

## The Equalities and Human Rights Commission Proposed Equal Pay Measures

Organisation 1		Organisation 2		Organisation 3	
Analysis Type:	Median Hourly Rate Gap	Analysis Type:	Gap by Grade and Job Type	Analysis Type:	Starting Salary Gap
Pay Gap:	42%	Pay Gap:	-4% (Basic Pay)	Pay Gap:	21%

The Equalities and Human Rights Commission (EHRC) are proposing a “menu” of measures in order for organisations with more than 250 employees to report its gender pay gap. These measures include:

- The single figure difference between the median hourly earnings of men and women
- The difference between the average basic pay and total average earnings of men and women by grade and job type
- The difference between men’s and women’s average starting salaries.

The main benefit of a single headline will almost certainly be the speed and ease with which these figures can be produced, however, whether the figure is good or bad, without seeing the data that supports it, it is very difficult to form any meaningful opinions on an organisation’s pay gap.

Analysing the median hourly rate for males and females should be an easy figure to produce, however, this will not take into consideration the range of jobs undertaken by males and females. Whilst the headline figure may give little cause for concern, it could be masking a number of issues beneath the surface.

The second option should show more meaningful results but is not without its problems. Many organisations do not have robust grading structures that allow logical comparisons to be made. Even in a large organisation, the number of jobs that contain both males and females may be limited, resulting in only a relatively small number of jobs being analysed.

The third proposal looks at a very specific issue. To produce this figure alone could be very misleading; There are a number of factors that could very easily distort the figures; The ratio of male and female new starters, the type of work that males and females are undertaking. For example, if an organisation takes on 20 cleaners (10 males and 10 females) who are all paid the same and then go on to hire a male director, this would without doubt show a pay gap.

The example figures above are actually all from the same organisation, this illustrates that the same set of data can produce wildly different results. Two of these figures show an organisation that has a considerable gender pay gap, however, look at the data in a different way and on average females are paid more than their male counterparts.

Without doubt the EHRC’s announcement is a step in the right direction but for as long as this scheme is entirely voluntary and participants can chose which figures they publish, surely organisations are simply going to cherry pick results.

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