The Institution of Engineering and Technology

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**T(22)24**

7 March 2022

**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)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 2021.

**2. Timing**

Board of Trustees meeting, 24 March 2022.

**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 2021.

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 2022.

**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. 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.

5.3. Significant focus and actions have been undertaken over the past two years to address the gender pay gap. These actions are starting to have a positive impact, as reflected in the latest report, which shows our mean gender pay gap has closed by 4.85% and our median gender pay gap has closed by 5.85%. The introduction of our 'Share in Success Scheme' in 2019 resulted in the elimination of a median gender bonus gap.

5.4. 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 2023.

5.5. The IET Gender Pay Gap Report for 2021, attached as an Appendix, has been approved by the Remuneration Committee and will be published on the IET website on 30 March 2022:

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.

Appendix to T(22)24

The Institution of Engineering and Technology

# Gender Pay Gap Report 2021

www.theiet.org

# Introduction

The past 18 months have shown us how essential it is that we ensure everyone who works for us feels safe, supported, and enabled to do their very best work for the IET. As an organisation we felt it was important to report our last gender pay gap in April 2021, rather than postpone to October 2021, as this ensured we continued to focus on delivering against our plan for building an equal, diverse, and inclusive organisation.

It is pleasing to see the significant and sustained progress being made in closing both our median and mean gender pay gap. Over the past two years, we have closed our mean gender pay gap by 4.85% and our median gender pay gap by 5.85% and we have made a notable reduction in our mean gender bonus gap when compared with 2019. Whilst we recognise that there is still more work to be done, these positive changes demonstrate that the targeted actions we have put in place are moving us in the right direction.

At the end of our 150th year, it is particularly pleasing to report that we continue to see a positive trend towards more women into the upper quartile pay band reflecting the ongoing work to address any salary anomalies, implement targeted recruitment, development, and succession and ensuring gender balance across our bonus scheme eligibility.

I am confident that we will continue to make demonstrable progress and realise our vision of becoming a truly equal, diverse, and inclusive organisation capable of delivering the ambitions we have set out in our Strategy 2030.

Nigel Fine
IET Chief Executive and Secretary

# Gender Pay Gap – the IET

This year's Gender Pay Gap Report is based on a snapshot of our workforce on 5 April 2021, 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) 2021 Gender Pay Gap Report shows the gender profile of our UK workforce as of 5 April 2021.

### All UK Employees

The IET has a higher percentage of women (59%) to men (41%) working across the organisation in the UK. This has remained relatively unchanged since our last report in 2020.

### Executive Team

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

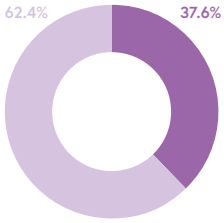
# What is the Gender Pay Gap?

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 2021.

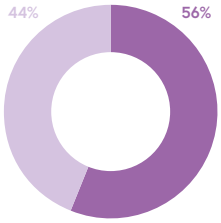
The gender pay gap shows the difference in the average earnings between all men and women in an organisation presented through various measures. These measures include the mean gender pay gap (which is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of 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.

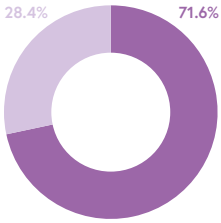
## The IET Gender profile by pay quartile 2021



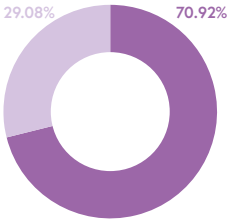

**Top Quartile Pay**




**Upper Middle Quartile Pay**




**Lower Middle Quartile Pay**




**Lower Quartile Pay**

**2021** Male Female

# Our Gender Pay Gap 2021

| Gender Pay Gap | | Gender Bonus Gap | |
|---|---|---|---|
| 2021 Mean | 2021 Median | 2021 Mean | 2021 Median |
| 21.55% | 23.25% | 47.26% | 0% |
| **2020:** 25.08% | **2020:** 26.71% | **2020:** 62.23% | **2020:** 0.00% |

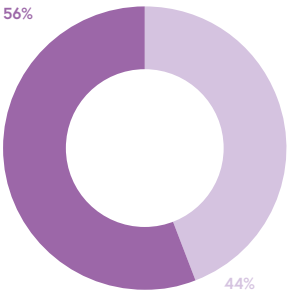
# Gender Balance in our Annual Bonus Schemes 2021

| % Men paid a bonus | % Women paid a bonus |
|---|---|
| 90.36% | 91.64% |

**Gender Balance in our Executive Team:**

Number of men in executive roles = 5

Number of women in executive roles = 3




% men in senior manager roles

% women in senior manager roles

# 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 **(59%)** than men **(41%)**. These percentages remain comparatively unchanged when compared to 2020.

We employ more women in our lowest pay quartile **(71%)** and more men in the upper quartile. **(62%)**

Although we have made progress, more of our senior roles are still undertaken by committed and long-serving men, **56%.**

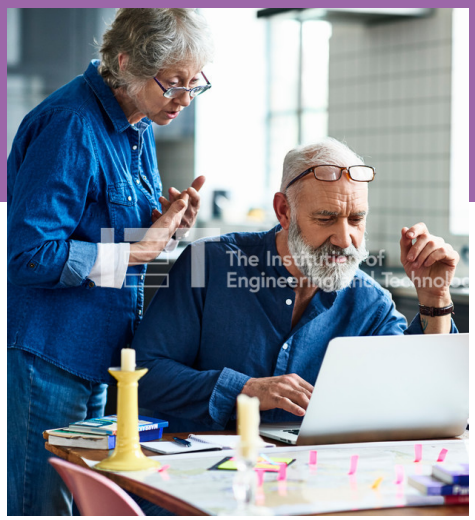
Our Mean bonus gap is similarly impacted by having fewer women in senior positions where higher bonuses are paid.

# The progress we are making

Our 2021 report shows that the actions we have taken over the past couple of years are having a positive impact and we are moving in the right direction. Over the past two years, we have closed our mean gender pay gap by 4.85% and our median gender pay gap by 5.85% and we have made a notable reduction in our mean gender bonus gap when compared with 2019. The implementation of our Share in Success Scheme in 2019, paid for the first time in 2020, means that we eradicated our median gender bonus gap in 2020.

Whilst these are positive changes, we recognise, too, that we still have too few women in senior roles and that further work is needed to reduce our gender pay and bonus gap.

Achieving our ambition of further closing the gap will take time, and we remain committed to making progress against the action plan that we identified in 2019 and that we believe to be most effective in delivering sustained improvement.



Our mean gender pay gap has closed by

**4.85%**

Our median gender pay gap has closed by

**5.85%**

# Taking Action – A Year In Review

## What are we doing to close our gender pay gap?

We developed a plan in 2019 which identified four focus areas. These areas continue to be our priority which are:

1. to develop an inclusive, supportive culture
2. to foster diversity at all levels through targeted recruitment and selection
3. to ensure we are rewarding fairly and appropriately
4. to unlock potential and develop talent across the organisation

These focus areas will enable us to achieve the following aims to be reported in our 2023 gender pay gap report based on a snapshot of 5 April 2023:

**50%**

of our **senior management** team will be women by 2023

**45%**

of **upper quartile pay** will be made up by women.

**60%**

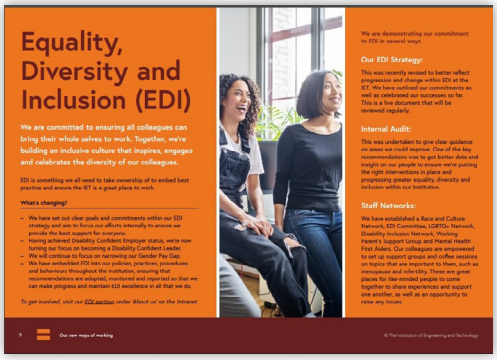
of delegates who participate in our Women's Leadership Programme will **experience development** as a result.

# What progress have we made?

## 1. Developing an inclusive culture

Embedding equality, diversity and inclusion in everything we do is at the heart of our ED&I strategy and critical to addressing our gender pay gap. Whilst this report focuses on the specific actions we are taking in respect of our gender pay gap, our ED&I 2021 annual report provides an overview of all actions taken to meet our equality, diversity and inclusion targets. This particular report also includes the work we do to ensure that our boards are inclusive and diverse. It is pleasing to report that, in 2021, we achieved an equal gender balance in our Board of Trustees.

We recognise the vital role our leaders play in ensuring we develop a supportive and inclusive culture. In early 2021 we launched our new leadership development programme aimed at developing the strengths of our senior managers and ensuring they become more inclusive. This programme is a significant investment and will continue through the next couple of years.



Equality, Diversity and Inclusion (EDI)

We are committed to ensuring all colleagues can bring their whole selves to work. Together, we're building an inclusive culture that inspires, engages and celebrates the diversity of our colleagues.

EDI is something we all need to take ownership of to embed best practice and ensure the IET is a great place to work.

What's changing?

- We have set out clear goals and commitments within our EDI strategy and aim to focus our efforts internally to ensure we provide the best support for everyone.
- Having achieved Disability Confident Employer status, we're now turning our focus on becoming a Disability Confident Leader.
- We will continue to focus on narrowing our Gender Pay Gap.
- We have embedded ETX into our policies, priorities, procedures and behaviours throughout the institution, ensuring that recommendations are adopted, monitored and reported so that we can make progress and maintain EDI excellence in all that we do.

*To get involved, visit our EDI section under 'About us' on the Intranet*

We are demonstrating our commitment to EDI in several ways.

Our EDI Strategy:

This was recently revised to better reflect progression and change within EDI at the IET. We have outlined our commitments as well as celebrated our successes so far. This is a live document that will be reviewed regularly.

Internal Audit:

This was undertaken to give clear guidance on areas we could improve. One of the key recommendations was to get better data and insight on our people to ensure we're putting the right interventions in place and progressing greater equality, diversity and inclusion within our institution.

Staff Networks:

We have established a Race and Culture Network, EDI Committee, LGBTQ+ Network, Disability Inclusion Network, Working Parent's Support Group and Mental Health First Aiders. Our colleagues are empowered to set up support groups and coffee sessions on topics that are important to them, such as menopause and infertility. These are great places for like-minded people to come together to share experiences and support one another, as well as an opportunity to raise any issues.

9 Our new ways of working © The Institution of Engineering and Technology

workplace wellbeing CHARTER

Since the launch of our wellbeing strategy in 2020, we have continued to focus heavily on ensuring all our colleagues feel safe and supported, particularly during the ongoing global pandemic and have ensured wellbeing remains high on the agenda. We are proud to have achieved accreditation to the Workplace Wellbeing Charter. This achievement clearly recognises the substantial efforts we have made in line with our wellbeing strategy including our flexible working provision, enhancements to our family friendly policies and the implementation of various employee-led networks such as the 'Working Parent Group', 'Menopause Support Group', 'LGBT+ network', 'Disability Network', 'Wellbeing Champions' and our Trained Mental Health First Aiders. As a result of the pandemic, like many organisations, we have recognised the value of hybrid working and see this as a great opportunity for attracting and retaining diverse talent.

Hybrid working is just one aspect of the culture change agenda we have embarked upon as we embrace new ways of working, embodied in our newly refurbished office.

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

The launch of our new employer brand and careers site has enabled us to promote who we are as an employer. Our new brand encompasses our commitment to ensuring people who work for us feel able to bring their 'whole self to work'. Our careers site showcases our flexible benefits, various employee network groups, and our commitment to hybrid working with the aim of attracting more diverse talent.

Through 2021 we have continued to monitor the effectiveness of attracting and recruiting women, and the impact of initiatives such as blind CV's, gender-neutral adverts and the promotion of flexible working. We have also ensured that all our opportunities are promoted internally and that there is gender balance at any selection stage. Our data shows that, on average, women make up 44% of our job applications and 54% of our job offers. It is particularly encouraging that we have seen an increase in the number of women being recruited into senior roles.

## 3. Ensuring we are rewarding fairly and appropriately

We have continued to undertake regular benchmarking for all roles across the organisation to ensure that we are paying fairly and appropriately and have taken action to address any anomalies irrespective of gender. Such changes have contributed to the reduction in both the mean and median pay gap as shown in this report. In 2021, 91.6% of women in the organisation were paid a bonus in comparison to 90.4% of men, contributing to the reduction in our mean gender bonus gap. The introduction of our 'All Colleague Bonus Scheme' launched in 2019 has resulted in the abolition of any median bonus gap.

## 4. Unlocking potential and developing talent across the organisation

Following the success of our first 'Women's Development Programme' held in 2020 we have since launched our second programme aimed at supporting the development of women in mid-level roles within the organisation. The programme is designed to accelerate the performance and career progression of key female talent, strengthen networking, and increase the number of female role models across the organisation and, ultimately, improve the gender diversity in senior management in the long term. This is a hugely important development programme that is delivering a positive impact. Of the women who participated in the first programme, 78% have had a change in role such as a secondment, promotion, or lateral move. Since the inaugural programme, a women's mentoring and networking programme has been created run by women who participated in the first leadership programme, together with a dedicated 'Women's Leadership Hub' which provides resources, information, and sources of support.

We have continued to focus on the diversity of our succession plans, ensuring targeted development is in place to support the progression of women through the organisation. As a result, women now make up 44% of our senior management roles, which is an improvement on 43% in 2020. Continued focus to ensure the progression of women up through the organisation will remain a priority and we have set the ambition that 50% of our senior leadership roles will be held by women by the end of 2023.

The Institution of Engineering and Technology

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