

## GENDER PAY GAP REPORTING

### What our clients are telling us

Through our recent survey and conversations with our clients, we have been deepening our insight and knowledge on what clients are doing around their gender pay gap and the new reporting requirements.

### Readiness



### Distortions

Strikingly, the majority of our clients are concerned about the distorting effect of some aspects of the calculations. This suggests that **the potential for distortion is significant**, even in the largest companies. The following technical calculation requirements are of the most concern when it comes to distorting data:



### Steps to address gender pay gap

Many of our clients are taking, or are planning to take, a variety of steps in order to address their gender pay gap. Most popular are:

- 1 Use of pay grades or bands
- 2 Guidance to managers on pay awards
- 3 Review of gender split of salary increases across teams
- 4 Equal pay audit / analysis of equal pay risk
- 5 Recruitment campaigns targeting women

### Technical calculation issues

We have yet to see a consensus on some of the trickier technical calculation issues with many clients still undecided on their approach. Clients are, generally, taking some consistent judgment calls on some issues, for example, the exclusion of **contractors** from the data. However, on other issues, such as the approach to **NEDs**, **expats** and **sign-on bonuses**, clients are taking a mixed approach or are undecided.

### Narratives

Narratives look likely to include data for the whole group (not just the reporting group company), explanations of distortions in the data, causes of the gap, commentary on existing diversity initiatives and a wide range of other content.

### Horizon scanning

We have been asking our clients how they think their organisation's gender pay gap will change over the next five years and the majority have said they believe it will shrink but only a little. The rest are either unsure or believe it will remain more or less the same.