The Institution of Engineering and Technology

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Board of Trustees

GENDER PAY GAP REPORT

(Note by Morna Dason-Barber. If you have any questions on this paper before the meeting please contact Morna Dason-Barber on +44 (0)7936 341409, or by email mornadasonbarber@theiet.org)

1. Issue

To provide a report to the Board of Trustees about the IET's Gender Pay Gap Report for 2022.

2. Timing

Board of Trustees meeting, 16 March 2023.

3. For Note

The Board of Trustees is invited to note the attached report.

4. Background

4.1. In line with all other UK companies employing more than 250 people, the IET has a legal obligation to publish Gender Pay Report for our UK employees based on a snapshot date of 5 April 2022.

4.2. The report must specify the following key metrics:

- gender pay gap (mean and median)
- gender bonus gap (mean and median)
- proportion of males and females receiving a bonus payment
- proportion of males and females in each pay quartile

4.3. Alongside these figures, as a charity the IET must also publish a 'written statement'. This statement must confirm that the published information is accurate and be signed by an 'appropriate person'. For charities this will be the most senior employee.

4.4. The deadline for publication is 4 April 2023.

5. Key Points

5.1. Whilst both equal pay and the gender gap deal with the disparity of pay women receive in the workplace, they are two different issues:

5.1.1. Equal pay means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act.

5.1.2. The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings.

5.2. Our mean gender pay gap is 19.72% and our median gender pay gap is 23.73%.

5.3. The IET pay and mean bonus gaps are primarily driven by the high percentage of men in the top quartile and the high percentage of women in the lower quartile.

5.4. Significant focus and actions have been undertaken over recent years to address the gender pay gap. These actions are starting to have a positive impact, as reflected in the latest report, which shows that, both our mean and median gender pay gap have continued to close. In comparison with 2019, when we launched our targeted plan, our mean gender pay gap has closed by 6.7% and our median gender pay gap has closed by 9.4%. The introduction of our 'Share in Success Scheme' in 2019 resulted in the elimination of a median gender bonus gap.

5.5. It is acknowledged that it will take time to balance the profile of the organisation and ultimately close the gender pay gap and we have set ambitious targets to ensure demonstrable progress is made by 2025.

5.6. The IET Gender Pay Gap Report for 2022, attached as an Appendix, has been approved by the Remuneration Committee and will be published on the IET website on 30 March 2023:

https://www.theiet.org/about/vision-and-strategy/iet-gender-pay-gap-report/

6. Risk

There are no additional risk issues related to this report.

7. Resources

There are no additional resource issues related to this report.

The Institution of Engineering and Technology

Appendix to T(23)17(revised)

Gender Pay Gap Report 2022

www.theiet.org

Introduction

Once again, it is pleasing to see the significant and sustained progress being made in closing our Gender Pay Gap. We have maintained our focus over the past two years in developing our inclusive culture as well as attracting and retaining diverse, talented individuals at all levels of the organisation. This has resulted in a reduction of our mean Gender Pay Gap, down from 26.5% in 2020 to 19.7% at the time of this report in 2022. Just as pleasing is the sustained, positive trend of women moving into our upper pay quartile. We now have 40% of women in our upper quartile, up from 35% in 2020.

Whilst these positive changes are immensely encouraging, we remain committed to further improvements and to the achievement of the goals we have set out in our Equality, Diversity, and Inclusion strategy; in particular to increase the number of women in more senior positions which, ultimately, is the key enabler to achieving our goal of reducing our Gender Pay Gap to below 15% by 2025.

Through our shared and collective efforts and commitment to improved Equality, Diversity and Inclusion, I am confident that these targets will be achieved and that we will realise our vision of becoming a truly equal, diverse, and inclusive organisation.

Ed Almond

Ed Almond
Chief Executive and Secretary

Gender Pay Gap – the IET

This year's Gender Pay Gap Report is based on a snapshot of our UK workforce on 5 April 2022, in line with the requirements and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

All UK Employees

The IET has a higher percentage of women (60%) to men (40%) working across the organisation in the UK. This has remained relatively unchanged since our our previous report in 2021.

Executive Team

At the snapshot date, there were eight directors employed in the UK (including the Chief Executive and Secretary) - five men and three women.

What is the Gender Pay Gap?

All organisations (public and private) in the UK with more than 250 employees are required to publish results on their Gender Pay Gap each year based on a snapshot date of 5 April 2022. The Gender Pay Gap shows the difference in the average earnings between all men and women in an organisation presented through various measures.

These measures include the mean Gender Pay Gap (which is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees), the median Gender Pay Gap (which is the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees) as well as measuring any gender bonus gap.

The Gender Pay Gap should not be confused with equal pay, which is the legal requirement to pay equivalent rates for men and women who carry out the same jobs, similar jobs, or work of equal value.

The IET gender profile by pay quartile 2022

Top quartile pay

Upper middle quartile pay

Lower middle quartile pay

Lower quartile pay

Men Women

Our Gender Pay Gap 2022

Gender Pay Gap		Gender Bonus Gap	
2022 Mean	2022 Median	2022 Mean	2022 Median
19.7%	23.7%	48.5%	0%
2021: 21.55%	**2021:** 23.25%	**2021:** 47.26%	**2021:** 0.00%

Gender Balance in our Annual Bonus Schemes 2022

% Men paid a bonus	% Women paid a bonus
90.4%	91.6%

Why do we have a Gender Pay Gap?

Our Gender Pay Gap can be attributed, in part, to the following factors:

Overall, we employ more women **(60%)** than men **(40%).** These percentages remain comparatively unchanged when compared to 2021.

We have a higher proportion of women in our lowest pay quartile **(70%)** and a higher proportion of men in our upper quartile **(60%)**.

Although **we have made progress to create greater gender balance** across our senior roles, it remains the case that some of these positions are held by committed and long-serving men.

Our mean bonus gap is similarly impacted by having fewer women in senior positions where higher bonuses are paid.

The progress we are making

Our most recent report shows that our strategy to address our Gender Pay Gap, and the actions therein, continue to have a positive impact and we are moving in the right direction. For the third, consecutive year, we have reduced our mean Gender Pay Gap to its lowest level.

Since 2019, our mean Gender Pay Gap has reduced by 6.8% and our median Gender Pay Gap by 9.4%. Whilst these are positive changes, we recognise too, that further work is needed to deliver our ambition of achieving greater gender balance in our senior roles and delivering our target of 45% women in our upper quartile by 2025.

Our people strategy has clear actions to drive continual improvement in this regard.

Our mean Gender Pay Gap has closed by **-6.8%** when compared with 2019

Our median Gender Pay Gap has reduced by **-9.4%** when compared with 2019

Taking Action – A Year In Review

What are we doing to close our Gender Pay Gap?

We have continued our focus around four priority areas contained within our people strategy 2025, which we believe are essential to enabling continual and sustained progress in addressing our Gender Pay Gap.

1. Developing an inclusive, supportive culture

2. Fostering diversity at all levels through targeted recruitment and selection

3. Ensuring we are rewarding fairly and appropriately

4. Unlocking potential and developing talent across the organisation

What progress have we made?

1. Developing an inclusive culture

Promoting equality, diversity and inclusion (EDI) is core to the purpose of the IET and our charitable purpose. Our updated EDI Strategy to 2025 and the actions therein, demonstrate our commitment to delivering equality, diversity and inclusion across the IET and in the profession we represent, and in so doing, that we will advance excellence in engineering a better world. We have worked hard to update and improve awareness of our EDI Strategy across the organisation and continue to provide a series of EDI learning sessions and tools to further develop an inclusive culture.

Using the Royal Academy of Engineering and Science Council Progression Framework as a tool to track and plan our progress in EDI, we took part in the external self-assessment exercise which showed that we are successfully embedding EDI across all levels of the organisation.
In 2021 we also undertook our first colleague EDI survey with the aim of better understanding how diverse and inclusive our organisation is, how colleagues feel about the culture at the IET and any improvements needed. Over 70% of our colleagues felt that we are demonstrating real commitment to continuing to improve EDI. This, along with the results of our 2022 Employee Engagement survey, where 96% of colleagues told us that they feel the IET offers a safe and inclusive environment, indicates that our colleagues are feeling supported by the culture that we're creating. We are committed to continuing to collect and monitor data, ensuring we gather key insights that enable us to become a truly diverse and inclusive organisation.

Recognising the vital role our leaders play in ensuring we develop a supportive and inclusive culture, we have continued to invest in our leadership development programmes, ensuring that all our leaders and people managers will have undertaken this development by the end of 2023.

Our wellbeing agenda continues to make certain we have the right interventions and support in place to ensure colleagues feel safe, well and enabled to do their best work. Post the global pandemic, we have fully adopted and embedded hybrid working which has enabled all colleagues to benefit from greater flexibility and work-life balance. In addition, we continue to promote flexible working, our family friendly policies and our many and varied employee-led network groups such as the 'Working Parent Group', 'LGBTQ+ network', 'Disability Network', 'Wellbeing Champions' and our Trained Mental Health First Aiders.

We have been proactive in our support to women who may be experiencing the menopause or perimenopause by launching our menopause policy, creating a dedicated 'menopause resources hub', hosting menopause awareness sessions and providing an active menopause support group network. We have also signed up to the Menopause Workplace Pledge signalling our commitment as an organisation to supporting our colleagues' wellbeing at every stage in life by making ongoing improvements to our culture, facilities, training, engagement, evaluation and measurement.

96%

of colleagues tell us that they feel the IET offers a safe and inclusive environment.

70%

of our colleagues feel that we are demonstrating real commitment to continuing to improve EDI.

2. Fostering diversity at all levels through targeted recruitment and selection

We have maintained our focus on ensuring we attract and recruit diverse, talented individuals and that our recruitment practices are as inclusive as possible. Our employer brand and careers site reflect our commitment to ensuring people who work for us feel able to bring their 'whole self to work' and makes clear our support of hybrid and flexible working as well as showcasing our flexible benefits and various employee network groups. We were delighted to have achieved our Disability Confident Employer status and are working towards achieving our Disability Confident Leader status in 2023.

In addition to continuing with initiatives such as anonymous CVs and gender-neutral adverts, we work directly with our recruitment agencies to ensure they are inclusive in their approach and provide us with diverse and gender-balanced applications. We have ensured that we have had a diverse and gender balanced recruitment panel when recruiting for our senior roles.

Our flexible work arrangements have enabled us to attract, recruit and retain women at all levels in the organisation. Our data shows that, on average, women make up 62% of our job applicants and 70% of our job offers and 42% of our roles are now being filled internally.

women make up **62%** of our job **applicants**

women make up **70%** of our job **offers**

3. Ensuring we are rewarding fairly and appropriately

We continue to regularly benchmark all our roles, ensuring we are paying fairly and appropriately for the type of organisation we are. Over the past year, we have been working with an external organisation to review our reward strategy and we are taking forward many of the recommendations, including the implementation of a new job family reward structure and benchmarking system which will enable us to provide greater assurance and transparency about our pay position and renumeration decisions.

4. Unlocking potential and developing talent across the organisation

We have just completed the second cohort of our successful 'Women's Leadership Development Programme' which is aimed at unlocking the progression of women at the IET. This second cohort was specifically targeted at mid-level roles, to encourage and support women to progress into more senior leadership roles.

The programme aims to equip delegates with the skills, self-understanding, organisational awareness, and profile raising so that, in combination, these attributes can help to create opportunities for progression within (and sometimes beyond) our organisation. As these women progress, over time, to more senior roles at the IET we would expect to see greater diversity in senior management and a positive impact on our Gender Pay Gap.

Indications show that we are already having a positive impact. In our first cohort (who completed their development in 2020), 79% have had a change in role such as a secondment, promotion, or lateral move, or have gained notable additional experience in their existing role. For our second cohort, whose development finished earlier this year, 50% of that group have already experienced some form of substantial progression within their role.

As we continue to focus on ensuring we have rigour in our succession planning, we are pleased to note that significantly more of our critical roles now have named successors, of which a much greater number are women than were previously reported.

The impact of this programme extends well beyond the women who have been delegates. Momentum has been achieved through the creation of a 'Women's Leadership Hub', led by women, designed at sharing some of the key learning taken from the programme. Mentoring and coaching other women has also been a key benefit derived from this investment.

The Institution of Engineering and Technology

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