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Equal pay reviews in practice



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Institute for Employment Studies



Women. Men. Different. Equal.
Equal Opportunities Commission



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EXECUTIVE SUMMARY

Introduction

In October 2004, the Equal Opportunities Commission (EOC) commissioned two new research studies of equal pay reviews (EPRs) in support of its efforts to help reduce the gender pay gap. One report by IFF Research Ltd, *Equal pay reviews survey 2004* (Schäfer, Winterbotham and McAndrew, 2005), provides quantitative data of the number of organisations which have carried out, or are conducting, EPRs and the process involved in doing so.

This companion report, which has been produced by the Institute for Employment Studies (IES), sets out the findings of a qualitative study of organisational experiences of conducting EPRs. It is based on findings from 15 case studies, which were conducted between October 2004 and January 2005. These involved interviews with employer, trade union and line management representatives who had been involved in conducting an EPR (or, in one case, a job evaluation exercise which was shortly to lead to an EPR). A key criterion influencing the selection of the case study organisations was that they should have adopted a range of approaches to conducting an EPR.

Eleven case study organisations had their headquarters in England, two were based in Scotland and two in Wales. Seven were drawn from the public sector, seven from the private services sector and one from manufacturing; all contained at least 250 employees. In all except the one manufacturing organisation, women comprised at least 20 per cent of the workforce.

The context for EPRs

All the case studies were of large, fairly complex, organisations which had a range of pay arrangements in place. Most made some use of job evaluation and had graded or broad-banded pay structures and many include discretionary or variable elements, such as market, or performance-related, pay in their remuneration systems.

For most of the organisations, conducting an EPR was the first equality initiative aimed specifically at pay issues; and in most cases, the EPR that is considered in this report was the first to be conducted by the organisation. However, in a small minority of cases, the organisation was conducting its second or third review.

Reasons for conducting EPRs

In most cases, organisations had more than one reason for conducting the EPR. Reasons given ranged from outside pressure from trade unions or funding bodies, to

a desire to implement best practice or to access the benefits of being seen as a leading-edge employer. In some cases, the increased profile of equal pay issues amongst human resources professionals was the main reason why a decision had been made to conduct an EPR.

The EPR process

The study found considerable variation in processes used, the key actors and the coverage of EPRs. In a minority of cases, coverage was comprehensive; in others, a very limited approach to conducting an EPR had been adopted.

Most organisations claimed to follow the EPR process set out in the EOC's Equal Pay Review Kit. However, it was clear from the research that the proportion which actually followed the model was considerably smaller.

The majority of EPRs were led by the reward managers, who usually also had the support of diversity and other specialists from within the organisation. A sizeable minority used the assistance of external reward consultants or legal advisers.

Although all but one of the case study organisations recognised trade unions for the purpose of negotiating over pay, in only a minority of cases were trade union representatives actively involved in the EPR. In other cases, unions were kept informed of the basic approach and outcomes, but were not involved in decision-making in respect of the coverage of the review.

Determining where jobs are equal and so where pay gaps between women and men should be justified and/or rectified, should be a key element to any EPR. However, practice in this area varied considerably. Only a small minority of EPRs involved the introduction of a new, specially designed, job evaluation system (JES) for the purpose of establishing a basis for equal work comparisons. A few others had an existing single JES which was used for this purpose, and which, as part of the EPR, was examined to ensure that it incorporated equal value in its design. However, in most cases, the process for determining which jobs were equal had serious inadequacies.

Most of the case study organisations limited their EPR to a comparison on the basis of gender. The majority of EPRs covered the whole workforce, but coverage of the different aspects of remuneration was much more uneven. There were a number of case study organisations which had quite complex pay systems, but where the EPR was limited to basic pay.

EPR outcomes and actions

The majority of case study organisations had identified equal pay gaps of five per cent or greater. Of the fourteen organisations which had conducted an EPR, nine had identified such pay gaps and five had not. In one organisation, equal work gaps of as much as 40 per cent between the pay of men and women were identified. In the majority of cases, these gaps were found to favour men; however, a minority of organisations identified some examples where women had a pay lead over men doing equal work. Organisations found that some of these gaps were justified, for example because they resulted from women recently being promoted into more senior grades. However, the application in practice of other factors had led to concern. These included the impact of line management discretion over pay; market-related pay differences; pay protection or red-circling; and access to overtime premium payments.

In some cases, the identification of significant pay gaps did not lead to any action on the part of the organisation concerned; in others, they resulted in plans to make major changes to pay practices. Similarly, in cases where the gaps identified were small, some organisations felt that no further action was required. However, others had identified areas of potential discrimination in their pay arrangements, which they were seeking to rectify.

Most organisations had plans for future EPRs. In some cases, they planned to extend the coverage or analysis in the original review, while others intended a regular (commonly annual) programme of EPRs.

The impact and costs of EPRs

Only a minority of organisations involved in this study were, as yet, able to report any impact of their EPR on the pay gaps that they had identified. In most cases, this was because the organisation concerned was conducting its first EPR and did not yet have any data to demonstrate change. However, where data were available to show change over time, there was some evidence that pay gaps were reduced following EPR actions.

Most organisations did not cost separately for the work involved in conducting an EPR, and were only able to provide information on the amount of staff time involved. This was typically the equivalent of three to six months of the time of a single member of staff.

A minority of case studies supplied data on the costs involved in making pay structure changes following the findings of an EPR. In only one organisation were

these costs substantial. In the other examples, the teams responsible for the EPR had been told that the cost of any changes had to be incorporated within budgeted pay bill increases.

All the people interviewed for this research were asked for their views of the problems and benefits of conducting an EPR. There was no obvious relationship between the costs or time dedicated to the review and the likelihood that an employer would view their experience in a positive light. However, in the case study organisations, considerably more informants took a positive, than a negative, view of the experience.

A number of organisations had not found any difficulties in conducting EPRs. Where problems were experienced, they most commonly related to the limitations of existing HR data and data sources.

Conclusions

The research showed that there was considerable variation in both the approach taken by organisations to EPRs, and the challenges that they faced in conducting these reviews.

For purposes of the analysis, the case studies were grouped into four broad categories which were based on how comprehensive the EPR had been. The largest group was found to have conducted EPRs of limited scope. In these instances, the reviews were restricted to a part of the workforce; a JES was not used to determine equal work, or if job evaluation (JE) results were used, there was no assessment of the JE systems; and only an analysis of basic pay was conducted. Typically these characteristics were combined with little or no immediate action to address gender pay gaps. However, organisations in this group were largely aware of some the limitations of their EPR exercise and at least had plans to conduct a further review.

1. INTRODUCTION

1.1 Background

This section sets out some of the main developments that provide the context for this study.

In March 2001, the EOC's Equal Pay Task Force reported on the findings of its year long investigation of the gender pay gap (Equal Pay Task Force, 2001). The Task Force made a number of recommendations to the Government, to employers, to trade unions and to the EOC itself. Among the key recommendations were that the EOC should develop a model process for carrying out equal pay reviews (EPRs) and that this should be incorporated into a code of practice. The EOC acted upon these recommendations, publishing the Equal Pay Review Kit in July 2002 and the Code of Practice on Equal Pay in December 2003. The EOC also began a programme of research aimed at tracking the progress of EPRs.

Since then, a number of national initiatives have been set in place which aim to encourage employers to explore and address sources of discrimination within their own pay policies and practices. In the public sector, the Government's response to the recommendations from the Equal Pay Task Force on the continuing gender pay gap was to require all civil service departments and agencies to undertake EPRs. In January 2002, the Cabinet Office issued Equal Pay Guidance to assist other governmental bodies in this process and required government departments and agencies to conduct an EPR by April 2003. They were also encouraged to encompass potential discrimination on race and disability in these reviews. According to the Cabinet Office, most departments and agencies met this deadline. The civil service is not under the same compulsion to repeat EPRs. However, according to the Cabinet Office in its summary report of the findings of EPRs across government:

Departments and agencies are aware that equal pay reviews are an on-going process. Many have planned future reviews and a number of follow-up reviews targeting specific areas have also been commissioned.

Elsewhere in the public sector, higher education institutions have been prompted by funding bodies, the employers' organisations and national trade unions to conduct EPRs. In local government, the Pay Commission reporting in October 2003 found that the main remuneration problem in the sector was equal pay rather than low pay. The profile of equal pay issues has since been raised further in the sector by two developments:

- The 2004 pay agreement which committed all local authorities to conduct a pay review, including an equal pay audit where this had not already been undertaken, by 2007.
- The activities of some legal firms which have been actively seeking to take large numbers of equal pay cases on behalf of local government employees; an approach which is now also being more actively considered by local government unions.

Outside of the public sector, the Government used the Kingsmill review on women's employment and pay (Kingsmill, 2001) to consider what options there were for improving pay equality within the private sector. Kingsmill argued for a voluntary approach to conducting EPRs, but with the proviso that legislation might follow if companies did not make improvements.

In July 2002, the EOC published an Equal Pay Review Kit (EOC, 2002) which is designed to give employers step-by-step guidance on how to review their pay systems. The EOC, together with Opportunity Now, also established an Equal Pay Forum for employers who are interested in reviewing their pay systems for gender equality.

Other national developments which may have raised the profile of EPRs in the private sector include the introduction of an equal pay questionnaire under an amendment to the Equal Pay Act. This provides the opportunity for employees who feel that they may not be receiving equal pay to gather relevant information from the employer.

In addition, some trade unions have taken the lead with high profile equal pay campaigns to persuade employers to conduct audits of their pay arrangements.

Finally, in July 2004, the Prime Minister announced the creation of a Women and Work Commission to examine the problem of the gender pay gap and other issues affecting women's employment. The Commission is chaired by Baroness Margaret Prosser and will report to the Prime Minister by Autumn 2005.

The Women and Work Commission will look at:

- How men's and women's education and skills affect which jobs they can get.
- Promotion and career progression - the 'glass ceiling'.

- Women's experiences in the job market before and after having children.
- The different experiences of women working full-time and part-time.

The EOC has commissioned a series of research studies to examine the extent to which public and private sector organisations are conducting EPRs. An important aim of this research has been to assess progress against its targets that 50 per cent of large employers, and 25 per cent of all other sized organisations (with 25 or more employees) should have conducted an EPR by the end of 2005. The survey conducted by Incomes Data Services (IDS) in 2003, suggested that these targets fell slightly short of being met (Brett and Milsome, 2004).

In October 2004, the EOC commissioned two further research projects in the area. The first of these involved a fourth survey of employers, which was carried out by IFF Research (Schäfer, Winterbotham and McAndrew, 2005). This revealed that the first EOC target was not met, but that the second target appeared achievable at the end of 2004.

The second project, which has been carried out by the Institute for Employment Studies (IES), is the current qualitative study of employers' experiences of conducting EPRs. The objectives of the qualitative study were to:

- Examine why organisations conduct EPRs.
- Explore the approaches used.
- Consider the impact of carrying out an EPR on gender pay gaps and on wider business objectives.
- Assess the costs of EPRs and of the remedies arising from them.

1.2 Methodology

The study is based on a series of case studies of organisations which, from a review of a range of sources including IES's own previous research for the EOC, were known to have conducted an EPR. Case studies were selected with the aims of:

- Ensuring that women made up at least 20 per cent of the workforce in the organisation concerned.
- Including a mixture of public sector, private services and manufacturing organisations.

- Including a mixture of medium (100-499 employees) and large (500 plus) employers in the sample.
- Ensuring that there had been a range of approaches to conducting an EPR, including the introduction of a job evaluation system to support the process.
- Ensuring that some case study organisations had sites in Scotland and some had sites in Wales.

In most cases, it was possible to achieve these objectives. The only exception was that it was necessary to include one organisation where women made up less than 20 per cent of the workforce in order to obtain a case study in the manufacturing sector. Our final case study sample included:

- Seven public sector, one manufacturing, and seven private services organisations.
- Fourteen organisations with over 500 employees and one with a workforce of between 250 and 500.
- Two organisations based in Wales; two based in Scotland and 11 with headquarters in England.

Table 1.1 provides further background information on the case studies, which were conducted between October 2004 and January 2005.

In each case, interviews were conducted with the member of staff who had taken responsibility for the EPR. In addition, where the employer was prepared to provide us with the relevant contact details, trade union representatives who had been involved in the review were also interviewed: representatives were interviewed for eight case studies. We had hoped to interview representatives in three further organisations where they had been involved in the EPR, but the employers concerned were not prepared to provide us with the necessary information.

Supporting documentation, such as reports of the data analysis, meeting notes and agendas and reports to trade unions, was also reviewed where available. In four case studies, some or all interviews were conducted on a face-to-face basis and in two of these, local line managers involved in the review process were also interviewed. The remaining interviews were conducted by telephone.

Table 1.1 Characteristics of case study organisations

Case study	Sector	% women	Main occupations	Unionised?
1	Public	55	Management; specialist professions; customer service; administration	Yes
2	Manufacturing	7	Manufacturing; engineering; IT; clerical/administration	Yes
3	Services (other)	34	Management; administration; skilled and semi-skilled engineering; call centre	Yes
4	Services (other)	50	Management; sales; drivers; call centre; administration	No
5	Services (finance)	50	Management; administration; finance and other professional; sales and customer service; IT	Yes
6	Services (finance)	65	Management; administration; finance and other professional; sales and customer service; IT	Yes
7	Services (other)	21	Management; administration; operational roles	Yes
8	Public (HE)	Not sure	Academic; academic-related; administration; manual	Yes
9	Services (finance)	70	Managerial grades; professional; administration; sales	Yes
10	Public	47	Customer services staff; academic staff; support staff	Yes
11	Public	40	Professional; administration	Yes
12	Services (finance)	56	Management; finance and other professional; IT; customer service; administration	Yes
13	Public	50	Managerial, professional, business-facing; research; skilled manual; administration	Yes
14	Public	20	Managerial; skilled and semi-skilled manual workers; customer services; commercial; administration; scientist and other professional groups	Yes
15	Public	12	Managerial; semi-skilled manual; administration; other professional groups	Yes

2. THE CONTEXT FOR EQUAL PAY REVIEWS

In this chapter, the organisational context in which EPRs were conducted is examined. This covers the pay arrangements which were in place at the time of the review; whether equality policy initiatives aimed specifically at pay issues had previously been undertaken; and whether this was the first or subsequent review that had been conducted.

2.1 Previous pay arrangements

Table 2.1 summarises the pay arrangements in place in each of the case study organisations at the point at which they decided to conduct an EPR.

All the case studies were of large, fairly complex organisations - all except one had more than 500 staff. Some notable aspects of pay arrangements in the organisations included the following:

- In most cases, job evaluation was already used to place jobs in grades or in broad bands. However, a single scheme was applied to the whole workforce in only a minority of cases.
- Grading structures were widely used but in a minority of cases, broad-banded pay systems had been introduced.
- Most of the organisations included discretionary and/or variable elements in their pay systems such as performance-related bonuses or pay progression, and market-related supplements or scales.
- In the majority of cases, the organisation concerned was conducting an EPR for the first time. However, in some cases, the second or third review was being conducted.
- Unions were recognised and had involvement in some aspects of pay determination in all but one of the case study organisations.

Table 2.1 Key aspects of previous pay arrangements

Case study	Previous pay arrangements
1	Job-evaluated single structure based on pay grades incorporating pay ranges; some performance-related progression. Background of long pay scales, since reduced
2	Two separate structures: main graded system using Watson Wyatt JES; management grades Hay JES. Zone-based progression incorporating elements of service, competence acquisition and performance
3	Job-evaluated job family based grading structures; some performance and market elements. Manual staff on spot rates. Hay JES applied to management and some other
4	No JES used. Grade-based systems; market-based pay
5	Hay JES used. Broad-banded structure for non-managerial grades; job families; performance-related pay; competence-based progression between grades; regional pay rates. Variations in practice between business units
6	Hay JES used. Series of bands (levels) with two or more grades within each level - determined by role and JE outcome; performance-related pay; market rates
7	Broad-banded structure for managers and administrative staff; spot rates for operational staff
8	Separate grading structures for different occupational groups; service and performance-based progression for some
9	Hay-evaluated grading structure including job families. Single pay spine except for executives; performance-related pay; market-related pay
10	Grading system with large number of grades and incremental progression within grades; limited market-rate assessment. Not job evaluated prior to review
11	Job Evaluation and Grading Supports scheme evaluated separate pay structures for the two groups. One based on pay ranges and bands; other on grades with incremental progression plus performance-related pay. Background of long pay scales, since reduced
12	Two grading systems for two parts of the business job families for some roles; different JE systems; performance-related bonus; market-related pay
13	Job-evaluated grading structure introduced in 2002; market supplements; service-related progression; performance element
14	Three different job-evaluated structures for three different parts of the business; service-related progression; regional pay; spot salaries. One structure with pay ranges
15	Three pay scales for three different staff groups; two of which were incremental scales; one of which had a single point; annual bonus for one group; premium rates

2.2 Prior equality initiatives on pay

As Table 2.2 shows, for the majority of organisations, conducting an EPR was the first equality policy initiative aimed specifically at pay issues.

Table 2.2 Previous policy in relation to equal pay

Case study	Previous policy
1	No specific policy or managerial training
2	None
3	EO policy and diversity training for managers, but nothing specific on pay
4	Just a general EO policy
5	No specific pay-related policy
6	No specific pay-related policy or training
7	None
8	None
9	Had previously examined pay issues in general reviews of diversity; managers receive specific training
10	EO policy with no reference to pay
11	None
12	Previously conducted reviews of annual pay increases for evidence of gender pay bias. EO policy with no specific reference to pay
13	Had included future aim to do EPR in design of pay structure
14	One of the three pre-existing job evaluation schemes had included equal pay principles in design. Otherwise just general EO statements - equal pay generally not felt to be an issue
15	EO policy

Although a number of organisations had pre-existing equal opportunities policies, these did not generally refer to pay issues. Similarly, although in some cases, managers were trained in diversity issues, this did not include specific training on the avoidance of discrimination in pay practices. There were two exceptions. Prior to

conducting its first comprehensive EPR, one of the finance organisations (case study 12) had a policy of monitoring annual performance-related pay increases for evidence of gender inequality. Another finance company (case study 9) had conducted a number of diversity reviews which included a consideration of pay issues.

2.3 Stage and timing of review

Table 2.3 shows that most case study organisations were conducting their first review, although two were carrying out their second review and one was conducting its third. In the majority of cases, the current review had started in either 2003 or 2004.

Table 2.3 Stage and timing of EPR

Case study	Was this first EPR?	When was current EPR conducted?
1	Yes	2002-03
2	Yes	2002
3	No. Second review	2004
4	Yes	2002
5	Yes	2003
6	Yes	2003-04
7	No. Second review	2004
8	Yes	2004
9	No. Third review	2004
10	Yes	1999-2001, followed by monitoring on an annual basis
11	Yes	2001-02
12	Yes	2003
13	Yes	2003-04
14	Yes	2003-04
15	No EPR to date	No EPR to date

3. REASONS FOR CONDUCTING EQUAL PAY REVIEWS

Organisations may have a number of reasons for conducting EPRs. These can range from responding to outside pressure from trade unions or funding bodies, to a desire to implement best practice or to access the benefits of being seen as a leading edge employer. In this chapter, the motivations of the case study organisations in conducting their reviews are explored.

In most cases, organisations had more than one reason for conducting the review. Amongst the finance and public sector organisations, trade union campaigns, particularly at a national level, were often one factor behind a decision to review pay systems for inequality, but this was rarely the only reason. For example, the reward and benefits manager in one of the finance organisations stated that:

The reasons for undertaking the review were the fact that Amicus was driving the issue of equal pay in general and also we were aware of general press and HR coverage of the issue... The Amicus regional officer wrote to employers on 15 January 2003, pushing for an EPR (case study 5).

In the same company, the trade union representative endorsed the importance of national union pressure in bringing about the EPR, but also said that it was the result of persistent 'nagging' by company-level representatives.

In another finance company (case study 6), the merger of two organisations and pressure from the unions representing staff in each of those companies, together with active leadership from a new chief executive, all contributed to the decision to conduct the review.

In both a third finance company (case study 12) and a public sector organisation (case study 14), the need to restructure pay systems, following mergers, was combined with trade union pressure that equal pay considerations should inform the design of the new pay system.

In other cases, some of the pressure to conduct an EPR came from funding or regulatory bodies. So, for example, one civil service agency (case study 1) had faced challenges to previous pay arrangements in an Employment Tribunal and wanted to conduct an EPR to be sure that its arrangements were no longer discriminatory. However, the timing of its review was prompted by Cabinet Office instructions to departments and agencies to conduct an EPR by April 2003. In a university (case study 8), a key factor in prompting a review was the human resourcing funding

strategy of the Higher Education Funding Council. This required institutions to develop an equal opportunities element to their HR strategy, including measures to address equal pay issues.

In other cases, the increased HR media and profile of equal pay issues often resulting from EOC publicity, had prompted organisations to want to be sure that they did not have a problem in this area. This was the case for a manufacturing company (case study 2), which focused on the pay of male and female graduates, and a company in the services sector (case study 4).

Some organisations said that they had conducted an EPR because this represented 'best practice', and because they thought that they might be required to do a review in the future and felt that it was appropriate to act 'sooner rather than later'. One example was a finance organisation (case study 9), which liked to be an 'early adopter' of good employment practices. However, the union representative saw the motivation for the review as slightly different, saying that the company had been influenced by TUC and EOC publicity on the issue. In another case, participation in the Kingsmill review had put the issue of regular EPRs on the agenda of a services organisation (case study 3). Meanwhile, the respondent in case study 13, a public sector employer, said that it was:

... committed to equal opportunities and wanted external verification that it was doing the right thing in terms of pay.

Finally, in case study 10, which was also in the public sector, it was an awareness of the potentially discriminatory impact of its pay on recruitment and progression which had led the organisation to decide to conduct an EPR:

It was becoming increasingly clear that there were problems in the pay system and this gradually led to the review being conducted. In theory everyone was treated the same but the effects of discretionary pay on recruitment meant that it was discriminatory. Women tended to be recruited into lower-level positions and also to have shorter length of service, which meant that they had a considerable pay gap because of the approach to pay progression.

Table 3.1 Reasons for conducting equal pay reviews

Case study	Reasons for conducting EPRs
1	To confirm progress on equal pay following earlier major restructuring. Cabinet Office instruction. Trade union pressure
2	EOC publicity, especially in relation to pay gaps amongst graduates
3	Involvement in Kingsmill report
4	Wanted to be sure that there were no internal problems relating to sex discrimination/equal pay legislation in the company
5	Trade union pressure; general and HR press coverage
6	Anticipated recruitment benefits; chief executive leadership; membership of Opportunity Now; trade union pressure; new HR database
7	Prevalence of the issue in HR media <i>etc</i> ; decision to take action 'sooner rather than later', rather than waiting to be prompted by government action or an Employment Tribunal case
8	Higher Education Funding Council for England HR funding strategy; decision to act 'sooner rather than later'
9	Potential recruitment benefits; like to be seen as 'early adopter' of good practice; seen to make good business sense; trade union emphasised importance of EOC and TUC publicity on the issue
10	Awareness of equal pay problems in existing pay system
11	Prompting from Cabinet Office; seen as good practice
12	To give recruitment advantage; seen as good practice; major pay restructuring being undertaken
13	Seen as good practice; wanted to confirm pay system free of bias
14	Major pay restructuring being undertaken; trade union pressure
15	Introduction of new job-evaluated pay structure (review has not yet been conducted)

4. THE EQUAL PAY REVIEW PROCESS

The Equal Pay Act 1970 (EPA) gives an individual a right to the same contractual pay and benefits as a person of the opposite sex in the same employment, where the man and the woman are doing:

- like work; or
- work rated as equivalent under an analytical job evaluation study; or
- work that is proved to be of equal value.

The purpose of an EPR is to determine where men and women are doing equal work as defined by these three headings, and then to examine the pay and benefits of the people concerned to see if there is a gap between male and female pay. A gender pay gap is not necessarily unlawful as long as the employer concerned can show that there is an objectively justifiable reason not related to sex, for the pay difference. However, if no such reason is available, the employer must take steps to eliminate the gap between women's and men's pay.

In this chapter, the details of the way that EPRs were conducted in the case study organisations are explored. This shows considerable variation in the processes used, the key actors, and the coverage of the EPRs. In a minority of cases, coverage was detailed and comprehensive; in others, a very minimal approach to the conduct of an EPR was adopted.

4.1 Process adopted

Table 4.1 illustrates that the EOC Pay Review Kit was the model that informed EPRs in the majority of organisations covered by the study. Moreover, in general, the HR, reward and diversity specialists to whom we spoke had greater knowledge about the Kit than the Code of Practice on Equal Pay, with only around half of our interviewees certain that a copy of the Code was available in their establishment. One organisation (case study 13) had made it clear to the consultants who conducted its EPR that the EOC model should be used:

This was based on our previous experience and attendance at conferences and so on where people thought that the EOC toolkit was the best one.

However, it is clear from this case study research that the extent to which organisations who state that they use the EPR Kit, actually follow the model suggested in it, or are advised by the guidance notes, varies enormously.

In addition to the EOC's EPR Kit, other guidance quoted included that supplied to civil service departments and agencies by the Cabinet Office and the guidance used by the Universities and Colleges Employers' Association (UCEA) for the HE sector.

Just two organisations appeared to have relied on internal expertise in deciding on the approach to conducting an EPR. These included a non-unionised services company (case study 4), which had conducted a very limited review; and a finance sector organisation, which had recently completed its third EPR and where the work conducted was rather more comprehensive.

Table 4.1 Model used in EPRs

Case study	Model
1	EOC (Pre-EPR Kit); Cabinet Office guidance
2	EOC's EPR Kit
3	EOC's EPR Kit
4	Advised by temporary member of staff with legal training
5	EOC's EPR Kit
6	EOC's EPR Kit
7	EOC's EPR Kit
8	UCEA model
9	Developed own approach
10	EOC task force template
11	EOC's EPR Kit and Cabinet Office guidance
12	Own model designed by consultant
13	EOC's EPR Kit
14	Analysis required by Scottish Executive; EOC's EPR Kit
15	Local government job evaluation; no full EPR to date

4.2 Participants in EPR process

Table 4.2 shows that, in most cases, the EPR was led by a senior reward expert within the organisation concerned. It also reveals who was involved in the process.

A diversity specialist took the lead in only one organisation (case study 6) and did so in this case because, at the time of the review, the position of head of reward was vacant. In the majority of the organisations, a team of several people supported the review, with one or two conducting the detailed analysis and the others commenting on the proposed approach and findings of the data analysis.

EPRs appear to be overwhelmingly centralised processes. In most cases, all analysis was led by a central HR or reward team; although in cases of large organisations involving several business divisions (such as case studies 3, 6 and 7), divisional HR teams were involved in collecting data within their part of the business.

Diversity specialists were most often involved as part of the team or working group supporting the EPR. Organisations also frequently called on the technical help of IT staff or those responsible for HR or payroll records.

Table 4.2 Participants in EPR process

Case study	Lead by	Who involved
1	Pay and benefits advisor	Committee including diversity specialist; local trade union representative; trade union full-time officer
2	Head of HR and Employee Relations	Corporate diversity manager; local managers; two trade union representatives; consultant
3	Reward Director	HR directors; executive team; IT/Business analyst staff
4	HR Manager	Temporary member of staff who was legally trained
5	Rewards and Benefits Manager	Other staff; consultants
6	Diversity and Organisation Manager	Reward managers from different divisions; lawyer
7	Group Compensation and Benefits Manager	HR managers; compensation and benefits staff; legal staff; trade union representatives
8	Director of Personnel Services	Equal opportunities advisor and assistant; IT staff
9	Senior Rewards Manager	Reward team
10	HR Manager	Other staff plus steering group covering main occupational groups and trade union representatives. Assisted by consultants
11	Head of Reward	Payroll staff; independent advisor; trade union representatives
12	Reward Consultant	Employee records staff; HR manager; consultants; trade union involvement planned
13	Consultants	Consultants; project manager; HR staff; equalities manager
14	Reward Manager	Reward Manager for EPR; large team for new pay system
15	No separate EPR, job evaluation exercise led by Personnel Manager	Trade union representatives; staff consultation

Table 4.2 also shows that a sizeable minority of the case study organisations had used external consultancy or other support in conducting the review:

- In case study 6, an employment lawyer was brought in as part of the team to advise on legal aspects of pay equality. This lawyer also provided training for the divisional reward managers who conducted most of the data analysis and interpretation.
- Case study 2, a manufacturing company, used consultants to help to apply the EOC's EPR Kit.
- A finance organisation (case study 6) used a consultancy firm to advise on the kinds of statistical techniques that it should use and the level of pay gap which would require action.
- One of the public sector organisations (case study 10) employed consultants to help it to develop a job evaluation scheme that was appropriate to the organisation and 'equality-proofed'.
- Another public sector organisation (case study 11) used an expert independent advisor recommended by the trade union, to assess and revise the action plan that completed the EPR.
- Just one organisation, again in the public sector (case study 13), used consultants throughout the review process. This organisation's EPR was one of the more extensive covered by this study. The consultants sat with the data processing team and set out their data requirements and then checked the data that were supplied.

Trade union involvement

Although all but one of the 15 case study organisations recognised trade unions for the purpose of negotiating over pay, in only a minority of cases were trade union representatives actively involved in the EPR. As Table 4.2 shows, trade unions formed part of the team determining developments in the EPR in five organisations (case studies 1, 2, 7, 10, 11).

Two organisations stated specifically that there had been no union involvement. These were the non-unionised services company (case study 4); and another services company which, in contrast, had a strong tradition of trade union organisation.

In other cases, unions were kept informed of the basic approach and outcomes but were not involved in decision-making in respect of the coverage of the review; in at least one organisation (case study 9), the union representative stated specifically that she would have liked a more active role in the process. However, some organisations expected to involve union representatives to a greater extent in future EPR work:

- In case study 9, where the EPR had not been completed at the time that this research was conducted, the company planned to have greater union involvement in drawing up the action plan.
- Similarly, in case study 6, while the involvement of staff representatives in the recent review had been limited to information sharing, the company was considering offering a more active role in future EPRs.

In contrast, one public sector employer (case study 1), which had worked with trade unions in a small working group driving its EPR, was not sure that it would do the same in the future. The senior pay and benefits advisor who had led the review reported that problems arose at the point at which an action plan was being developed. He said that the union representatives had been unwilling to be party to recommendations resulting from the review as they felt that it would compromise their future bargaining position.

The outcomes of EPRs can mean that trade union representatives who have been involved in those reviews have to make difficult decisions. However, where such representatives were interviewed for this project, there was no evidence that such pressures would prevent trade union involvement in future reviews. In case study 1, and in two of the others (case studies 2 and 7), employer representatives declined to provide contact details for union representatives involved in the EPR. However, the research for case studies 10 and 11 (both public sector organisations) did include interviews with trade union lay or full-time officials who had had an active role in the EPR. In neither organisation did the officials say that conflicts between the outcomes of the review and the interests of particular groups of member were a problem.

4.3 Assessing equal value

A central aspect of any EPR is first, to determine which jobs are equal (i.e. like work; work rated as equivalent; or work of equal value); second, to decide where pay gaps between men and women will require explanation; and third, if these pay gaps are not objectively justifiable, to take action to address those gaps. The EOC's own toolkit advises that the most reliable way of assessing whether jobs are of equal value is to use a single analytical job evaluation scheme (JES) covering the whole of the workforce. This should be:

... specifically designed and introduced to take account of equal value considerations and of the types of jobs being done by your workforce.
(EOC, 2002, p. 8).

Table 4.3 shows that only a small minority of case study organisations introduced a JES introduced to support an EPR. Other organisations had included an assessment of their JES as part of their EPR. However, in around half of the case studies, either long standing job evaluation arrangements were used without any check being made that they were free of gender bias, or no JES was used to determine where jobs of men and women were equal.

Table 4.3 Job evaluation and equal work comparison

Case study	Was job evaluation assessed?	Basis of equal work comparison
1	Yes	Grade
2	No	Grade
3	No	Grade
4	Not in place	'Comparable jobs'
5	No	Band and job family
6	Yes	Pay band
7	No	Grade
8	Not in place	Grade/job groups
9	No	Grade
10	New scheme developed	Grade
11	No	Grade
12	Yes - and used actively in EPR	Grade
13	Yes	Grade
14	New scheme introduced	Grade
15	Yes	Grade

In three case studies, the EPR involved the introduction of a new, specially designed JES, with equal value comparisons undertaken on the basis of the grades or bands into which jobs were placed, as a result of the job evaluation exercise:

- One public sector organisation (case study 10) employed consultants to help to design a JES, which was used as a basis for reducing a pay structure of nearly 40 grades down to nine. Checks were then undertaken to ensure that pay gaps had been reduced. A previous analysis had shown that the gender pay gaps within the old (non-evaluated) grades were as large as 40 per cent.
- A second public body (case study 14) carried out a grade-based comparison of equal pay. This followed the introduction of a new pay system, which was underpinned by a new JES that had included equal value considerations in its design.
- A finance organisation (case study 12) had merged the pay structures of two businesses, using a JES whose design and operation were checked by consultants to ensure that they were free of gender bias. The EPR was then undertaken using the new graded structure.

The EOC's Equal Pay Review Kit indicates that where an established JES is being used to assess equal value, then the EPR should include a review of the scheme to determine whether it was designed with equal value in mind and whether the way that it operates prevents the introduction of gender bias. In another organisation (case study 13), a new job-evaluated pay and grading structure had been introduced around 12 months prior to the EPR. Grades established via this system formed the basis for pay comparisons and the EPR included a review of the JES.

Other organisations that had assessed the JES as part of their EPR included case studies 1 and 6. In the first of these, a separate sub-committee of the EPR team was tasked with looking at the JES. This concluded that there was an experience factor (length of service) within the JES, which had the potential to be discriminatory. At the time of the research, this had yet to be addressed. The organisation had initially intended to look at this during 2004, but financial pressures had meant that this activity had been pushed back a year.

Other organisations in this study also took grade or job band as a proxy for equal value. In most cases, the grading or banding system had been arrived at as a result of analytical job evaluation. However, the JES in use was generally long-standing, but the organisation concerned had not seen a need to assess either its design or its operation in terms of potential equal value impact.

Finally, three of the case studies were of organisations which did not use job evaluation at all, or only used it for part of the workforce. In two of these, a service company (case study 3) and the university (case study 8), grade was used as the basis for pay comparisons without this being underpinned by job evaluation. The university was in the process of introducing a new JES at the time that this research was undertaken. In the last example, of a non-unionised service company (case study 4), comparisons were made on the basis of job title.

4.4 Coverage of EPRs

There were also considerable differences between the case studies in the coverage of their EPRs. In the majority of cases, analysis of demographic characteristics was limited to gender, with a few organisations also exploring ethnicity and age. The majority of reviews had analysed data for the whole workforce, but there were several examples of more limited coverage; and the aspects of pay reviewed varied considerably from a focus solely on basic pay, to the inclusion of the full range of pay additions, as well as non-pay benefits.

Demographic coverage

As Table 4.4 reveals, most of the case study organisations limited their EPR to comparisons on the basis of gender. However, two of these (case studies 1 and 10) also explored pay practices and/or data for evidence of discrimination on the basis of ethnicity or age. In both these examples, the gender analysis was seen as the priority, but existing data enabled a more extensive analysis, so this was also conducted.

None of the organisations included disability in their reviews. In a number of cases, there was no evidence that those conducting the EPR had considered undertaking such an analysis. Where organisations indicated that this analysis had been considered, reasons for not undertaking it were primarily to do with limitations in existing data. Similar reasons were given by those that did not analyse pay by employee ethnic origin. For example:

- Case study 3 'had wanted to include ethnicity but our data did not reveal this information. We are putting procedures in place to rectify this issue'. There was never any intention in this EPR to include either disability or age.
- The trade union representative in case study 5 reported that the union had originally asked for the EPR to include ethnicity, disability and sexual orientation. However, it was found that much of the data did not exist - typically

because although it was included on employee monitoring forms, there was a high level of non-disclosure which made any analysis potentially unreliable.

In contrast, the reason given by the university (case study 8) for limiting its analysis to gender was the time constraint within which the EPR was conducted. Adequate data were felt to be available on both ethnicity and disability, and following the planned introduction of a new JES, the intention was that future analysis would explore these dimensions.

Table 4.4 Demographic coverage of EPRs

Case study	Demographic coverage
1	Gender, ethnicity, age
2	Gender
3	Gender
4	Gender
5	Gender
6	Gender
7	Gender
8	Gender
9	Gender
10	Gender, ethnicity, age
11	Gender
12	Gender
13	Gender
14	Gender
15	No EPR to date

Workforce coverage

Table 4.5 shows that in the majority of cases, EPRs included in this study were comprehensive, to the extent that they covered the whole workforce.

Table 4.5 Workforce coverage of EPRs

Case study	Workforce coverage
1	All except senior management
2	Limited to two groups (Logistics planners and graduates)
3	Whole workforce
4	Whole workforce
5	Whole workforce
6	Whole workforce
7	Whole workforce
8	Only academic and related staff
9	Whole workforce
10	All except Director
11	Whole workforce
12	Sample of workforce
13	Whole workforce
14	Main workforce, but not senior management
15	No EPR; job evaluation covered non-operational staff

However, more limited reviews were conducted in several organisations for a range of essentially pragmatic reasons:

- In the manufacturing company (case study 2), the EPR had originally been conceived as a pilot exercise focusing on two groups: graduates, in relation to whom there was comprehensive information on current pay and pay history by

gender and grade; and logistics planning, which, in a predominantly male organisation, was one job family that included a sizeable number of female staff. However, the time and effort involved in conducting the pilot meant that, by the time this research was conducted, the company was unwilling to undertake a more extensive EPR.

- In the university (case study 8), the EPR was limited to staff in academic and academic-related grades. Two factors seem likely to have underpinned the decision to limit the review to this group: gender gaps in academic staff salaries had received a high profile at national level; and the lack of a single grading system or a JES would have made comparisons across other occupational groups problematic.
- One of the finance companies (case study 12) conducted a review in which all employee groups were represented, but on the advice of consultants, it used pay data from just a sample of employees (16 per cent) to conduct the research stage of the EPR.
- In two public sector organisations (case studies 1 and 14), senior managers were covered by separate pay determination arrangements. In the first of these (case study 1), these were outside the control of the organisation concerned, and this was seen as a reason for excluding these groups from the review. In the interviews for this research, both management and union representatives recognised that their lack of knowledge of any equal pay issues within the management group, and the potential overlap with jobs at the top of the main pay structure, meant that this should probably be an area for future investigation. There were, however, no immediate plans to undertake a fully comprehensive EPR.

Pay element coverage

Some of the case studies had attempted to review all aspects of remuneration in the organisation in order to identify the full range of sources of any potential equal pay gap. These were, however, the minority, with factors such as data weaknesses contributing to a more limited coverage in other organisations. This is shown in Table 4.6.

Table 4.6 Pay coverage of EPRs

Case study	Pay coverage
1	Basic pay; starting salaries; performance awards; lease cars; temporary promotion; access to overtime
2	Basic pay
3	Total earnings
4	Basic pay
5	Basic pay
6	Basic pay; bonuses; pay practices
7	Basic pay; subsequently salaries on recruitment; benefits
8	Basic pay; starting salaries; progression
9	Total pay, including bonus, <i>ad-hoc</i> payments. Length of service; appraisal history; promotion history; starting salaries (trade union representative not aware of this detailed analysis)
10	Basic salaries; total pay; overtime; appraisal scores; promotion rates; starting salaries
11	Pay; overtime <i>etc.</i> ; subsequently processes such as allocation of overtime
12	All aspects of pay; benefits; training; recruitment; progression
13	Extensive (see main text); included reviews of promotion policy
14	Basic salary
15	No EPR to date

Some of the more comprehensive reviews, in that they seemed to covered all, or almost all, of the key elements of the organisation's remuneration approach, were found in the public sector. For example:

- In case study 13, where the bulk of the review was conducted by a firm of consultants, issues explored included: current salary, starting salary, grade population by gender, job family analysis, career salary progression, salary

upon promotion, pay rises by grade, bonus pay, the link between bonus and performance, paid overtime, general allowances and additional payments, benefits, access to training and maternity provisions.

- The EPR covered by case study 10 included: salary, overtime pay, promotion rates and pay, appraisal outcomes, recruitment and starting salaries. The organisation had some difficulties bringing together this information, since, together with the necessary demographic data, it was held in four separate databases. However, these difficulties were overcome.
- In case study 1, the analysis included exploring starting salaries, performance awards, lease car arrangements, access to overtime, and temporary promotions.

One private sector organisation which also conducted a more thorough EPR was case study 9. The analysis covered all aspects of pay, and explanatory factors such as length of service, appraisal history, promotional history and starting salaries. The organisation would also have liked to include more detailed information on career history and the length of time that people had held certain qualifications, but this was not available in existing HR data.

There were a number of examples of organisations with quite complex remuneration systems, but where the EPR was limited to basic pay, and/or did not involve an assessment of the factors that contribute to an individual's pay position. These included a services company (case study 4); one public sector organisation (case study 14); and two finance companies (case study 5 and 6). In case study 6, factors such as regional pay, performance-related pay and bonus pay were recognised as potential sources of pay inequity, by union and/or management representatives, but were not included in the EPR.

Data analysis

As shown in Table 4.7, in most cases, the data analysis conducted by organisations as part of their EPR was limited to the comparison of average (mean) pay for different groups. However, in some cases, other analysis had been undertaken. This included:

- The exploration of clusters of pay of men and women (case study 1).
- The examination of ratios between the pay of men and women and also the comparison of medians and quartiles (case study 3).

- Divergence, convergence and trend line analysis (case study 9).
- The exploration of statistical relationships between factors contributing to pay differences (case study 10).

Table 4.7 Data analysis undertaken

Case study	Data analysis
1	Averages across organisation and by grade; distributions; cluster analysis
2	Averages
3	Averages by grade; ratios; medians; quartiles
4	Averages
5	Averages
6	Averages
7	Averages
8	Averages
9	Divergence; convergence; trend analysis
10	Averages. Exploration of statistical relationships between factors
11	Trends; averages
12	Averages; factors influencing pay differences
13	Not known
14	Averages
15	Analysis not undertaken at time of research

5. EPR OUTCOMES AND ACTIONS

In this chapter, we explore the findings of EPRs and then go on to investigate the action taken by the organisations concerned in response to these reviews. We then examine what future EPR plans the case studies had.

It is clear from the analysis that there were considerable differences in approach of the organisations concerned: in some cases, the identification of significant pay gaps did not lead to any action on the part of the organisation concerned; in others, they resulted in plans to make major changes to pay practices. Similarly, in cases where the gaps identified were small, some organisations felt that no further action was required. However, others had identified areas of potential discrimination in their pay arrangements, which they were seeking to rectify.

5.1 Findings of EPRs

Chapter 4 set out the processes used in conducting each EPR and showed the predominance of the EOC model. The earlier discussion showed that organisations which stated that they used the EOC approach varied considerably in the coverage of their EPRs. However, one element of the EOC's guidance which seems to have been widely applied is that differences of five per cent or more between the pay of men and women doing equal work are ones which require explanation. In contrast, no interviewee specifically mentioned the EOC advice that where gaps in a number of areas were three per cent or higher, then these should be explored.

Table 5.1 shows that some organisations (case studies 4, 11, 12, 13 and 14) did not identify any significant gender pay gaps. Where equal work gaps were identified, these ranged from minus 14 percent to plus 40 per cent. In all cases all, or the majority, of pay gaps were found to be in favour of men. However, a few EPRs did reveal some cases where women had a pay lead over men doing equal work.¹ The reasons for the gaps which were identified included: differences in job size within broad pay bands and the recent success of women in being promoted into more senior grades. Both factors were seen by the organisations concerned to be justifiable explanations. More commonly, interviewees were concerned by the way in which certain factors were being operated in practice, which included: pay decisions made by local line managers; market-related pay differences; pay protection/red-circling; and access to overtime.

¹ In Table 5.1, the positive figures given are the degree to which male pay exceeded female pay for a particular group; where a minus figure is given, this indicates that it was women who had the pay lead.

Table 5.1 Findings of EPRs

Case study	Summary of EPR findings
1	Average equal work gap 1% to 2%, one area - 11%; incremental scales too long. Organisational pay gap 16%
2	Equal work gap 0% to 6.5%
3	Equal work gap: -2% to 15%
4	No general problems identified
5	Average equal work gaps; 2% to 7%
6	Equal work gap: -4.5% to 15.9%. Red circling main cause; market/performance pay differences
7	Equal work gaps -14% to 13%. Range of reasons for equal work gap. Organisation-wide gap 15%
8	Equal work gaps 5% to 7%. Starting salary key reason
9	Average equal work gap 5.9%. Range 2% to 13%. Reason for high gap recent promotion of women; some line management action
10	Organisational gap 19% basic pay; 29% total. Equal work gaps of up to 40%. Main causes progression and overtime arrangements
11	All equal work gaps 'within EOC limits'. Some areas of potential discrimination
12	No significant equal work gaps; some individual anomalies; impact of gender segregation
13	No significant gaps; but some areas of potential difficulty (e.g. some red-circled allowances)
14	No gender pay gaps; regional pay gaps identified
15	No EPR to date

Some examples of the findings of different EPRs are given in the boxes below:

Box A Case study 10

Case study 10, a public sector organisation, found that it had an organisational gender pay gap in basic pay of around 19 per cent. When looking at total pay (including overtime and premium-rate payments), the gap was 29 per cent. Within grades the biggest equal work gaps were mainly, but not exclusively, in areas where women were in the majority. The most extreme example was one area where women's total earnings were on average 40 per cent behind those of men in the same grade. The main reason for the gaps in basic pay was the performance-related pay system which provided limited progression opportunities to most staff. This was exacerbated by a system of almost 40 grades with long incremental scales. Together these factors were found to work to the disadvantage of women who tended to have shorter service than men. The main reason for the even greater gaps in total pay was the system of overtime payments: people received multiples of their normal hourly rate for time worked on overtime, so the differential in the pay rates between those at the top of the scale (mainly men) and those at the bottom (who were likely to be women) was increased by the relevant overtime multiplier (for example 'time and a half or 'double-time').

Box B Case study 1

Case study 1 had addressed most of the obvious causes of inequality in its pay arrangements following an equal pay case. The organisational pay gap was found to have fallen from 24 per cent to 16 per cent since the introduction of a new pay structure. The EPR showed that in most grades there was a gender pay gap of three per cent or lower. However, in one grade women had an average pay lead of 11 per cent over men. This was found to be the result of the consolidation of abolished typing allowances into the basic pay of a predominantly female occupational group. The salaries of these typists had been red-circled (*i.e.* would not be increased until the rates of others in the grade had caught up.) An important element in the remaining organisational pay gap was found to be slower progression by women than men between grades.

Box C Case study 6

In one of the finance companies (case study 6) pay gaps within pay bands were found to be as high as 16 per cent in one of the divisions of the business. In one of the bands this was mainly because the band was divided into three grades (determined by job evaluation) and women were more often in the lowest grade. Another reason, seen as more problematic by those involved in the review, was the wide range of pay protection (red-circling) arrangements which had followed on from previous company mergers and some of which had been in place for as long as 10 years. There were protections on cars, and other perks, as well as pay.

Salaries negotiated for hard to fill vacancies (using market forces allowances, for example to recruit surveyors) were found to be another major contributor to pay imbalances. '*A Manager won't pay 10-12% more than they have to, to recruit a woman*', while male recruits tended to come from competitor companies, where it was felt that premium rates had to be matched, female surveyors were more likely to be returning after a career break, or were joining straight from university and therefore demanded less in starting salaries.

Box D Case study 9

Another finance company (case study 9) had recently analysed its most recent EPR findings. This organisation had found an average pay gap of 5.9 per cent across all levels. Actual gaps within pay bands ranged from under two per cent to 13 per cent. The 13 per cent difference in the average pay of women and men in one band was largely attributed to a 71 per cent increase in the number of women entering that level in recent months. However, across the company, both union and management representatives had concerns about the impact of the performance pay system on part-time workers (who were predominantly female). The union officer said:

Their appraisals tend to say that the employee is good, or OK, but not excellent. This indicates a bias against part-time workers, who are seen as not contributing as much to the company.

The Senior Reward Manager said that the EPR had not found any gender bias in the pay system, but that individual managers could influence an individual's pay, which could be a factor in part of the pay gap.

Box E Case study 7

One of the service companies (case study 7), had identified gender pay gaps in favour of men from minus 14 per cent to plus 13 per cent. It was found that the main reason for these differences was wide pay bands with differences between the size of roles in the bands. In addition, slow progress in rationalising terms and conditions following organisational mergers, meant that there were some remaining differences in aspects of the pay and benefits package, such as travel facilities, salary progression arrangements, health care, annual leave, and protection of earnings.

Two of the organisations that did not find any significant pay gaps between men and women nonetheless identified, via their review, aspects of their pay arrangements which had the potential to be discriminatory. Both of these organisations (case studies 11 and 13) were in the public sector and, as well as using the EOC's EPR Kit, will also have had access to guidance from other national bodies (the Cabinet Office or the Scottish Executive). One also made extensive use of the support of consultants.

In this example, the consultants applied a green, amber or red marking to each aspect of the pay system that they reviewed. Nothing that they explored was of sufficient concern to merit a red marking. However, one issue - general allowances and additional payments - was flagged as 'amber'. The organisation had some red-circled allowances that were inherited from previous employment and these were highlighted as an equal pay risk. The review also showed up a few individually negotiated payments that were of concern. Three other areas were marked as

green/amber, indicating that they needed further observation. These were career salary progression; salary upon promotion; and paid overtime. Overtime was found to be distributed more to men than women. The system allowed staff to either take time off in lieu (TOIL), or to be paid for overtime. It was suspected that women were more likely to take TOIL, but this information was not recorded, so a full analysis of the reasons was not possible.

5.2 Action in response to EPR findings

Table 5.2 shows the action taken in response to the EPRs.

Table 5.2 Action taken in response to EPRs

Case study	Action taken
1	Further investigation. Shortening of some scales
2	Further investigation. No pay changes
3	None - major gap thought to be a data anomaly
4	Individual cases dealt with on an individual basis
5	None
6	Equal pay guidance and guidelines built into management training; differential pay reviews to address gaps
7	Further investigation. Short term: action to prevent further exacerbation of gaps. Longer term: major pay structure review
8	Awaiting outcomes of new JES
9	Analysis just completed
10	Major pay structure review
11	Move to single pay system for all staff. Impact assessments of pay and other practices under Race Relations Amendment Act. Dealing with anomalies
12	Review not completed at time of research
13	Action plan to address potential problems areas
14	-
15	No EPR to date

As Table 5.2 shows, the majority of EPRs covered by this research identified some gaps of five per cent or more between the pay of men and women doing equal work. However, a number of organisations had not taken any action to address the pay gaps identified. In some cases, this was because an action plan had yet to be finalised. However, in others, no action was planned. In one organisation (case study 3), the appearance, in what was the second EPR, of a substantial pay gap, which had not been evident in the first EPR was thought by the company to be due to the fact that part-time workers (who tended to be women) received a single rate for overtime, whereas full-timers (more often male) were paid premium rates. An alternative explanation put forward was that there was a mistake in the data. No action was planned to address the gap, although the organisation did intend to conduct further EPRs.

The Reward and Benefits Manager of a finance company (case study 5), which had conducted a fairly limited review of basic pay, found gender pay gaps of five and seven per cent in two grades. The respondent in the same organisation, which had also undertaken a job family analysis that indicated gaps of as high as 13 per cent within grades within individual families, said that the company had:

... avoided taking any further action ... the pay gaps revealed by the review were not too bad.

Other organisations (such as case study 2) had undertaken some further investigation in response to their initial findings, but had not made any changes to their pay systems.

Where action was being undertaken in response to the EPR, this included: the provision of training to those involved in determining the pay of individuals; using annual pay increases to reduce differences; and minor and major adjustments to pay structures. For example:

- Following the EPR in case study 6 (see box C above), equal pay guidance and guidelines were added to the training modules on pay and progression for managers. The Head of Diversity felt that all managers were already quite conscious of treating their staff fairly, if not for the benefit of equal pay, then from the perspective of competition between staff. Gender pay gaps were partly being redressed through allocation of bonus pay pots by managers. They were told to look first at the performance of the team, and then use inequalities identified in the EPR to inform the bonus allocation. To ensure consistency of approach within divisions, a common pro-forma was issued. The company had proposed to union negotiators that pay imbalances stemming from pay

protection should be resolved by 'levelling down' instead of 'levelling up'; however, this was rejected by the unions, and remained an unresolved issue at the time of the research.

- One of the most comprehensive changes to pay structures made following the EPR was in case study 10 (see box A above). This was the organisation with some of the largest pay gaps, but which was also one that had undertaken one of the most comprehensive EPRs. The organisation reduced its multi-graded structure down to nine grades, each of which had fewer incremental points. Overtime pay arrangements had also been changed. Staff now received a standard additional hourly payment for working overtime, regardless of their job.
- Action taken in case study 7 to address pay gaps (see box E above) was being planned in two phases. In the short-term, the company was seeking to avoid any exacerbation of inequities via the introduction of a set of guiding principles to apply across the company; the development of a standard salary review process for pay on entry and promotion; and the continued movement of all staff on to rationalised terms and conditions. In the longer term, an integrated remuneration system for the whole company was to be developed.
- The EPR in case study 4 had revealed no systematic problems, just 'a few individual cases'. These were dealt with on an individual basis. For example, a female member of staff, who replaced a male colleague who had left, was found to be being paid considerably less than he had been. This was corrected.

The two organisations which had not identified any actual pay gaps were none the less taking action to address areas of potential discrimination. Case study 11 had developed a 32-point action plan which included: recommendations to move from two pay structures to one for all staff; and the scrapping of a bonus scheme seen to be potentially discriminatory. It also covered more general issues, such as a plan to consult all staff and trade unions on issues associated with equal pay. The organisation was conducting impact assessments on all its HR policies, including pay, in order to comply with the Race Relations Amendment Act. A range of anomalies were also dealt with as a direct result of the EPR, such as the use of professional staff who were salaried and were established civil servants, but were paid on a fee per day basis. This practice was seen as a potential equal pay risk area and so was being phased out.

Case study 13 developed an eight point action plan following recommendations from the consultants assisting with the EPR. These were to:

- Review some of the data once a new performance management system had been introduced.
- Revise current arrangements for starting pay and promotion.
- Ensure that overtime had been allocated fairly and was monitored.
- Conduct a review of pay allowances and supplements.
- Review pay benchmarks, with a number of outside organisations.
- Revise the HR strategy.
- Take existing gender balance into account when doing internal and external recruitment.
- Develop a set of annual statistics relating to gender.

Action to address organisational gender pay gaps

Organisational gender pay gaps derive in part from the predominance of women in lower paid positions within the organisation and the structural and cultural aspects of employers' HR approaches, which make it more difficult for women to be recruited to, or promoted into, more senior positions. As Table 5.1 indicates, only a minority of EPRs had included an assessment of the difference between the average pay of men and women across the organisation. However, where the data were collected, they showed gaps of between 15 per cent and 29 per cent.

In two cases, the action taken in response to the EPR was in part aimed at addressing the organisational pay gap. This was one of the reasons for the reduction in the number of grades in case study 10.

In case study 1 (see box B above), the EPR had identified some remaining inequalities arising from excessively long pay scales at the bottom of the organisation. Women, who were usually concentrated in these grades, tended to have slower rates of progression between grades. The change in the bottom grade to a single-point probationary grade, with completion of probation leading to automatic progression to the next grade, was intended in part to address this.

The organisation had conducted some historical analysis to compare the organisational pay gap prior to the introduction of its new pay system, with the current position. In 1997, the average pay of women in the organisation was 76 per

cent of that of men. By 2003, this had risen to 84 per cent. This improvement was largely attributed to the pay structure changes which had helped to reduce gaps between men and women doing equal work. The remaining gap was deemed in part at least to be the result of progression policies. The organisation was planning to move to a system of 'all-grade recruitment' in the near future, which, it was hoped, would enable more equal progression by men and women

Only one other of the EPRs in this study led to action which was specifically aimed at addressing this issue (case study 13 as indicated in section 5.1 above). However, some employers (for example case study 6) reported that they had been taking separate action to review recruitment and promotion issues with a view to addressing the 'glass ceiling'.

Some union representative interviewed for this study also argued for future action to address non-remuneration HR policies and practices which nonetheless impact on the average pay of men and women in the organisation. For example, the trade union representative in case study 5 indicated that the fairness of the promotion system was perhaps more of a concern to her women members than the pay system. She said that men seemed to get promoted more easily than women and that there was a need to explore the reasons for this.

5.3 Future plans

As Table 5.3 shows, the majority of organisations in this study had plans for future EPRs; in some cases, this involved extending the coverage of the original review or conducting more detailed analysis.

Other organisations had explicitly decided that there would be a regular programme of EPRs. Some expected this to be on an annual basis (case studies 10 and 11). In case study 10, the decision had been made, following the organisation's very comprehensive initial EPR, to conduct annual 'mini-reviews', and only to undertake more detailed analysis if these reviews revealed a worsening of the organisational gap. A third public sector organisation (case study 13) was expecting to conduct future EPRs on a biannual basis.

A number of other employers said that future reviews were planned, but were not clear when these would take place. In two cases (cases studies 1 and 6), plans for a new EPR one year after the first one, had slipped. Case study 1 was facing other public policy pressures which were seen as having greater priority. In case study 6, the planned EPR had been delayed by nearly six months until after a forthcoming

annual pay review. The head of reward was expecting progress in eroding pay gaps to be slow, and this appeared to be one of the reasons for the delay.

Table 5.3 Future plans for EPRs

Case study	Future plans
1	Further EPR planned
2	Establishing internal working group/tool kit on pay discrimination. No extension of EPR planned
3	Annual reviews. Next EPR to focus on functions and business streams
4	Ongoing examination of equal pay as part of annual pay reviews
5	More extensive EPR planned
6	Further EPRs
7	Further EPR
8	Further more comprehensive review following JE exercise
9	Action points to be developed
10	Annual 'mini-reviews'
11	Introduction of training on equal pay issues; annual EPRs
12	Development of action plan; need for better data and recording of information in future; probable biannual EPRs
13	Future EPR; training for those responsible for pay decisions
14	Future EPRs as required by Scottish Executive
15	Plan to conduct first full EPR in 2005

One organisation had no plans for a future review. The manufacturing company (case study 2) had originally intended its EPR of two groups within the company to be a pilot of a wider review. However, it had subsequently decided not to take any further action.

Other action in the area of equal pay planned by some organisations included the introduction of training on equal pay issues (case studies 11 and 13); and the improvement in data collection methods (for example case study 12).

6. THE IMPACT AND COSTS OF EQUAL PAY REVIEWS

This chapter explores the impact of EPRs on gender pay gaps in the organisations involved in this study. It also examines the costs in conducting a review and the extent to which these were seen as worthwhile. Finally, problems encountered when conducting EPRS are explored.

6.1 The impact of EPRs on gender pay gaps

Table 6.1 summarises the impact of EPRs on the gender pay gap in the case studies. This shows that the majority of case study organisations had identified equal pay gaps of five per cent or more. Of the fourteen organisations which had conducted an EPR, nine had identified such pay gaps and five had not.

As Table 6.1 also shows, only a minority of organisations involved in this study were as yet able to report any impact of their EPR on the pay gaps that they had identified. In most cases, this was because the organisation concerned was conducting its first EPR and did not yet have any data to demonstrate change. However, as set out above, two organisations had not taken any action following their original research and so no impact would be expected.

One case provided strong evidence of what can be achieved via an EPR: in case study 10, the organisational total pay gap had reduced to 13 per cent (as of January 2004), compared with 29 per cent at the time of the original EPR. In addition, there were no longer any significant pay gaps within grades, whereas gaps of as high as 40 per cent had previously been identified.

Two other organisations provided data on change over time, but here the balance of the evidence was less clear.

Case study 9 found in its 2004 review that the average equal work gap had reduced to 5.9 per cent, compared with between 8.5 and 9.6 per cent in 2003. However, the trade union representative cast some doubts on this finding. She said that one pay band (covering a pay range of £16,000 to £70,000) had in 2003 shown a gap between the average pay of men and women of 21 per cent. In the 2004 review, this band was divided into three levels for analysis purposes. Without this change, she considered that the average pay gap would have remained at around 8.5 per cent.

Evidence from case study 3, which is summarised in Table 6.2, was also mixed. The company had seen reductions of between three and eleven percentage points in the gender pay gap in six of its main grade groups since the previous analysis was

undertaken. However, in two areas - amongst call centre staff and the middle management grade - the gaps had actually increased (by 15 percentage points in the first case). The reward director suggested that a possible explanation for this disparity was that part-time workers (who tend to be women) received their normal basic rate of pay for overtime, whereas full-timers (more often male) were paid at premium rates. However, it was accepted that this was not a wholly acceptable explanation for the level of change and data weaknesses may well have played a part in the figures.

Table 6.1 Impact of EPR on gender pay gap

Case study	Whether gaps of 5% plus had been identified	Impact of EPR on gender pay gap
1	Yes	Minimal - main changes had followed earlier restructuring
2	Yes	None
3	Yes	Year on year data indicate improvement in most areas
4	No	Resolving of individual issues
5	Yes	None
6	Yes	Not yet known
7	Yes	Not yet known
8	Yes	None as yet
9	Yes	Some reduction on previous year's gaps
10	Yes	Organisational total pay gap reduced to 13%; no gender pay gap within grades
11	No	None as yet
12	No	None as yet
13	No	None as yet
14	No	None
15	No EPR to date	No EPR to date

Table 6.2 Women's pay as a percentage of men's - case study 3

		Junior management Level:	Middle management Level:	Senior management Level:				Executives Level:
Call centre		7	6	5	4	3	2	1
2004	85	102	96	101	101	100	-	98
2003	100	97	99	98	94	89	-	94

6.2 Costs of EPRs

All case study organisations were asked to provide an indication of the costs that they had incurred in conducting an EPR. These are set out in Table 6.3. In a number of cases, no separate costings had been undertaken, and no external cost had been incurred. The organisation therefore provided an indication of the amount of staff time involved. However, in a few organisations, a specific budget had been set aside for the EPR, so more specific cost figures were available.

As Table 6.3 shows, the amount of time taken to conduct an EPR varied considerably. It ranged from a few days or weeks when the review was limited to a data collection exercise, and where data were relatively readily available (case studies 14 and 9), to up to three years where a major pay restructuring exercise had been undertaken to address the causes of pay inequality (case study 10). However, in the bulk of cases, the EPR took three to six months of the equivalent of a single member of staff's time.

Three organisations in the public sector provided more precise financial information. Each had incurred a mixture of internal staffing and external advisory costs. They each had workforces of between 400 and 1,000 people and had done relatively extensive EPRs. The costs cited ranged from £15,000 to £40,000.

In addition, three organisations supplied information on the costs of making changes to their pay structures to address gender pay gaps. In case study 10, the pay-bill increase resulting from the introduction of the new pay structure amounted to 25 per cent. However other organisations were not given the same freedom to increase their pay bill costs: in case study 1, the reduction in incremental points in a junior, female-dominated grade, cost one per cent of the total pay bill. This was at a time when overall pay-bill increases were being limited to three per cent and the restructuring costs had to be met out of this overall pot for pay rises.

Similarly, in case study 6 no additional funds were made available to address pay inequities, which was a reason why there had been little progress in addressing long-standing pay-protection arrangements. Instead individual managers were being required to allocate pay increases in a manner which took into account any unjustifiable gaps between the pay of men and women.

Table 6.3 Costs of EPR

Case study	Costs
1	One month total staff time. Reduction in pay scale steps 1% of pay bill
2	Four months - highly labour intensive. 'Not worth the effort'
3	One month total staff time
4	No additional pay bill costs. Some staff time
5	Six months' total staff time for limited review
6	Range of internal and external costs of review; action to address equal pay issues 'cost neutral'
7	Six months' total staff time
8	Two months to complete; purchase of software: £3,000 - £4,000
9	Two weeks to complete
10	About £40,000 in salary and consultants' costs; 25% added to pay bill. Three years in total; one person, 18 months, full-time
11	£15,000 in internal and external costs
12	Not completed, so not known
13	£25,000 external cost, plus some internal staff time
14	Introduction of new pay structure took a year; 12 people full-time for 10 months. Subsequent review of equal pay data took a few days
15	No EPR to date

Are the costs and effort merited?

Each case study informant was asked for their views of the problems and benefits of conducting an EPR (Table 6.4). There seemed to be no consistent relationship

between the costs or time dedicated to the review and the likelihood that an employer would view their experience in a positive light. However, considerably more organisations had a positive than a negative view of the experience.

Table 6.4 Overall employer view of process

Case study	View of process
1	Positive
2	Negative
3	Positive
4	Positive
5	Negative
6	Neutral
7	Positive
8	Neutral
9	Positive
10	Positive
11	Positive
12	Positive
13	Positive
14	Neutral
15	Positive (about job evaluation, no EPR)

Generally, the public sector organisations were more likely to have been positive about their experience, especially those that, to some extent at least, were responding to national government pressure in conducting their reviews.

For example, in case study 10, which appears to have been the most costly EPR, the employer was positive about the experience. The EPR was seen to have been worth the costs and time taken and to have had a positive impact on employee relations.

Similarly, the employer representative in case study 11 said:

It was something we had to do, a Cabinet Office requirement - there was no resistance. It's good practice - why end up in court with huge legal costs for an equal pay claim when you can do an equal pay audit and hopefully address any issues - it's money well spent.

One finance company, which took the view that having a holistic approach to diversity and reward makes an organisation attractive to potential recruits, stressed the business benefits of conducting an EPR. According to the Senior Rewards Manager:

Some companies are put off by the cost and don't think that it will be advantageous from a business perspective, but I think that it is worth it, very much so.

However, two companies did not feel that the EPR they had been through had merited the effort. In both cases, the process had been considerably more onerous than anticipated and the outcomes of the review were seen as limited and unsatisfactory.

The Rewards and Benefits Manager of a Finance company (case study 5) said that he felt:

Very frustrated about the process, especially the time taken to do the review. Although the review took about six months, to carry out another review according to the wishes of Amicus, would take an inordinate amount of time, perhaps one FTE member of staff for twelve months. I feel that the EOC (and other bodies which are pushing for reviews) do not have an understanding of the complexity and difficulty of carrying out a company-wide review.

Similarly, the Head of Employee Relations in the manufacturing company felt that the time and effort expended on the EPR far outweighed the benefits of doing it, especially as the four month process only covered two occupational groups. He also feared that a company-wide review would involve a large amount of time and effort.

6.3 Problems in conducting EPRs

Several organisations indicated that conducting an EPR had not presented them with any problems (see Table 6.5). Where problems were experienced, they most often resulted from limitations in existing HR data and data sources.

For example, in the manufacturing company (case study 2), there was no single database which held all the necessary data. Information was held on various different databases across a range of sites. There were problems accessing the data, and those involved also questioned the reliability of the data. The whole process was:

highly labour intensive.

Table 6.5 Problems in conducting the EPR

Case study	Identified problems
1	Problematic trade union role
2	Database problems
3	Database problems; distortions from company restructuring
4	None
5	None
6	Overly complex data. Skill gaps of those involved
7	Data collection; lack of robust data
8	None
9	None
10	Slowness of job evaluation process
11	None
12	Some record-keeping problems
13	Took longer than expected because of problems writing final report
14	None
15	No EPR to date

One of the services companies (case study 7) also had concerns about the robustness of its pay and HR data. According to the Compensation and Benefits Manager:

It took about two months to sort out the data before the rest of the process could go ahead. For instance, many records seemed to be incomplete or incorrect, such as records stating that someone was full-time when pay details indicated that they were probably part-time. So much of the information needed to be verified first before it could be analysed.

Other problems also delayed the process in other organisations. In case study 10, delays occurred as a result of difficulties in introducing a new job evaluation system. Problems with the final report supplied by consultants to case study 13 delayed finalisation of that EPR.

7. CONCLUSIONS

This report has shown considerable variation in both the approach taken by organisations to EPRs and the challenges that they faced in conducting these reviews.

In concluding this analysis, we have attempted to group organisations according to the coverage and depth of their reviews. In fact the most accurate description of the variation would be a continuum of practice from the most comprehensive to the most limited approaches. However, to clarify the analysis, a broad typology of approaches has been developed. Under this typology, most of the EPRs covered by this study can be grouped as followed:

7.1 Typology of case study organisations

Group A: Comprehensive

The key characteristics of this group were that:

- Either a new JES was designed to support the review and provide an assessment of where jobs are equal, or an existing JES was used in this way, but was tested to ensure that it was non-discriminatory and supported an assessment of equal value.
- The EPR covered the whole workforce.
- All major aspects of remuneration were included in the EPR.
- The reasons for all equal work gaps of five per cent or higher were investigated.
- Where unjustified gaps were identified, actions were planned to address these gaps.

Only a small minority of EPRs in this study met these criteria.

Group B: Broad

The key characteristics of this group were that:

- Either a new JES was designed, or an existing JES was tested, to ensure that it was non-discriminatory and supported an assessment of equal value; or an established JES felt to embody equal value principles was used, but this was not specifically tested.

- The EPR covered all, or almost all, of the workforce with the exception of senior management.
- Most aspects of remuneration were included in the EPR.
- The reasons for all equal work gaps of five per cent or higher were investigated.
- Where unjustified gaps were identified, actions were planned to address most of these gaps.

EPRs in this category were generally undertaken by organisations that had intended to conduct a comprehensive review, and that had gone a long way towards doing so, but a number of factors had limited some coverage. These included data limitations, other factors such as a lack of direct control over the terms and conditions of a group of employees and budget constraints. A slightly larger group of the case studies fell into this category.

Group C: Limited practice/broader plans

Into this category, we have grouped those EPRs of considerably more limited scope. These included those where:

- The review was limited to a part of the workforce.
- A JES was not used to determine equal work, or if JE results were used, there was no assessment of the JE systems.
- Only an analysis of basic pay was conducted.

Typically, these characteristics were combined with little or no immediate action to address gender pay gaps. However, organisations in this group were largely aware of some the limitations of their EPR exercise and at least had plans for a further review. The largest group of case studies in this research fell into this category

Group D: Limited practice/No plans for extension

The final group had conducted similarly limited EPRs, but had no plans for any further or more extensive reviews in the future. This categorisation applied to only one or two case studies.

Other

Just two case studies fell outside these categories. These were those organisations that conducted a major pay structure review which included the aim of introducing a

new pay structure providing equal pay for equal work, but had not conducted any investigation of the comparative pay of men and women prior to introducing the new arrangements. One organisation had also yet to conduct a separate EPR following the introduction of a new pay structure.

7.2 Explanation for EPR variations

The reasons why some organisations adopted a comprehensive EPR, whilst others were more limited in their aspirations and approach, were complex and there was no single explanatory factor. However, our analysis suggests the following broad conclusions:

- Organisations that had used the EOC's EPR Kit were found in all four categories. However, those that had combined use of the kit with guidance from other sources tended to have undertaken more comprehensive reviews (falling into categories A or B).
- EPRs of a comprehensive or broad nature were most often, although not exclusively, conducted by organisations in the public sector, where there has been a greater degree of compulsion to conduct EPRs.
- More comprehensive reviews tended to have involved a mixed internal team including reward and diversity experts and trade union representatives; however, this was not always the case.
- Owing, at least in part, to considerable variations in ease of access to necessary data and other information, there was no clear link between the resources and time devoted to an EPR and the chance that it would be comprehensive. However, the most extensive EPR covered in this research was also the most costly and time-consuming.

7.3 Other conclusions

The research also suggests a number of other conclusions on the conduct of EPRs by organisations in Britain and on understanding amongst managers and trade unions of equal pay issues.

- The level of awareness of the EOC's Code of Practice on Equal Pay was low amongst participants in this research. These were organisations and individuals, who, by virtue of conducting an EPR, might be expected to have more knowledge of equal pay issues than employers or trade union representatives in general. This suggests, therefore, that the Code may have yet to reach much of its intended audience.

- It would appear that a number of organisations embark upon EPRs without having an understanding of the purpose of those reviews, or of the possibility that a review may identify pay gaps that require action.
- Data on the costs of conducting EPRs remain limited. This is partly because many organisations do not appear to keep a separate record of such costs.
- Organisations that had access to outside expertise and/or to several sources of written guidance were more likely to understand the requirements of an EPR and to conduct a comprehensive review.
- Where unjustifiable gender pay gaps were identified, the most common causes were found to be the way that practices such as line management discretion over pay; market-related pay differences; pay protection or red-circling; and access to overtime premium payments, were applied in the organisations concerned.

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APPENDIX 1: SUMMARY OF CASE STUDIES

Case study summaries

Case study 1 was a public sector body based in England employing nearly 1,000 employees, of whom just over half were women. About 10 per cent of the workforce worked part-time and almost all of these were female, and were clustered in the lower grades. An interview was conducted with the senior pay and benefits advisor. The organisation conducted a review of the pay and grading structures in 1998, following which a new pay system was put in place. This was specifically designed to redress the inequalities of the old system. Consequently, the EPR, which was conducted between November 2002 and April 2003, was designed mainly to review the organisation's progress in pay, and to identify areas for potential inequality in the future. The EPR followed the EOC model, as well as drawing on information from the Cabinet Office. The findings showed that within each grade, the average difference was between one and two per cent. Overall, women's pay was 84 per cent of men's, because of the distribution between grades. These pay gaps were considered largely to result from women's relatively slower progression through the grades. The organisation was introducing 'all grade recruitment' which it hoped would enable men and women to progress more equally. Most of the findings from the EPR were minor, as the introduction of the new pay structure had eliminated the majority of equal work gaps.

Case study 2 was a manufacturing/engineering organisation based in England with tens of thousands of employees in the UK. Women made up about seven per cent of the workforce, and there were only around 500 part-time employees. The Head of HR and Employee Relations was interviewed. The EPR was carried out in 2002, using the EOC's Equal Pay Review Kit. The company used the Watson Wyatt job evaluation scheme for most roles and the HAY scheme for management/senior professional roles. This (first) review covered graduates and Logistics Planners only. There was little disparity found between male and female pay, except for a gap of 6.5 per cent at the higher levels. This was partly explained by the fact that most women on this grade had been recently promoted and thus would hopefully 'catch up' later. The whole process was described as 'highly labour intensive' and there was some doubt about the robustness of the data, as they were tricky to obtain. The interviewee felt that the time and effort spent on the review far outweighed the usefulness of the exercise.

Case study 3 was a service industry organisation based in England, employing tens of thousands of people (66 per cent male, 34 per cent female). An interview was conducted with the Reward Director. The organisation had recently carried out a second annual EPR and planned annual reviews in the future. The decision to carry out the EPR sprang from the Kingsmill report and the review was led by the Reward Director, all the HR Directors and the executive team. There was no trade union involvement. The whole of the workforce was reviewed. The organisation had hoped to include ethnicity in the analysis, but did not have the data to do this for the current review (this is planned in the future). The main disparity between male and female pay was found at the lowest level. One possible explanation was felt to be that women predominate in part-time call centre work, which attracts a single, rather than a premium, rate for overtime. Disparities at other levels were not high (less than five per cent).

Case study 4 was a service industry organisation based in England, with over one thousand staff across the UK, about 50 per cent of whom were female. Around 10 per cent of the workforce were part-time. An interview was carried out with the HR manager, but there was no union involvement in the review. The EPR was a fairly small scale exercise involving two members of staff and focussed on gender only. Data used were from internal personnel and payroll databases. Overall, no pay gap was identified, although a few anomalies were found which were addressed on an *ad hoc* basis with the individuals concerned. This was done within the annual pay award of three per cent. The company plans to continue to look at equal pay during its annual pay review.

Case study 5 was a financial organisation based in England, with over three thousand employees, approximately half of whom were female. Both the Rewards and Benefits Manager and a union (Amicus) representative were interviewed. The decision to carry out the EPR was prompted by Amicus and also by general HR coverage of the issue. The EOC's Equal Pay Review Kit was used and the review looked at basic pay and averages. The HAY job evaluation system was used for all staff. The gathering of data was fairly straightforward and information was held on a single database, although the interviewees would have liked to have gathered data on ethnicity, disability, and sexual orientation, which were unavailable. The review didn't find significant disparity between male and female employees' pay in the three lower grades, but greater differences were found at higher levels (professional). The manager was concerned about the length of time and resources required to complete a one-off investigation and then resolve the differences in the higher levels. However, from 2005 onwards, the HR business allocates resources and time to complete the EPR. In future, reviews will use the median rather than the mean as it was felt that outliers distorted averages.

Case study 6 was a finance organisation based in England, employing many thousands of staff. Around two-thirds of the workforce were female and the company recognised two trade unions for the purpose of negotiating pay and conditions. The company had recently been subject to a major merger. Interviews were conducted with the head of diversity, the head of reward, a line manager and a union representative. The EPR covered the whole workforce, but was limited to a comparison of pay by gender. A diversity specialist oversaw the review, but most of the analysis was undertaken by a team of reward managers from across the company. The EPR identified notable pay gaps in some areas. One important reason for some of these gaps was found to be the extensive use of pay protection arrangements following previous company mergers. Another factor in gender pay differences was the use of market forces allowances. The company was planning to erode unjustifiable pay gaps via future individual pay reviews. It was intended to conduct further EPRs in the future.

Case study 7 was a public services organisation based in England, which employed over fifteen thousand people, 21 per cent of whom were female. An interview was conducted with the Group Compensation and Benefits Manager. The organisation had recently completed its second EPR, which was initiated by a desire as a public organisation to ensure best practice. There was an organisational pay gap of 15 per cent and equal work gaps between -14 and 13 per cent. Data collection proved a problem due to the lack of robust data. Many personnel records were incomplete and

much time was spent chasing and verifying information. Future plans were to gather data on age, length of service, ethnicity and disability. The whole process took about six months and took up most of the Group Compensation Manager's time during that period. However, it was felt that the review had been worth the time spent on it, and that the lack of robust data was an 'eye-opener' for senior managers.

Case study 8 was a Higher Education Institution (HEI) based in England, with around one thousand academic and academic related staff. The HEI had recently carried out a partial EPR which covered these staff. The Director of Personnel Services was interviewed. The review was carried out mainly by the equal opportunities advisor who was interviewed for this research. The decision to undertake the EPR was prompted by the HEFCE funding strategy which promotes equal pay. There was no trade union involvement, although the union was involved in the introduction of a new JES. The UCEA Equal Pay Kit was used and the review looked at averages, starting salary and progression. The organisation was unable to look at ethnicity or disability because of time constraints (rather than lack of data). Disparities of between five per cent and seven per cent were found between male and female pay. The main issue that emerged from the review was that of starting salaries, as it seemed that males tended to be put on a higher starting salary than women, irrespective of qualifications or experience. This was linked to men's assertions regarding their previous salary levels. The whole EPR process involved the time of two staff for about two months. The HEI was introducing a JES for all staff. It was expected that this would be fully implemented in 2005.

Case study 9 was a financial organisation based in England, which employed about fifteen thousand people. Approximately a quarter of employees worked part-time. Interviews were conducted with the Senior Rewards Manager and a trade union representative. The company prided itself on being 'early adopters' of good employment practices, and believed that this made good business sense. The 2004 EPR was their third review and took about two weeks to carry out. Pay gaps were not significant except at executive level, where there had been a 71 per cent increase in women into one executive grade, meaning that women had not yet benefited from salary progression within the role. The company planned to carry out a future review, taking ethnicity into account. On the whole, the company was happy with the results of the EPR and felt that it was moving in the right direction. The trade union representative wanted the review to look at aspects such as bonuses, as well as basic pay, as it was felt that this kind of discretionary pay could affect women adversely. Overall, the company feels that these EPRs are worth doing and that the benefits outweigh the costs.

Case study 10 was a public sector organisation based in Wales, with over five hundred staff. Interviews were carried out with an HR manager and a union representative. Just under half the workforce was female. Part-time work was fairly common and this group was slightly more likely to be female than male. Prior to the review, the organisation had a fairly complicated pay structure which was felt to have too many grades for the number of staff. There were also several people outside of the pay structure. The organisation began a pay and grading exercise in 1999 and this eventually evolved into a full EPR. The JEGS job evaluation system was used. There was heavy union involvement throughout the process and members of each staff grade were also involved in the working group. The working group used

consultants to help them draft the job evaluation system and set up the EPR. The review was extremely thorough and included data on every aspect of recruitment, pay and progression. The review found a basic pay gap of 19 per cent in favour of males and a total pay gap of 29 per cent. Since action was taken, the pay gap had reduced to 13 per cent for total pay. The organisation invested a large amount of time and money in the process, but felt that this was more than justified.

Case study 11 was a public sector organisation based in England, employing around 800 people with two distinct groups of staff: professional staff and administrative staff. Interviews were conducted with an HR manager and a trade union representative. Prior to the review, there was a different structure for each of the two staff groups. The administrative side had a system based on minima and maxima with progression each year being based on the distance from the maximum, with those in bands furthest away progressing quicker than those closer. On the professional side, annual progression was based on individual performance using a system of points which incorporated such factors as length of service, and taking on extra work. The EPR was conducted in response to Cabinet Office guidance and to a feeling that it was good practice to do so. The review started in 2001 and used JEGS. There was full union involvement in the process and it was independently assessed (externally). The EOC's Equal Pay Review Kit was used for reference, plus guidance from the Cabinet Office. The interviewees would have found it useful to have more guidance, as the EOC guidance was not felt to be explicit enough and the process was found to be quite time consuming. There was no evidence of direct gender discrimination, but some areas of potential for indirect discrimination. Following the review, an action plan was drawn up and many anomalies were dealt with as a direct result of the EPR. There is now a commitment to review every year as part of the annual pay negotiations. Overall, the interviewee felt that it was 'money well spent' and that it was a 'very useful and worthwhile exercise'.

Case study 12 was a financial organisation based in England, with over five thousand staff. Interviewees included a reward consultant within HR and a local level representative at an alternative site. The EPR was seen as good practice and the company wanted to be an employer of choice. The EPR was still in progress at the time of interview and the organisation was about to draw up an action plan. The interviewees felt that, although the organisation was unionised and the union would be involved in drawing up the action plan, their involvement so far did not warrant a union interview. The process was designed and carried out in conjunction with an external consultant and included a JE exercise. It looked only at gender, but covered all aspects of pay, progression and recruitment for which data were available. The review process included a sample of staff (around 20 per cent) with representatives from all staff groups (as advised by consultants). As the review was still in progress, we were not able to ascertain the exact findings, or any impacts.

Case study 13 was a public sector organisation in Scotland. It employed around 500 staff, with a roughly equal gender split overall, but with slightly more men in the lower grades and slightly more women in senior grades - mostly because of the predominance of men in more manual, unskilled, lower grades. An interview was conducted with the head of HR. A job evaluation exercise was done prior to the EPR as part of an ongoing pay and grading review from 2000 to 2002, with the EPR being conducted after that and concluding in 2004. Based on the JE findings, the structure

had eight grades with a set number of increments, which were aimed at reducing the journey time between the minima and the maxima. The EPR was conducted because of a commitment to equalities and as a confirmatory exercise. The organisation wanted to use an independent body to undertake the review and specified that its chosen consultancy used the EOC's Equal Pay Review Kit. The interviewee stated that the organisation was very happy with the whole process, considering that the consultants adopted a very detailed approach and were of excellent quality. The interviewee also felt that the process gave them confidence that what they were doing was right. There were few surprises in the results. Mostly these confirmed issues that the organisation was already geared-up to address. As the review was concluded shortly before the research was conducted, it was too early to know if it had had any impact. The organisation was working through the recommendations, and expected to repeat the EPR in a few years.

Case study 14 was a public sector organisation based in Scotland, employing several thousand people. Interviews were conducted with a reward specialist and a trade union representative. The organisation was a male dominated one, with 20 per cent being female. The main operational areas of the organisation were almost entirely male, and women were concentrated in the support areas, such as customer service, planning, finance, IT and HR. The organisation had been through a major pay restructuring exercise to bring together three different establishments. Union influence, and the desire to pursue professional best practice, determined that equal pay was a consideration in this exercise, and in particular, in the design of a new job evaluation system. No comparison of the pay of men and women was undertaken prior to the introduction of the new pay arrangements, since any analysis at this stage would have been made redundant upon implementation of the new job evaluation and grading structure. A simple comparison of the average pay of men and women in grades was conducted post-implementation with the encouragement of the Scottish Executive. This showed no significant pay gaps. The organisation expects to conduct further analyses of this kind in the future.

Case study 15 was a public sector organisation based in Wales, employing over 1,000 staff. Interviews were conducted with a trade union representative and an HR manager. At the time of the interview, an EPR had not yet been carried out, but a JE exercise had been carried out for non-operational staff. This had resulted in a new pay system being introduced to combine the two pay scales that previously existed for non-operational staff. The JE exercise was part of a national initiative. The trade union was heavily involved and has been pushing for a review for some time. The most significant gains were made among such staff as cleaners, maintenance, cooks and gardeners. Other gains were made by senior officers, such as engineers, because of the nature of their off-site work 'in all weathers'. The organisation plans to carry out an EPR in the near future.

Case study characteristics

For ease of reference, the key characteristics of each case study organisation, as shown in the individual tables in the main body of the text, are drawn together on the following pages.

Case study 1

Sector:	Public
% women:	55
Main occupations:	Management; specialist professions; customer service; administration
Unionised?	Yes
Key aspects of previous pay arrangements:	Job-evaluated single structure based on pay grades incorporating pay ranges; some performance-related progression. Background of long pay scales, since reduced
Previous policy in relation to equal pay:	No specific policy or managerial training
Was this first EPR?:	Yes
When was current EPR conducted?:	2002-03
Reasons for conducting EPR:	To confirm progress on equal pay following earlier major restructuring. Cabinet Office guidance. Trade union pressure
Model for EPR:	EOC (Pre-EPR Kit); Cabinet Office guidance
EPR lead by:	Pay and benefits advisor
EPR involved:	Committee including diversity specialist; local trade union representative; trade union full-time officer
Was job evaluation assessed in EPR?:	Yes
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender, ethnicity, age
Workforce coverage of EPR:	All except senior management
Pay coverage of EPR:	Basic pay; starting salaries; performance awards; lease cars; temporary promotion; access to overtime
EPR data analysis:	Averages across organisation and by grade; distributions; cluster analysis
Summary of EPR findings:	Average equal work gap 1% to 2%, one area - 11%; incremental scales too long. Organisational pay gap 16%
Subsequent action taken:	Further investigation. Shortening of some scales
Future EPR plans:	Further EPR planned
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	Minimal - main changes had followed earlier restructuring
Costs of EPR:	One month total staff time. Reduction in pay scale steps 1% of pay bill
Overall employer view of process:	Positive
Problems in conducting the EPR:	Problematic trade union role

Case study 2

Sector:	Manufacturing
% women:	7
Main occupations:	Manufacturing; engineering; IT; clerical/administration
Unionised?	Yes
Key aspects of previous pay arrangements:	Two separate structures: main graded system using Watson Wyatt JES; management grades Hay JES. Zone-based progression incorporating elements of service, competence acquisition and performance
Previous policy in relation to equal pay:	None
Was this first EPR?:	Yes
When was current EPR conducted?:	2002
Reasons for conducting EPR:	EOC publicity, especially in relation to pay gaps among graduates
Model for EPR:	EOC's EPR Kit
EPR lead by:	Head of HR and Employee Relations
EPR involved:	Corporate diversity manager; local managers; two trade union representatives; consultant
Was job evaluation assessed in EPR?:	No
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Limited to two groups (Logistics planners and graduates)
Pay coverage of EPR:	Basic pay
EPR data analysis:	Averages
Summary of EPR findings:	Equal work gap 0% to 6.5%
Subsequent action taken:	Further investigation. No pay changes
Future EPR plans:	Establishing internal working group/tool kit on pay discrimination. No extension of EPR planned
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	None
Costs of EPR:	Four months - highly labour intensive. 'Not worth the effort'
Overall employer view of process:	Negative
Problems in conducting the EPR:	Database problems

Case study 3

Sector:	Services (other)
% women:	34
Main occupations:	Management; administration; skilled and semi-skilled engineering; call centre
Unionised?	Yes
Key aspects of previous pay arrangements:	Job-evaluated job family based grading structures; some performance and market elements. Manual staff on spot rates. Hay JES applied to management and some other positions
Previous policy in relation to equal pay:	EO policy and diversity training for managers, but nothing specific on pay
Was this first EPR?:	No. Second review
When was current EPR conducted?:	2004
Reasons for conducting EPR:	Involvement in Kingsmill review
Model for EPR:	EOC's EPR kit
EPR lead by:	Reward Director
EPR involved:	HR directors; executive team; IT/Business analyst staff
Was job evaluation assessed in EPR?:	No
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Total earnings
EPR data analysis:	Averages by grade; ratios; medians; quartiles
Summary of EPR findings:	Equal work gap: -2% to 15%
Subsequent action taken:	None - major gap thought to be a data anomaly
Future EPR plans:	Annual reviews. Next EPR to focus on functions and business streams
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	Year on year data indicate improvement in most areas
Costs of EPR:	One month total staff time
Overall employer view of process:	Positive
Problems in conducting the EPR:	Database problems; distortions from company restructuring

Case study 4

Sector:	Services (other)
% women:	50
Main occupations:	Management; sales; drivers; call centre; administration
Unionised?	No
Key aspects of previous pay arrangements:	No JES used. Grade-based systems; market -based pay
Previous policy in relation to equal pay:	Just a general EO policy
Was this first EPR?:	Yes
When was current EPR conducted?:	2002
Reasons for conducting EPR:	Wanted to be sure that there were no internal problems relating to sex discrimination/equal pay legislation in the company
Model for EPR:	Advised by temporary member of staff with legal training
EPR lead by:	HR Manager
EPR involved:	Temporary member of staff who was legally trained
Was job evaluation assessed in EPR?:	Not in place
Basis of equal work comparison in EPR:	'Comparable jobs'
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Basic pay
EPR data analysis:	Averages
Summary of EPR findings:	No general problems identified
Subsequent action taken:	Individual cases dealt with on an individual basis
Future EPR plans:	Ongoing examination of equal pay as part of annual pay reviews
Whether gaps of 5% plus had been identified:	No
Impact of EPR on gender pay gap:	Resolving of individual issues
Costs of EPR:	No additional pay bill costs. Some staff time
Overall employer view of process:	Positive
Problems in conducting the EPR:	None

Case study 5

Sector:	Services (finance)
% women:	50
Main occupations:	Management; administration; finance and other professional; sales and customer service; IT
Unionised?	Yes
Key aspects of previous pay arrangements:	Hay JES used. Broad-banded structure for non-managerial grades; job families; performance-related pay; competence-based progression between grades; regional pay rates. Variations in practice between business units
Previous policy in relation to equal pay:	No specific pay-related policy
Was this first EPR?:	Yes
When was current EPR conducted?:	2003
Reasons for conducting EPR:	Trade union pressure; general and HR press coverage
Model for EPR:	EOC's EPR Kit
EPR lead by:	Rewards and Benefits Manager
EPR involved:	Other staff; consultants
Was job evaluation assessed in EPR?:	No
Basis of equal work comparison in EPR:	Band and job family
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Basic pay
EPR data analysis:	Averages
Summary of EPR findings:	Average equal work gaps: 2% to 7%
Subsequent action taken:	None
Future EPR plans:	More extensive EPR planned
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	None
Costs of EPR:	Six months' total staff time for limited review
Overall employer view of process:	Negative
Problems in conducting the EPR:	None

Case study 6

Sector:	Services (finance)
% women:	65
Main occupations:	Management; administration; finance and other professional; sales and customer service; IT
Unionised?	Yes
Key aspects of previous pay arrangements:	Hay JES used. Series of bands (levels) with two or more grades within each level - determined by role and JE outcome; performance-related pay; market rates
Previous policy in relation to equal pay:	No specific pay-related policy or training
Was this first EPR?:	Yes
When was current EPR conducted?:	2003-04
Reasons for conducting EPR:	Anticipated recruitment benefits; chief executive leadership; membership of Opportunity Now; trade union pressure; new HR database
Model for EPR:	EOC's EPR Kit
EPR lead by:	Diversity and Organisation Manager
EPR involved:	Reward managers from different divisions; lawyer
Was job evaluation assessed in EPR?:	Yes
Basis of equal work comparison in EPR:	Pay band
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Basic pay; bonuses; pay practices
EPR data analysis:	Averages
Summary of EPR findings:	Equal work gap: -4.5% to 15.9%. Red circling main cause; market/performance pay differences
Subsequent action taken:	Equal pay guidance and guidelines built into management training; differential pay reviews to address gaps
Future EPR plans:	Further EPRs
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	Not yet known
Costs of EPR:	Range of internal and external costs of review; action to address equal pay issues 'cost neutral'
Overall employer view of process:	Neutral
Problems in conducting the EPR:	Overly complex data. Skills gaps of those involved

Case study 7

Sector:	Services (other)
% women:	21
Main occupations:	Management; administration; operational roles
Unionised?	Yes
Key aspects of previous pay arrangements:	Broad-banded structure for managers and administrative staff; spot rates for operational staff
Previous policy in relation to equal pay:	None
Was this first EPR?:	No. Second review
When was current EPR conducted?:	2004
Reasons for conducting EPR:	Prevalence of the issue in HR media <i>etc</i> ; decision to take action 'sooner rather than later', rather than waiting to be prompted by government action or an Employment Tribunal case
Model for EPR:	EOC's EPR Kit
EPR lead by:	Group Compensation and Benefits Manager
EPR involved:	HR managers; compensation and benefits staff; legal staff; trade union representatives
Was job evaluation assessed in EPR?:	No
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Basic pay; subsequently salaries on recruitment; benefits
EPR data analysis:	Averages
Summary of EPR findings:	Equal work gaps -14% to 13%. Range of reasons for equal work gap. Organisation-wide gap 15%
Subsequent action taken:	Further investigation. Short term: action to prevent further exacerbation of gaps. Longer term: major pay structure review
Future EPR plans:	Further EPR
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	Not yet known
Costs of EPR:	Six months' total staff time
Overall employer view of process:	Positive
Problems in conducting the EPR:	Data collection; lack of robust data

Case study 8

Sector:	Public (HE)
% women:	Not sure
Main occupations:	Academic; academic-related; administration; manual
Unionised?	Yes
Key aspects of previous pay arrangements:	Separate grading structures for different occupational groups; service and performance-based progression for some
Previous policy in relation to equal pay:	None
Was this first EPR?:	Yes
When was current EPR conducted?:	2004
Reasons for conducting EPR:	Higher Education Funding Council for England HR funding strategy; decision to act 'sooner rather than later'
Model for EPR:	UCEA model
EPR lead by:	Director of Personnel Services
EPR involved:	Equal opportunities advisor and assistant; IT staff
Was job evaluation assessed in EPR?:	Not in place
Basis of equal work comparison in EPR:	Grade/job groups
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Only academic and related staff
Pay coverage of EPR:	Basic pay; starting salaries; progression
EPR data analysis:	Averages
Summary of EPR findings:	Equal work gaps 5% to 7%. Starting salary key reason
Subsequent action taken:	Awaiting outcomes of new JES
Future EPR plans:	Further more comprehensive review following JE exercise
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	None as yet
Costs of EPR:	Two months to complete; purchase of software: £3,000 - £4,000
Overall employer view of process:	Neutral
Problems in conducting the EPR:	None

Case study 9

Sector:	Services (finance)
% women:	70
Main occupations:	Managerial grades; professional; administration; sales
Unionised?	Yes
Key aspects of previous pay arrangements:	Hay-evaluated grading structure including job families. Single pay spine except for executives; performance-related pay; market-related pay
Previous policy in relation to equal pay:	Had previously examined pay issues in general reviews of diversity; managers receive specific training
Was this first EPR?:	No. Third review
When was current EPR conducted?:	2004
Reasons for conducting EPR:	Potential recruitment benefits; like to be seen as 'early adopter' of good practice; seen to make good business sense; trade union emphasised importance of EOC and TUC publicity on the issue
Model for EPR:	Developed own approach
EPR lead by:	Senior Rewards Manager
EPR involved:	Reward team
Was job evaluation assessed in EPR?:	No
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Total pay, including bonus, <i>ad-hoc</i> payments. Length of service; appraisal history; promotion history; starting salaries (trade union representative not aware of this detailed analysis)
EPR data analysis:	Divergence; convergence; trend analysis
Summary of EPR findings:	Average equal work gap 5.9%. Range 2% to 13%. Reason for high gap recent promotion of women; some line management action
Subsequent action taken:	Analysis just completed
Future EPR plans:	Action points to be developed
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	Some reduction on previous year's gaps
Costs of EPR:	Two weeks to complete
Overall employer view of process:	Positive
Problems in conducting the EPR:	None

Case study 10

Sector:	Public
% women:	47
Main occupations:	Customer services staff; academic staff; support staff
Unionised?	Yes
Key aspects of previous pay arrangements:	Grading system with large number of grades and incremental progression within grades; limited market-rate assessment. Not job evaluated prior to review
Previous policy in relation to equal pay:	EO policy with no reference to pay
Was this first EPR?:	Yes
When was current EPR conducted?:	1999-2001, followed by monitoring on an annual basis
Reasons for conducting EPR:	Awareness of equal pay problems in existing equal pay system
Model for EPR:	EOC task force template
EPR lead by:	HR Manager
EPR involved:	Other staff; plus steering group covering main occupational groups and trade union representatives. Assisted by consultants
Was job evaluation assessed in EPR?:	New scheme developed
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender, ethnicity, age
Workforce coverage of EPR:	All except Director
Pay coverage of EPR:	Basic salaries; total pay; overtime; appraisal scores; promotion rates; starting salaries
EPR data analysis:	Averages. Exploration of statistical relationships between factors
Summary of EPR findings:	Organisational gap 19% basic pay; 29% total. Equal work gaps of up to 40%. Main causes progression and overtime arrangements
Subsequent action taken:	Major pay structure review
Future EPR plans:	Annual 'mini-reviews'
Whether gaps of 5% plus had been identified:	Yes
Impact of EPR on gender pay gap:	Organisational total pay gap reduced to 13%; no gender pay gap within grades
Costs of EPR:	About £40,000 in salary and consultants' costs; 25% added to pay bill. Three years in total; one person, 18 months, full-time
Overall employer view of process:	Positive
Problems in conducting the EPR:	Slowness of job evaluation process

Case study 11

Sector:	Public
% women:	40
Main occupations:	Professional; administration
Unionised?	Yes
Key aspects of previous pay arrangements:	Job Evaluation and Grading Support scheme evaluated separate pay structures for the two groups. One based on pay ranges and bands; other on grades with incremental progression plus performance-related pay. Background of long pay scales, since reduced
Previous policy in relation to equal pay:	None
Was this first EPR?:	Yes
When was current EPR conducted?:	2001-02
Reasons for conducting EPR:	Prompting from Cabinet Office; seen as good practice
Model for EPR:	EOC's EPR Kit and Cabinet Office guidance
EPR lead by:	Head of Reward
EPR involved:	Payroll staff; independent advisor; trade union representatives
Was job evaluation assessed in EPR?:	No
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Pay; overtime <i>etc.</i> ; subsequently processes such as allocation of overtime
EPR data analysis:	Trends; averages
Summary of EPR findings:	All equal work gaps 'within EOC limits'. Some areas of potential discrimination
Subsequent action taken:	Move to single pay system for all staff. Impact assessments of pay and other practices under Race Relations Amendment Act. Dealing with anomalies
Future EPR plans:	Introduction of training on equal pay issues; annual EPRs
Whether gaps of 5% plus had been identified:	No
Impact of EPR on gender pay gap:	None as yet
Costs of EPR:	£15,000 in internal and external costs
Overall employer view of process:	Positive
Problems in conducting the EPR:	None

Case study 12

Sector:	Services (finance)
% women:	56
Main occupations:	Management; finance and other professional; IT; customer service; administration
Unionised?	Yes
Key aspects of previous pay arrangements:	Two grading systems for two parts of the business job families for some roles; different JE systems, performance-related bonus; market-related pay
Previous policy in relation to equal pay:	Previously conducted reviews of annual pay increases for evidence of gender pay bias. EO policy with no specific reference to pay
Was this first EPR?:	Yes
When was current EPR conducted?:	2003
Reasons for conducting EPR:	To give recruitment advantage; seen as good practice; major pay restructuring being undertaken
Model for EPR:	Own model designed by consultant
EPR lead by:	Reward consultant
EPR involved:	Employee records staff; HR manager; consultants; trade union involvement planned
Was job evaluation assessed in EPR?:	Yes - and used actively in EPR
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Sample of workforce
Pay coverage of EPR:	All aspects of pay; benefits; training; recruitment; progression
EPR data analysis:	Averages; factors influencing pay differences
Summary of EPR findings:	No significant equal work gaps; some individual anomalies; impact of gender segregation
Subsequent action taken:	Review not completed at time of research
Future EPR plans:	Development of action plan; need for better data and recording of information in future; probable biannual EPRs
Whether gaps of 5% plus had been identified:	No
Impact of EPR on gender pay gap:	None as yet
Costs of EPR:	Not completed, so not known
Overall employer view of process:	Positive
Problems in conducting the EPR:	Some record-keeping problems

Case study 13

Sector:	Public
% women:	50
Main occupations:	Managerial; professional; business-facing; research; skilled manual; administration
Unionised?	Yes
Key aspects of previous pay arrangements:	Job evaluated grading structure introduced in 2002; market supplements; service-related progression; performance element
Previous policy in relation to equal pay:	Had included future aim to do EPR in design of pay structure
Was this first EPR?:	Yes
When was current EPR conducted?:	2003-04
Reasons for conducting EPR:	Seen as good practice; wanted to confirm pay system free of bias
Model for EPR:	EOC's EPR Kit
EPR lead by:	Consultants
EPR involved:	Consultants; project manager; HR staff; equalities manager
Was job evaluation assessed in EPR?:	Yes
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Whole workforce
Pay coverage of EPR:	Extensive (see main text); included reviews of promotion policy
EPR data analysis:	Not known
Summary of EPR findings:	No significant gaps; but some areas of potential difficulty (e.g. some red-circled allowances)
Subsequent action taken:	Action plan to address potential problem areas
Future EPR plans:	Future EPR; training for those responsible for pay decisions
Whether gaps of 5% plus had been identified:	No
Impact of EPR on gender pay gap:	None as yet
Costs of EPR:	£25,000 external cost, plus some internal staff time
Overall employer view of process:	Positive
Problems in conducting the EPR:	Took longer than expected because of problems writing final report

Case study 14

Sector:	Public
% women:	20
Main occupations:	Managerial; skilled and semi-skilled manual workers; customer services; commercial; administration; scientist and other professional groups
Unionised?	Yes
Key aspects of previous pay arrangements:	Three different job-evaluated structures for three different parts of the business; service-related progression; regional pay; spot salaries. One structure with pay ranges
Previous policy in relation to equal pay:	One of the three pre-existing job evaluation schemes had included equal pay principles in design. Otherwise just general EO statements - equal pay generally not felt to be an issue
Was this first EPR?:	Yes
When was current EPR conducted?:	2003-04
Reasons for conducting EPR:	Major pay restructuring being undertaken; trade union pressure
Model for EPR:	Analysis required by Scottish Executive; EOC's EPR Kit
EPR lead by:	Reward Manager
EPR involved:	Reward Manager for EPR; large team for new pay system
Was job evaluation assessed in EPR?:	New scheme introduced
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	Gender
Workforce coverage of EPR:	Main workforce, but not senior management
Pay coverage of EPR:	Basic salary
EPR data analysis:	Averages
Summary of EPR findings:	No gender pay gaps; regional pay gaps identified
Subsequent action taken:	-
Future EPR plans:	Future EPRs as required by Scottish Executive
Whether gaps of 5% plus had been identified:	No
Impact of EPR on gender pay gap:	None
Costs of EPR:	Introduction of new pay structure took a year; 12 people full-time for 10 months. Subsequent review of equal pay data took a few days
Overall employer view of process:	Neutral
Problems in conducting the EPR:	None

Case study 15

Sector:	Public
% women:	12
Main occupations:	Managerial; semi-skilled manual; administration; other professional groups
Unionised?	Yes
Key aspects of previous pay arrangements:	Three pay scales for three different staff groups; two of which were incremental scales; one of which had a single point; annual bonus for one group; premium rates
Previous policy in relation to equal pay:	EO policy
Was this first EPR?:	No EPR to date
When was current EPR conducted?:	No EPR to date
Reasons for conducting EPR:	Introduction of new job-evaluated pay structure (review has not yet been conducted)
Model for EPR:	Local government job evaluation; no full EPR to date
EPR lead by:	No separate EPR, job evaluation exercise led by Personnel Manager
EPR involved:	Trade union representatives; staff consultation
Was job evaluation assessed in EPR?:	Yes
Basis of equal work comparison in EPR:	Grade
Demographic coverage of EPR:	No EPR to date
Workforce coverage of EPR:	No EPR; job evaluation covered non-operational staff
Pay coverage of EPR:	No EPR to date
EPR data analysis:	Analysis not undertaken at time of research
Summary of EPR findings:	No EPR to date
Subsequent action taken:	No EPR to date
Future EPR plans:	Plan to conduct first full EPR in 2005
Whether gaps of 5% plus had been identified:	No EPR to date
Impact of EPR on gender pay gap:	No EPR to date
Costs of EPR:	No EPR to date
Overall employer view of process:	Positive (about job evaluation, no EPR)
Problems in conducting the EPR:	No EPR to date