The Institution of Engineering and Technology

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PAPER CLASSIFICATION: OPEN

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)1438 767360, 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 2019.

2. Timing

Board of Trustees meeting, 19 March 2020.

3. For Note

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

4. Gender Pay Gap Report

The IET has a legal obligation to publish a Gender Pay Report for 2019 by 4 April 2020. The IET Gender Pay Gap Report for 2019, attached as an Appendix, has been approved by the Remuneration Committee and was published on the IET website on 11 March 2020:

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

5. Risk

There are no additional risk issues related to this report.

6. Resources

There are no additional resource issues related to this report.

The Institution of Engineering and Technology

Appendix to T(20)22

Gender Pay Gap Report 2019

www.theiet.org

Introduction

The vision we have for our people is to inspire and enable every colleague to bring their very best and contribute to our organisation's vision of 'working to engineer a better world.' We know that to achieve our vision we must ensure we offer our colleagues an inspiring, progressive and inclusive place to work.

I, together with all colleagues who work with us, am committed to ensuring the IET is equal, diverse and inclusive and that we all recognise the significant benefits this brings in terms of diversity of thought, innovation and creativity and that this is not limited to a balance of gender. Just over half of our organisation is made up of women and it is encouraging to see that we are attracting more women to senior roles in the organisation and some movement in the number of women into the upper middle quartile pay bands. I am proud of the work that we have undertaken to progress a diverse and inclusive culture and recognise that there is much more work still to be done. The gender pay gap has helped highlight areas we can improve, and I am confident that the actions we are taking, whilst not reflected in our current gender pay gap, are the right ones in support of our vision for the long-term.

Nigel Fine
IET Chief Executive and Secretary

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. 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.

Gender Pay Gap – the IET

This year's Gender Pay Gap Report is based on a snapshot of our workforce on 5 April 2019, in line with the requirements and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Institution of Engineering and Technology (IET) 2019 Gender Pay Gap Report shows the gender profile of our UK workforce as at 5 April 2019.

All UK Employees

The IET has a higher percentage of women (58%) to men (42%) working across the organisation in the UK.

Executive Team

As at the snapshot date, there were seven directors employed in the UK, including the Chief Executive and Secretary, four men and three women.

The IET Gender profile by pay quartile

% 2019 vs 2018

	Top Quartile Pay	Upper Middle Quartile Pay	Lower Middle Quartile Pay	Lower Quartile Pay
2019				
Male	63.4%	43.3%	33.6%	23.3%
Female	36.6%	56.7%	66.4%	76.7%
2018				
Male	61.8%	46.2%	32.8%	24.2%
Female	38.2%	53.8%	67.2%	75.8%

Our Gender Pay Gap 2019

The average gender pay and bonus gaps

Why do we have a Gender Pay Gap?

The gender pay gap at the IET is attributed to the profile of the organisation which has a significantly higher proportion of long serving men in senior roles than women. Changing this profile takes time and our focus is to ensure we are growing a pipeline of female talent up through the organisation both as part of our succession planning and to ensure that we are providing sufficient stretch and development opportunities to women, enabling them to undertake more senior roles. The actions we are implementing are starting to have a positive impact as, in 2019, we have started to see some movement in the number of women into the upper middle quartile pay bands when compared with 2018.

The gender pay gap can fluctuate quite considerably as a result of any changes to the profile of the executive team and this has contributed to our gender pay gap worsening slightly in comparison with 2018. During 2019 one of our female executives became part-time, a new female executive joined and was not eligible for a bonus in April due to service and a high-earning female executive retired. We continue to focus on ensuring our executive team is gender balanced and reflects our commitment to equality, diversity and inclusion.

Taking Action - What are we doing to close our gender pay gap?

Since the publication of the first Gender Pay Gap Report in 2017 and subsequent years, we prioritised four areas to focus upon aimed at ensuring we become an equal, diverse and inclusive organisation.

These areas continue to be our focus and it is accepted that sustainable change takes time. As such we expect to see gradual improvement over the next 3-5 years rather than an immediate change.

Our Four Priority Areas:

1. Culture

Our ambition – to inspire and enable every colleague to bring their very best and contribute to our organisation's vision by ensuring we offer our colleagues an inspiring, progressive and inclusive place to work.

Our Progress

- We have continued to roll out our unconscious bias training for all colleagues, ensuring individuals are aware how their actions impact others;
- We have launched our Equality, Diversity and Inclusion strategy so that all colleagues and stakeholders understand our commitments and goals to becoming an equal, diverse and inclusive organisation;
- We have undertaken our employee engagement survey and created an action plan to overcome any areas of concern;
- We have undertaken 'Leading Inclusively' development for all leaders across the organisation so that all Leaders and Managers understand their role in creating an inclusive culture;
- We have held focus groups with women across the organisation to understand their concerns and barriers to progression;
- We have promoted flexible working and undertaken training with Managers so that they support and enable colleagues to work flexibly;
- We have reviewed our 'family friendly' policies ensuring they are inclusive, and we have increased our paternity pay for fathers in the organisation;
- We have continued to monitor our progress on equality, diversity and inclusion against the Royal Academy of Engineering and Science Council D&I progression Framework Tool to ensure we remain focused on taking the right actions that will ensure we continually improve.

2. Attraction & Recruitment

Our ambition – to ensure we have greater diversity at all levels across the organisation.

Our Progress

- We have continued to use name-blind CV shortlisting implemented for all recruitment activity including executive search for director positions to reduce unconscious bias.
- We have implemented a rigorous short-listing process to ensure objectivity and fairness is maintained throughout the recruitment process;
- We put all our job advertisements through a gender-neutral tool and actively promote our openness to flexible working on all job adverts;
- We have signed up to becoming a Disability Confident Employer;

3. Reward

Our ambition – all colleagues feel fairly rewarded and recognised

Our Progress

- We have continued to undertake benchmarking for all roles across the organisation to ensure we are paying fairly and appropriately and to address any anomalies;
- We have implemented an 'All Colleague Bonus Scheme' so that all our people are able to share in success;

4. Development and Succession

Our ambition – all colleagues feel inspired and enabled to do the very best for the IET, encouraged to bring their whole self to work and developed to achieve their full potential'

Our Progress

- We have undertaken focus groups with women to understand their concerns and potential barriers to progression;
- We have launched a 'Women's Development Programme' pilot to unlock the potential of female leaders and ensure they receive development and support to progress their careers;
- We are monitoring the diversity of our succession plans and acting to increase the gender balance across our senior roles;
- We have undertaken a review of our performance management methodology and implemented a fresh approach aimed at ensuring colleagues have clear goals, regular feedback and ongoing discussions about achieving their growth and potential.