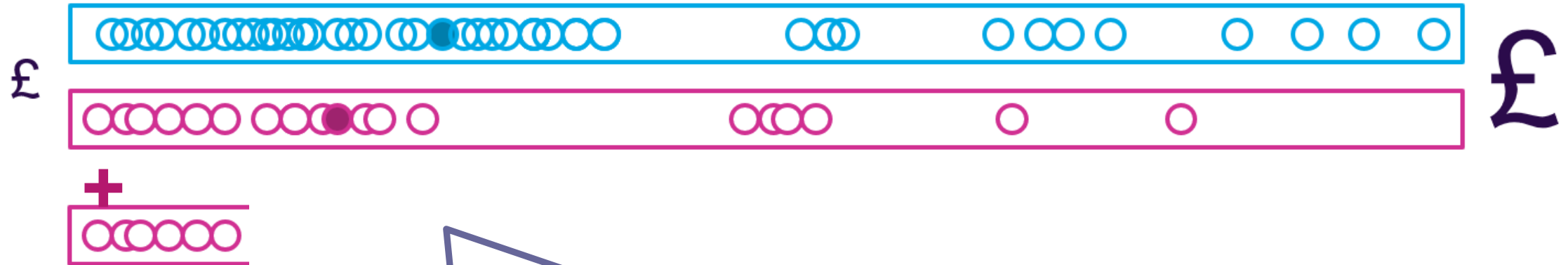


- > My criterion for the box here is +/-7.5%
- > NB Box not accurately drawn and extreme values not shown
- > Logistics - 29% cos pay gap is within +/-7.5%
- > UK as a whole is 24%
- > Logistics – 58% of cos pay men >7.5% on both measures (=RH top corner not in box)
- > UK as a whole is 66%

- > The no of logistics cos with a pay gap within +/-7.5% is up from 22% in 2017-18
- > BUT this was matched by logistics companies which paid women more on both measures **reducing** from 12 to 5% - so the well-paid women levelled down!

No excuses but...

...there *is* a potential impact of suddenly recruiting more female apprentices



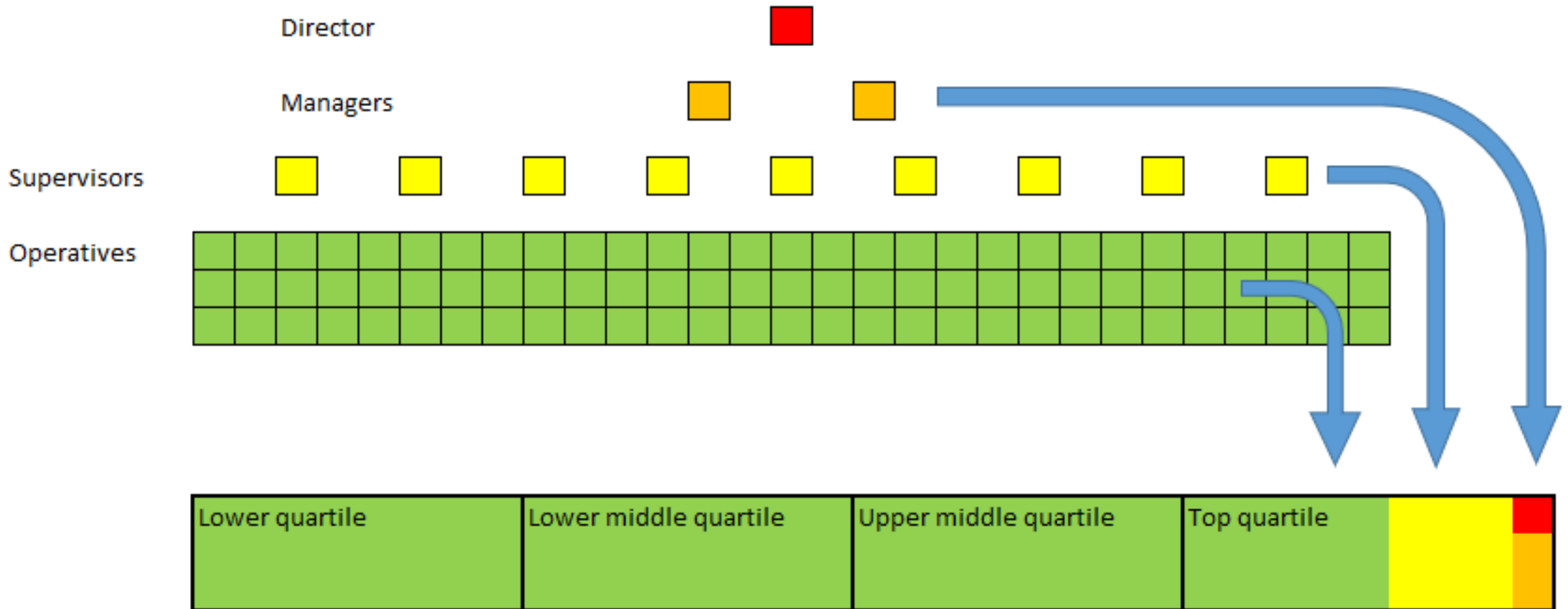
"Ouch! Our gender pay gap is a bit worse, because we've taken a longer-term approach to increasing diversity!"

Solutions:

- Shout about it – tell the world what you're doing!
- Promote or recruit more senior women to achieve equality across the whole company...

What else can we learn from gender pay gap data

- > We can learn about the percentage of women and the percentage of senior women in a company
- > But first, a proviso: The top quartile is not nuanced enough for logistics or for many other sectors – we can't see what is going on right at the top:

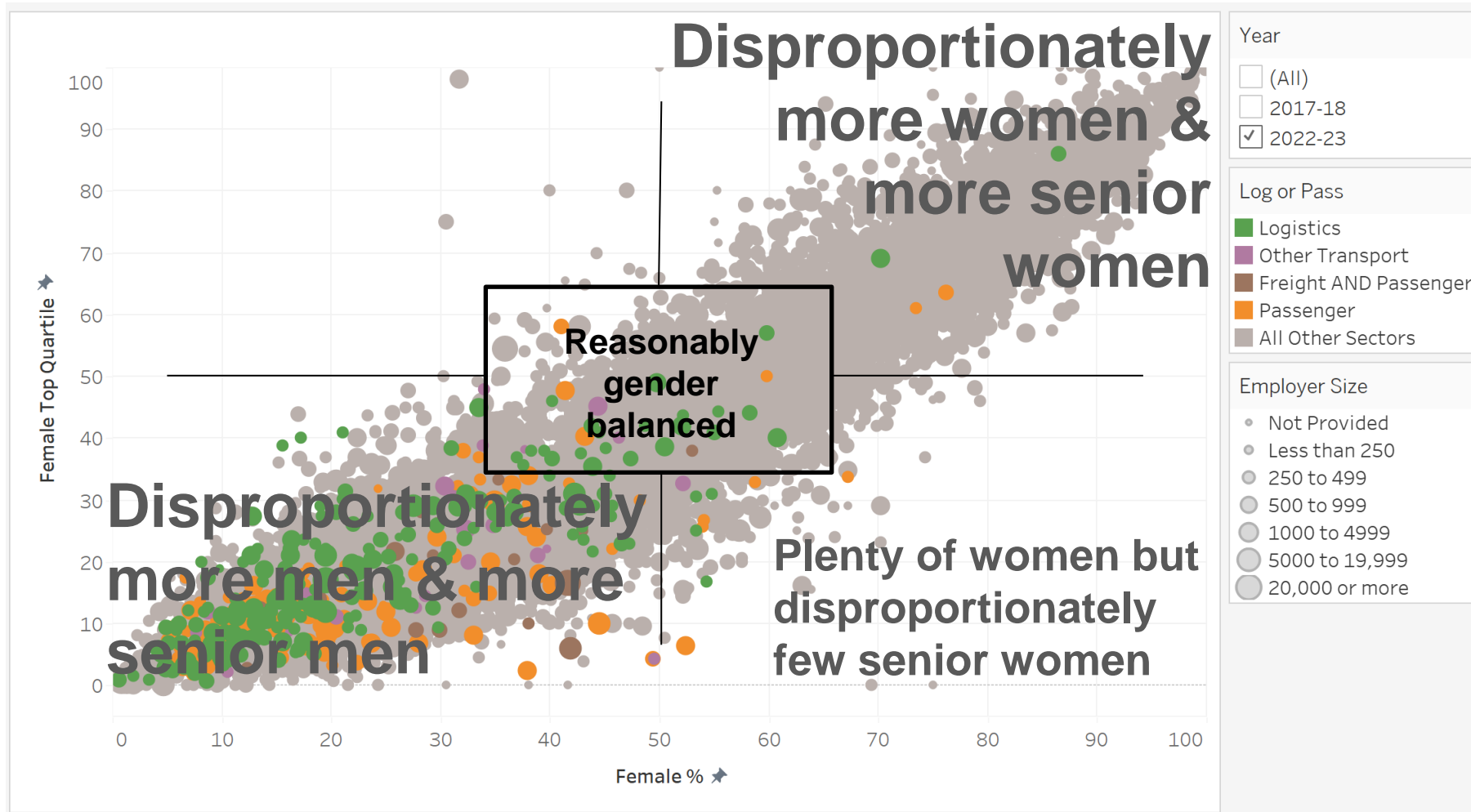


And what do you consider to be a gender balanced company?



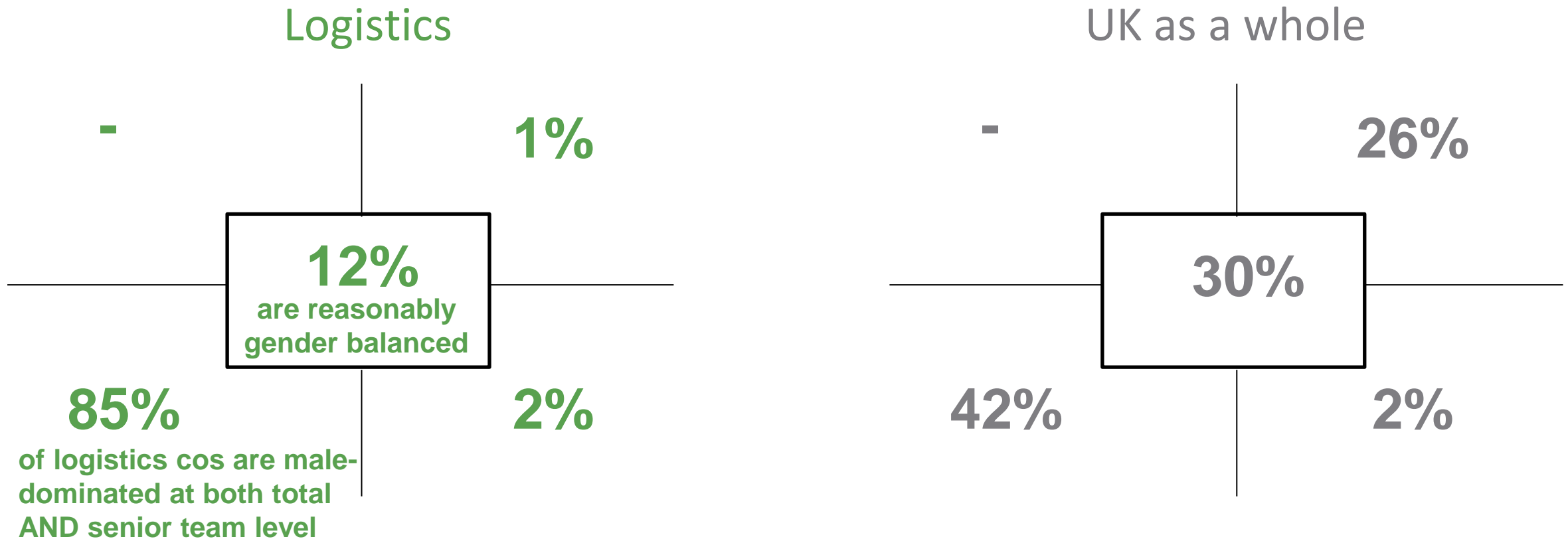
- > Caroline Jackson, National Logistics Manager, LF&E Refrigerated Transport replied: “the majority of us would hold the ideal of 50:50 but we have to take gradual steps to get there; maybe in some cases aiming for 30:70 or 40:60 is a good start.”
- > Croner, Employment Law, HR & H&S consultants, says on its website: “Industries which have more than 55% [of] a single gender can be considered to lack gender diversity”
- > <https://croner.co.uk/resources/equality-discrimination/diversity/gender/>
- > The criteria I’ve used are (and again, either way - balance is best)
 - > Max two thirds of one sex in the company AND
 - > Max two thirds of one sex in the top quartile

Proportion of women & senior women 2022-23



- > What mix of men & women is sensible?
- > My criterion here is one third : two thirds - either way round

Logistics v UK – Proportion of women 2022-23



- > Only 12% of logistics companies are reasonably gender balanced using my criterion of max two thirds either way ...BUT, up from 6%, that has doubled since 2017-18
- > Employment of women in logistics, both generally and in senior positions, is much lower than the UK average...

We all know logistics is not very diverse

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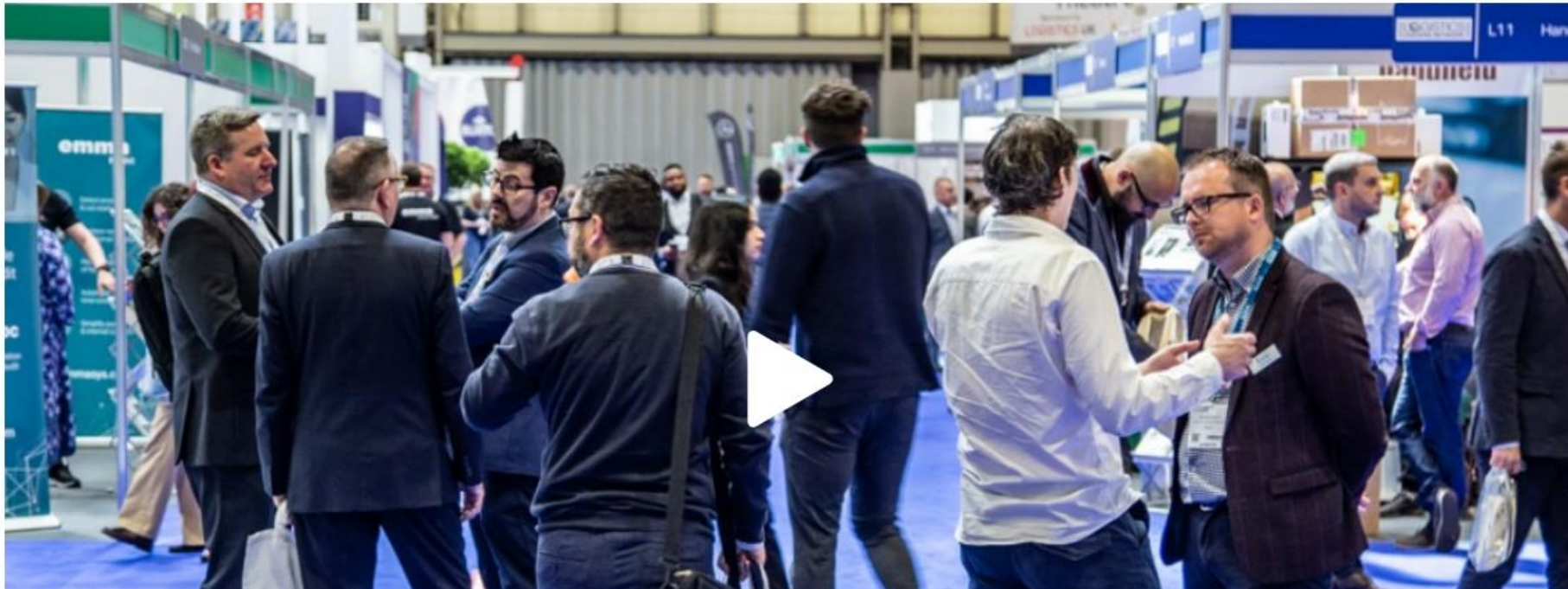
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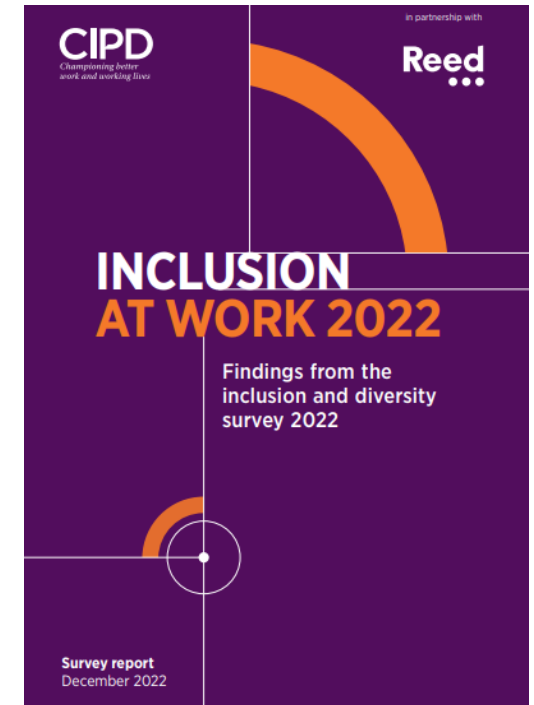
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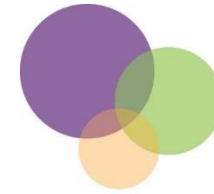
Diversity, pay gaps & top quartile – what to do?

- > How can you get to grips with it in your own company?
- > To get started, do what you'd do with any *logistics issue*!
- > **Analyse** – understand the problem, what are the options, **what actions are required**? If you're short of ideas ->
- > **Set targets & KPIs** - if you can't monitor it, you can't manage it
- > Make sure you have **appropriate procedures** – for marketing roles, initial selection, interviewing...
- > **Benchmark** wages, titles & roles – internally and externally
- > Put it on the agenda of **operational reviews** – this is mainstream business
- > Senior people – **challenge** your team – they concentrate on what you ask them about!



This report from CIPD has lists & links giving useful ideas to review your own company

https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2023-pdfs/inclusion-work-report_tcm18-112950.pdf



Thank you! Any questions?

www.linkedin.com/in/kirstentisdale

www.aricia.ltd.uk/diversity.aspx

McKinsey: *“While correlation does not equal causation (greater gender and ethnic diversity in corporate leadership doesn’t automatically translate into more profit), the correlation does indicate that when companies commit themselves to diverse leadership, they are more successful.”*

<https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/why-diversity-matters>