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# **Equal pay reviews survey 2005**

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**IFF Research**



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Equal Opportunities Commission



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Lorna Adams, Katie Carter and Stefan Schäfer

IFF Research



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## EXECUTIVE SUMMARY

The equal pay reviews survey 2005 was conducted by IFF Research Ltd on behalf of the Equal Opportunities Commission (EOC) as a follow up to previous EOC research on equal pay reviews (EPRs) in Britain. Both the EOC and the Government have set targets for completion of EPRs amongst GB organisations. The EOC set targets in 2001 that 50% of large organisations (those with 500 or more employees) should have completed an EPR by the end of 2003 and that 25% of other organisations should have done so by the end of 2005. The Government has set a Public Service Agreement (PSA) target for large organisations only; as revised in 2004, this is that 45% of large organisations should have completed an EPR by 2008.

As in 2004, and all earlier surveys in this series, interviewing was conducted by telephone using CATI (Computer Aided Telephone Interviewing) technology. Sampling was undertaken at the enterprise level and was drawn from a population of organisations with their headquarters in Britain with 25 or more employees.

All GB organisations were divided into four sectors – manufacturing, construction, private services and public sector. In previous years, the survey only covered three sectors (manufacturing, private services and public sector) and was not exhaustive of all industries. The change means that differences between the public and private sectors can be fully explored for the first time. Quotas were set by size of organisation and sector interlocked within each of England, Wales and Scotland. As for previous surveys, the sample was sub-divided into smaller (25-99 employees), medium-sized (100-499 employees) and large (500 or more employees) organisations. At the analysis stage, results were weighted to the profile of enterprises in Britain. The sample was drawn from the Dun & Bradstreet database, with a total of 872 interviews being conducted in October and November 2005. Where results are described as 'significant', this is at the 95% confidence level, i.e. the research team is 95% confident that the difference reported is 'real' and not the result of sampling error.

## KEY FINDINGS

The Government has been encouraging organisations voluntarily to carry out EPRs since 2001. The findings show that progress in EPRs is stalling amongst large employers; that interest is waning significantly amongst smaller private sector employers; and that, whilst public sector progress is better, much depends on the carrying through of existing plans. Many employers appear not to be following the EOC's Code of Practice on Equal Pay recommendations when carrying out EPRs.

Amongst large organisations with 500 or more employees, 14% had completed an EPR by 2003. This doubled to 33% by 2004. But between 2004 and 2005, activity stagnated, with only 34% of large employers stating in 2005 that they had completed an EPR. On the current rate of change, the Government will not meet its target.

The stagnation in EPR activity among large organisations has occurred in both the public and the private sector. In 2005, 34% of large private sector organisations and 33% of large public sector organisations had completed an EPR, percentages which were very similar to those for 2004. However, the overall incidence of EPR activity amongst large organisations is significantly higher in the public sector; 28% had a first EPR in progress in 2005, compared with only 5% of organisations in the private sector. Moreover, over half of large private sector organisations reported no past EPR activity and were not planning to conduct their first EPR within the next twelve months; this compares with a third of large public sector organisations.

In 2005, 10% of organisations with 25-99 employees and 16% of those with 100-499 employees had completed an EPR. The figures are affected by a significant decline in reported activity over the past two years amongst small private services employers. In 2004, 30% of such employers reported some EPR activity; the equivalent figure for 2005 was only 10%. There are likely to be two key reasons: a greater understanding now of the characteristics of an EPR, so that some (past) pay reviews would no longer be assessed as being *equal* pay reviews and a higher proportion of small businesses than previously now being unsure whether they have completed an EPR or not. Some past EPR activity may also be being overlooked.

Overall, six out of seven organisations (82%) reported in 2005 that they had never carried out an EPR, had none in progress and had no plans to conduct one. This compares with 68% in each of the last two years.

In total, only 11% of organisations reported that they had done, or were currently doing, an EPR that included checking for both equal pay and equal value, a recommendation in the statutory Code of Practice on Equal Pay. The figure was higher for large organisations (27%) than for small ones (9%); it was also higher for the public sector (22%) than for the private sector (10%).

Three-fifths (58%) of those with some EPR activity stated that being seen as a 'good practice' employer was the main reason for undertaking a review. The most common reason cited by employers for not undertaking a review was that they believed their pay systems were not discriminatory.

## MAIN FINDINGS

### EPR activity in large organisations

In 2005, a third of large organisations (34%) had completed an EPR. Large organisations were more likely than medium-sized and smaller organisations to have completed an EPR, to be in the process of conducting an EPR and to have an EPR planned; they were thus less likely to have had no EPR activity. However, after a substantial increase in EPR activity between 2003 and 2004, the proportions of large organisations with a completed EPR and with no EPR activity were very similar in 2004 and 2005.

A third of large organisations in both the public sector and the private sector reported that they had completed an EPR in 2005; similarly, a third reported no EPR activity. However, large public sector organisations were much more likely to have had a first EPR in progress than those in the private sector.

### Incidence of EPR activity by sector for large organisations, 2004 and 2005

	Per cent:					
	Public sector		Private sector		All	
	2004	2005	2004	2005	2004	2005
Completed	36	33	32	34	33	34
First EPR in progress, but none completed	<b>10</b>	<b>28</b>	6	5	7	10
Plans to conduct first EPR, but none in progress or completed	17	10	13	14	14	13
---- first EPR planned within 12 months	11	7	10	7	10	7
---- first EPR planned to start more than 12 months in the future / no fixed start date / don't know	6	3	3	7	4	6
No EPR activity	37	30	48	47	46	43
<i>Base: All businesses</i>	<i>58</i>	<i>60</i>	<i>117</i>	<i>170</i>	<i>175</i>	<i>230</i>

*Notes:* Figures in bold indicate a statistically significant change between the two years.

*Source:* Equal pay reviews survey 2005.

The EOC's target for large organisations – that 50% should have completed an EPR by the end of 2003 – had therefore still not been met by the end of 2005. On the

current rate of change, the Government will not meet its target for large organisations by 2008.

### EPR activity in smaller and medium-sized organisations

In 2005, a higher proportion of medium-sized organisations (16%) than small organisations (10%) reported that they had completed an EPR. The proportion of small organisations reporting completed EPRs fell from 21% to 10% between 2004 and 2005 and there was an increase in no EPR activity from 71% to 87%. This was very largely due to a decline in activity amongst small organisations in the private services sector. In 2004, 30% of such employers reported some EPR activity; the equivalent figure for 2005 was only 10%. There are likely to be two key reasons for this: a greater understanding now of the characteristics of an EPR, so that some (past) pay reviews would no longer be assessed as being *equal* pay reviews and a higher proportion of small businesses than previously now being unsure whether they have completed an EPR or not. Some past EPR activity may also be being overlooked.

### Incidence of EPR activity in small and medium-sized organisations, 2004 and 2005

	Per cent:			
	25-99		100-499	
	2004	2005	2004	2005
Completed	<b>21</b>	<b>10</b>	19	16
First EPR in progress, but none completed	<b>0</b>	<b>2</b>	5	2
Plans to conduct first EPR, but none in progress or completed	<b>8</b>	<b>2</b>	11	7
---- first EPR planned within 12 months	3	1	7	3
---- first EPR planned to start more than 12 months in the future / no fixed start date / don't know	<b>5</b>	<b>1</b>	4	4
No EPR activity	<b>71</b>	<b>87</b>	<b>65</b>	<b>74</b>
<i>Base: All businesses</i>	282	382	193	260

Notes: Figures in bold indicate a statistically significant change between the two years.

Source: Equal pay reviews survey 2005.

### **Overall EPR activity**

In 2005, 12% of organisations had completed an EPR, 3% were in the process of conducting one and 9% had plans to conduct one. The great majority (82%) had not completed an EPR, had no EPR in progress and did not plan to conduct one. The equivalent figure for no EPR activity for both 2003 and 2004 was 68%.

Despite the decline in EPR activity, it is estimated that a quarter (27%) of those employed in GB organisations with 25 or more staff work in organisations that have completed an EPR and over half (53%) work in organisations that have reported some EPR activity.

### **Checking for equal pay and equal value**

The EOC's Code of Practice on Equal Pay states that a properly conducted EPR should check for differences in pay by sex where men and women are doing the same jobs and where they are doing different jobs which are of equal value. The proportion of employers reporting that these key checks had been included within the scope of their completed or in progress EPR was significantly higher in 2005 (74%) than in 2004 (56%). Similarly, the proportion which conducted neither check fell from 24% to 13%.

A higher proportion of small organisations (81%) than medium-sized (67%) or large organisations (61%) had completed both checks in 2005. In contrast, in 2004, large organisations were more likely than smaller ones to have done so.

In total, only 11% of organisations reported that they had done, or were currently doing, an EPR that included checking for both equal pay and equal value. The figure was higher for large organisations (27%) than for small ones (9%), reflecting the greater past and present EPR activity amongst the former group; it was also higher for the public sector (22%) than for the private sector (10%) overall.

Large public sector organisations were more than twice as likely as large private sector organisations to have completed, or to be conducting, an EPR involving both equal pay and equal value checks; 46% of the former group had done so, compared with only 21% of the latter group.

### **Reasons for conducting an EPR**

Three-quarters of organisations mentioned the wish to be seen as a 'good practice' employer as a reason for conducting an EPR and it was the *main* reason for 58% of organisations. Three-fifths of organisations mentioned that conducting an EPR was

seen as good business sense, although only 17% chose this as their most important reason for doing so.

While both public sector and private sector organisations most commonly stated that they conducted an EPR in order to be seen as a good practice employer, the former were more likely than the latter to cite Government and EOC publicity or policy as reasons for doing so.

The great majority of organisations that reported no EPR activity stated that this was because they believed that their pay systems were not discriminatory (85%). This was also easily the most popular reason in 2004. Two-fifths of organisations stated that senior management did not see the need for a review.

Public sector organisations were significantly less likely than private sector ones to state that they had no involvement with an EPR because senior management did not see the need for a review. They were significantly more likely to state that they had not done so because their workforces were largely female.

### **The EPR process**

Overall, 71% of organisations which had already completed an EPR or had one in progress stated that they used their own review process rather than bringing in outside help. One in four mentioned engaging the services of external consultants (an increase in the proportion using consultants in 2004).

As in 2004, public sector employers were more likely than businesses in the private sector to draw upon help and advice from outside their organisation when performing an EPR. They were thus less likely to use their own review process (43%, compared with 74%) and more likely to make use of the EOC Equal Pay Review Kit or other models and standards.

### **EPR results**

An EPR is primarily a tool to enable employers to ensure that their pay system delivers equal pay, as defined in the Equal Pay Act. An EPR is mainly concerned with an important, but narrow, aspect of sex discrimination in employment – unequal pay for equal work. It does not directly require employers to address other aspects of inequality, such as occupational segregation, or the lack of flexible working in higher paid jobs, which we know are also key causes of the pay gap. Some employers will use a pay review to take action on these areas too. However, the EPR focus on whether or not a pay system may be giving rise to pay gaps that could be the subject of legal challenge means that responses to questions about the pay gap will under-report the extent of the broader gender pay gap. Moreover, as only 11% of

organisations reported that they had done, or were currently doing, an EPR that includes checking for both equal pay and equal value, there will also have been under-reporting of the extent of pay discrimination – unequal pay for equal work.

One in ten organisations that had completed or were conducting EPRs reported having discovered pay gaps that could not be satisfactorily explained on grounds of other than sex – twice the proportion of 2004 and in line with the suggestion that employers have an increased understanding of the process of investigating equal pay. Moreover, in 2005, 13% of organisations had identified pay gaps between the average salary of men and working either in the same occupation or in occupations of equal value (this question was not asked in 2004). In total, 16% of organisations had identified either kind of pay gap.

As many as a third of the largest organisations had identified pay gaps of either kind, compared with less than a tenth of the smallest organisations. Public sector organisations were more likely than those in the private sector to have identified pay gaps of either kind.

### **EPR activity in England, Scotland and Wales**

Unlike in 2004, organisations with their headquarters in Wales were the most likely to have completed an EPR (17%). The equivalent figures for England and Scotland were both 12%. Compared with 2004, there was a marked fall in the proportion of organisations in England which had completed an EPR and similar, if smaller, falls in Scotland and Wales. Moreover, in all three countries, the proportion with no EPR activity increased.

When analysis by location is defined not by headquarters, but simply by whether an organisation operates in that country, the patterns were similar; organisations with locations in Wales were the most likely to have completed an EPR and the least likely to have had no involvement with an EPR whatsoever.

### **Future EPRs**

Just over half (53%) of organisations that had conducted or were conducting an EPR planned to conduct repeat EPRs annually. A further 18% said that they would repeat the process biannually. A much higher proportion (20%) than in 2004 (5%) said that they had no plans to conduct further EPRs. This further confirms the picture of an overall slowdown in EPR activity.



# 1. INTRODUCTION

## 1.1 Background

The Equal Pay Act of 1970 granted individuals the right to have the same contractual pay and benefits as a person of the opposite sex in the same employment, in cases where men and women are doing:

- Like work.
- Work considered to be equivalent under an analytical job evaluation study.
- Work that is proved to be of equal value.

However, while the intentions of this act are clear (and the financial implications of the discovery of 'unexplainable' pay gaps are serious for employers affected), there remains considerable evidence to suggest that the gender pay gap persists.

In part, this persistence of the gender pay gap may result from the fact that establishing whether or not any unfair treatment is taking place within an individual organisation involves a thorough review of job roles and remuneration. This is what an equal pay review (EPR) aims to achieve. This process enables employers to identify if there are any situations within their workforce where men and women receive different levels of pay and/or benefits for reasons that can not be explained except by sex.

An EPR is primarily a tool to enable employers to ensure that their pay system delivers equal pay, as defined in the Equal Pay Act. An EPR is mainly concerned with an important, but narrow, aspect of sex discrimination in employment – unequal pay for equal work. It does not directly require employers to address other aspects of inequality, such as occupational segregation, or the lack of flexible working in higher paid jobs, which we know are also key causes of the pay gap. Some employers will use a pay review to take action on these areas too.

At present, employers are **not** required by statute to carry out an EPR. The Equal Opportunities Commission (the EOC) and various trade unions have campaigned to close the gender pay gap and the Government has been encouraging organisations voluntarily to carry out EPRs, but it remains reluctant to impose a statutory duty on employers to introduce EPRs. The EOC is keen to promote the conduct of EPRs as part of a broader responsibility on employers to close the gender pay gap and offers a range of advice and support to interested employers (including a comprehensive 'Equal Pay Review Kit'). Since 2001, the EOC has been conducting work to monitor the proportion of businesses that have undertaken an EPR, their experiences of

doing so and the extent to which they have identified pay gaps as a result (Morrell, Boyland, Munns and Astbury, 2001; Neathey, Dench and Thomson, 2003; Brett and Milsome, 2004; Schäfer, Winterbotham and McAndrew, 2005; Neathey, Willison, Akroyd, Regan and Hill, 2005). This report outlines the findings of the most recent wave of this research.

Both the EOC and the Government have set targets for completion of EPRs amongst GB organisations. The EOC set targets in 2001 that 50% of large organisations (those with 500 or more employees) should have completed an EPR by the end of 2003 and that 25% of other organisations should have done so by the end of 2005. The Government has set a Public Service Agreement (PSA) target for large organisations only; as revised in 2004, this is that 45% of large organisations should have completed an EPR by 2008. It should be noted that both the EOC's targets and the Government's targets are purely quantitative in nature; neither refer directly to how the EPRs should have been conducted.

As the report will show, in a significant number of organisations, EPR activity has been taking place for five years or more. While this has deepened our knowledge of the process, it could also mean that when questions are asked retrospectively, some information may be overlooked. This issue is discussed further in section 3.11.

## **1.2 Reporting conventions**

Unless explicitly noted, all findings presented in this report are based on weighted data. Unweighted bases (the number of responses from which the findings are derived) are displayed where appropriate as an indication of the robustness of results.

In the interests of brevity, certain conventions are used in relation to the key variables by which analysis is carried out.

- All references to 'all employers' refer only to the employer population sampled for the survey (i.e. organisations based in England, Scotland or Wales with 25 or more employees, across all sectors).
- All references to 'country', unless otherwise stated, refer to the country in which the organisation's head office is based.
- All references to 'size' refer to the number of employees an organisation has across all of its sites in Great Britain, rather than any other measure of organisation size (annual turnover, number of sites, etc.)

All references to statistical significance within this report are at the 95% confidence level. That is to say, we are 95% confident that the difference reported is 'real' and not the result of sampling error.

Within data tables shown in the report, the symbol “\*\*” indicates a finding of under 0.5 and the symbol “-“ indicates a finding of exactly 0. Unless otherwise stated, percentages in data tables are *column* percentages, indicating the proportion of the column total, rather than the proportion of the total in the row.

## **2. METHODOLOGY**

### **2.1 The telephone survey**

As in 2004, and all earlier pay review surveys in this series, interviewing was conducted by telephone using CATI (Computer Aided Telephone Interviewing) technology. Interviewing took place between 5 October and 4 November 2005.

In the first instance, we asked to speak to the most senior person within the organisation responsible for human resources issues. This was expected to be the HR manager or director in a large organisation and the owner or managing director in smaller ones. However, this was done with the expectation that the initial contact – especially in larger organisations – might pass the interviewer on to a colleague with more specific responsibility for equal opportunities issues.

### **2.2 Sampling**

Sampling was undertaken at the enterprise level, meaning that in the case of organisations with more than one site, we spoke to the head office and they answered for their whole organisation. Many studies investigating HR practices sample at the level of individual sites or individual workplaces. However, as in 2004, it was felt that EPRs were more likely to have been implemented with direction from head offices, rather than being conducted independently by individual sites, making the head office the more relevant contact point for this survey.

The sample was drawn from the Dun & Bradstreet business database, selecting only single-site organisations or the head offices of multi-site organisations. In 2004, the sample for the survey had been drawn from the Experian business database (formally BT's business database). While the Experian coverage is extremely comprehensive, it has been compiled on the basis of establishments or workplaces rather than organisations. In 2004, the 'Head Office' flag on the database was used to select records to draw. Our experience was that this flag was of variable quality and a good proportion of the records drawn were screened out because they were not in fact head offices. On the basis of this experience, using Dun & Bradstreet as a sample source was considered the more efficient approach.

While at an overall level, the Dun & Bradstreet database is not quite as comprehensive as the Experian database, it was primarily compiled on an organisation basis. It is also the case that Experian's superior coverage is largely at the smaller end of the scale, i.e. businesses that are outside the scope of this survey.

It should be emphasised that the approach adopted for the 2005 survey, as indeed for all previous EOC surveys on EPRs, means that different organisations appear in the survey each year. It would, in theory, have been possible to have attempted to survey the *same* organisations that were covered in the 2004 survey in the manufacturing, private services and public sectors (but not to go back to those covered in the 2003 survey by a different research organisation). However, our view is that to re-contact the same organisations wouldn't be good practice in a measurement study. Since employers who have been contacted previously have (as a result of their participation in the research) a heightened awareness of EPRs, they could reasonably be expected to be more likely to undertake some EPR activity in subsequent years. Hence, the survey population could not then be deemed to be representative of the wider employer population. A sample survey of a representative cross-section of employers is therefore the best approach to measuring levels of activity.

A total of 872 interviews were conducted in Great Britain. For results at an overall level, this gives a maximum standard error of +/-3.3% with a 95% degree of confidence (for findings of around 50%).

Quotas were set within this total by country (location of head office) and, within country, by sector and size interlocked. The size quota was split into three bands: 25 to 99 employees; 100 to 499 employees; and 500 or more employees. In keeping with the 2003 and 2004 equal pay reviews surveys, those with less than 25 employees were excluded from the survey. The sector quota was based on four groups which together were exhaustive of all industries – manufacturing organisations, construction organisations, private sector services organisations and public sector organisations. Standard Industrial Classification (SIC) definitions of these sectors are shown in Table 2.1.

**Table 2.1 Sector definitions**

<b>Sector</b>	<b>Sector definition (2 digit 2003 SIC codes)</b>
Manufacturing	01-41
Construction	45
Private services	50-74 and 90-93
Public sector	75, 80, 85

In previous years, the survey covered only three sectors, which were defined as:

- Manufacturing: SIC 15-36.
- Public sector: SIC 75, 80, 85.
- Private services: SIC 50-74 and 90.

In terms of SIC codes, this means that these surveys excluded organisations whose primary business activity was agriculture, forestry and mining (SIC codes 01-14), utilities (40 and 41), construction (45), membership organisations (91) and leisure activities (92). In 2004, therefore, not all sections of industry were included in the sample frame. However, in order to ensure that the survey covered all industrial sectors, in 2005, forestry, mining and utilities organisations were included in the manufacturing sector, while membership organisations and leisure activities were added to the private services sector. Construction, which accounts for around 8% of all organisations in the GB population, was added as a separate sector. The inclusion of construction as a new sector and, to a lesser extent, the expansion of the SIC definitions of the existing sectors could have had a small, but not insignificant, effect on the comparability of overall findings. In practice, the difference made to results is small enough to be negligible and the distinction is not generally reported on.

Within each quota cell, sample was drawn on a '1 in n' basis – i.e. a stratified random sample approach was employed. In Scotland and Wales, quotas were set such that the smallest employers (those with between 25 and 99 employees) made up the largest proportion of the overall target. This was done to reflect the actual employment population within the two countries more closely and to make an analysis of the differences by country easier. In England, a target of 50 was set in each size-by-sector cell, thus under-representing the smallest organisations relative to their incidence in the population, but ensuring that analysis by size is possible across the sample.

The actual sample achieved is summarised below in Tables 2.2, 2.3 and 2.4, while Table 2.5 compares this with the sample achieved in previous surveys. Further details of the 2005 sample achieved can be found in Appendix 1.

**Table 2.2 Sample achieved in England**

<b>Sector</b>	<b>Total</b>	<b>Size:</b>		
		<b>25-99</b>	<b>100-499</b>	<b>500+</b>
Manufacturing	150	50	50	50
Construction	150	50	50	50
Private services	150	50	50	50
Public sector	152	50	50	52
<b>Total</b>	<b>602</b>	<b>200</b>	<b>200</b>	<b>202</b>

*Notes:* Interviews achieved are given as unweighted figures, indicating the actual numbers of interviews conducted in each cell.

**Table 2.3 Sample achieved in Scotland**

<b>Sector</b>	<b>Total</b>	<b>Size:</b>		
		<b>25-99</b>	<b>100-499</b>	<b>500+</b>
Manufacturing	32	20	8	4
Construction	31	21	6	4
Private services	35	23	8	4
Public sector	37	25	8	4
<b>Total</b>	<b>135</b>	<b>89</b>	<b>30</b>	<b>16</b>

*Notes:* Interviews achieved are given as unweighted figures, indicating the actual numbers of interviews conducted in each cell.

**Table 2.4 Sample achieved in Wales**

<b>Sector</b>	<b>Total</b>	<b>Size:</b>		
		<b>25-99</b>	<b>100-499</b>	<b>500+</b>
Manufacturing	35	25	6	4
Construction	28	19	9	0
Private services	35	24	7	4
Public sector	37	25	8	4
<b>Total</b>	<b>135</b>	<b>93</b>	<b>30</b>	<b>12</b>

*Notes:* Interviews achieved are given as unweighted figures, indicating the actual numbers of interviews conducted in each cell.

**Table 2.5 Sample achieved in previous EOC EPR surveys**

	2001	2002	2003	2004	2005
Total number of organisations	301	251	385	650	872
Small organisations (25-99 employees)	-	-	98	282	382
Medium-sized organisations (100-499 employees)	116 <sup>1</sup>	113	131	193	260
Large organisations (500+ employees)	185	138	156	175	230
Manufacturing	100	90	146	217	217 <sup>2</sup>
Construction	-	-	-	-	209
Private services	101	80	143	218	220 <sup>2</sup>
Public sector	100	81	96	215	226
England	264	218	-	450	602
Scotland	31	23	-	99	135
Wales	6	10	-	101	135
Organisations with locations in England	-	-	309	501	658
Organisations with locations in Scotland	-	-	115	195	245
Organisations with locations in Wales	-	-	92	174	220

Notes: <sup>1</sup> Organisations with 200 to 499 employees only.  
<sup>2</sup> Sector definitions enlarged in 2005.

Source: Equal pay reviews survey 2005; Schäfer et al, 2004, Table 2.5.

### 2.3 Weighting

Table 2.6 shows that the total of 872 interviews amounted to a little over 1% of the total population from which the sample was drawn.

**Table 2.6 Achieved versus population**

Number of interviews achieved	872
Population from which the sample was drawn	68,975
Achieved as a percentage of the population	1.3%

Source: Equal pay reviews survey 2005; ONS population figures.

Since quotas were set with the aim of achieving minimum targets for independent analysis, rather than to represent each cell in its true proportions, data at the analysis stage were weighted using data provided by ONS from the Inter-Departmental Business Register (IDBR). Hence findings are representative of the employer population with 25 or more employees within all sectors of industry in England, Scotland and Wales, and take into account, for example, the preponderance of small private services organisations. The profile of organisations in the sample population is shown in Table 2.7. The profile is little changed from 2004.

**Table 2.7 Sampled profile after weighting**

<b>Country</b>	<b>Size</b>	<b>Sector</b>	<b>Proportion of GB economy (%)</b>
<b>England</b>	25-99	Manufacturing	17.1
		Construction	5.5
		Private services	41.6
		Public sector	1.9
	100-499	Manufacturing	5.0
		Construction	0.9
		Private services	10.2
		Public sector	1.2
	500+	Manufacturing	1.1
		Construction	0.2
		Private services	2.8
		Public sector	1.1
<b>Scotland</b>	25-99	Manufacturing	1.4
		Construction	0.7
		Private services	3.6
		Public sector	0.1
	100-499	Manufacturing	0.5
		Construction	0.1
		Private services	0.8
		Public sector	0.1
	500+	Manufacturing	0.1
		Construction	0.0
		Private services	0.2
		Public sector	0.1
<b>Wales</b>	25-99	Manufacturing	0.8
		Construction	0.3
		Private services	1.8
		Public sector	0.1
	100-499	Manufacturing	0.3
		Construction	0.1
		Private services	0.3
		Public sector	0.1
	500+	Manufacturing	0.1
		Construction	0.0
		Private services	0.1
		Public sector	0.1

*Source:* Derived by IFF from ONS IDBR population figures for the population sampled.

As Table 2.7 shows, the great majority of employers in the survey population are based in England (nearly nine in ten organisations). Hence GB results will always overwhelmingly reflect the responses of English organisations. Just 7% are based in Scotland and 4% in Wales. Over two-fifths of organisations in the population are private services organisations (61%). A little over a quarter are manufacturing organisations, 8% are in the construction sector and just 5% are in the public sector. Nearly three-quarters of the population fall into the smallest size bracket (25-99 employees). A fifth have between 100 and 499 employees and just 6% have 500 or more employees. Just one cell of this table – private services organisations, with between 25 and 99 employees, with headquarters in England – makes up over two-fifths of the population.

Table 2.8 shows that there are relatively more manufacturing organisations in Wales than in the rest of Great Britain. And it is amongst the largest employers that the highest proportion of public sector employers are to be found (22%, compared with a GB average of 5%).

**Table 2.8 Variations in sector by country and size**

	GB	Country:			Per cent:		
		England	Scotland	Wales	25-99	100-499	500+
Manufacturing	26	26	25	31	26	30	22
Construction	8	7	11	8	9	6	4
Private services	61	62	60	54	63	58	53
Public sector	5	5	4	6	3	7	22

*Source:* Derived by IFF from ONS IDBR population figures for the population sample.

Table 2.9 shows that there is little variation in the size of organisations by country. Around three-quarters of organisations in all three countries are in the smallest bracket (25-99). Consequently, overall results are strongly dependent on the situation in these smaller organisations.

**Table 2.9 Variations in size by country and sector**

	GB	Country:			Per cent:			
		England	Scotland	Wales	Manuf.	Constr.	Private services	Public sector
25-99	75	75	76	77	73	83	77	45
100-499	20	20	19	19	22	14	18	29
500+	6	6	5	5	5	3	5	26

Source: Derived by IFF from ONS IDBR population figures for the population sample.

## 2.4 More detail on the sample achieved

Beyond these key quota variables, other important measures of the sorts of organisations that were interviewed were collected. These were, in particular, the proportion of female employees in the workforce and the countries of Great Britain within which the organisation has sites.

**Table 2.10 Proportion of workforce that is female overall**

	Per cent:
Less than 5%	9
Between 6 and 10%	11
Between 11 and 20%	11
Between 21 and 30%	12
Between 31 and 40%	10
Between 41 and 50%	11
Between 51 and 60%	14
Between 61 and 70%	9
Between 71 and 80%	9
Between 81 and 90%	2
More than 90%	3
Don't know	0
<i>Mean proportion</i>	<i>39.1</i>
<i>Base: All businesses</i>	<i>872</i>

Source: Equal pay reviews survey 2005.

The mean female proportion of the workforce among sampled employers was 39% (37% in 2004). There was limited variation across the three constituent countries and,

despite a slight increase of the proportion of female workers with size of organisation, the variation by number of employees was also modest (38% amongst the smallest employers sampled; 49% amongst the largest). Variation by sector, however, was marked.

Table 2.11 shows that establishments in the public sector tend to have a workforce with a substantial female majority. On average, nearly three-quarters of a public sector organisation's workforce is female. Women tend to be in the minority in the three private sectors – they form two-fifths of the average workforce in the private services sector, a third in the manufacturing sector and just an eighth amongst construction organisations.

**Table 2.11 Proportion of workforce that is female by sector**

	GB	Per cent:			
		Manuf.	Constr.	Private services	Public sector
Between 0 and 20%	30	35	83	24	1
Between 21 and 50%	33	42	13	33	9
Between 51 and 100%	37	23	3	42	88
<b>Mean proportion</b>	<b>39</b>	<b>33</b>	<b>13</b>	<b>42</b>	<b>73</b>
<i>Base: All businesses</i>	<i>872</i>	<i>217</i>	<i>209</i>	<i>220</i>	<i>226</i>

Source: Equal pay reviews survey 2005.

Tables 2.12 and 2.13 show the proportion of organisations *operating* in England, Scotland and Wales (rather than those with head offices in the country), first by sector and then by size.

**Table 2.12 Sector by location of sites**

	GB	Per cent:		
		Organisations with sites in ...		
		England	Scotland	Wales
Manufacturing	26	26	18	29
Construction	8	7	7	6
Private services	61	61	72	60
Public sector	5	5	3	4
<i>Base: All businesses with sites in the country</i>	<i>872</i>	<i>658</i>	<i>245</i>	<i>220</i>

Source: Equal pay reviews survey 2005.

**Table 2.13 Size by location of sites**

	GB	Per cent:		
		Organisations with sites in ...		
		England	Scotland	Wales
25-99	75	74	58	51
100-499	20	20	25	21
500+	6	6	7	27
<i>Base: All businesses with sites in the country</i>	872	658	245	220

Source: Equal pay reviews survey 2005.

As in 2004, the proportion of organisations with sites in Scotland and Wales that have 500 or more employees shows a sharp increase when this method of measuring location is used, rather than basing it on the location of head offices. Notice though that the employment size band is based on employees *in Great Britain as a whole*, not just on those of the organisation's sites that are located in the individual countries. Therefore, these figures indicate that it is the larger organisations that have multiple sites across the constituent countries of Great Britain. Variations in figures analysed by the location of an organisation's sites will, therefore, in the case of Scotland and Wales, reflect this increased influence of larger respondents.

## 2.5 The questionnaire

The questionnaire used in 2005 is based on that used in 2004, which in turn drew heavily on the 2003 study. This was done in order to maximise the potential for comparison over time. A copy of the questionnaire is included in Appendix 3. The principal changes were that new questions were added to:

- Determine whether the organisation in question was in the charity or voluntary sector.
- Assess whether respondents considered the methods employed to conduct the EPR had met their objectives and whether they were satisfied with the ways that they were going about their EPRs.
- Probe further into the outcomes of EPRs.

As in 2004, the incidence of the separate categories of EPR activity – 'Has conducted', 'Plans to conduct', 'In process of conducting' and 'No plans' – were

recorded separately, allowing for a full record of respondents' EPR activity, though complicating comparison with 2003 results.

Once the separate EPR activities had been recorded, a filter was applied to those reporting more than one stage of EPR activity. This determined which EPR the respondent should discuss for the remainder of the interview and helped respondents to focus on a particular EPR, rather than giving misleading or inconsistent information about several different processes. Routing within the questionnaire was then used to direct respondents to discuss only this EPR. The EPR they were asked about was determined by looking at the one which was the most recently started. This was done so that responses would be about the most up-to-date policies and outcomes.

The four possible categories of EPR activity, in order of priority, and the criteria for falling into these categories are shown in Table 2.14.

**Table 2.14 Categories of EPR activity**

<b>EPR category</b>	<b>Criteria</b>
EPR in progress	Organisation has an EPR in progress
Completed EPR	Organisation has completed an EPR, but does not have an EPR in progress
Planned EPR	Organisation has an EPR planned, but has neither completed an EPR nor has one in progress
No EPR	Organisation has not completed an EPR, does not have one in progress and has no plans to conduct one

*Source:* Equal pay reviews survey 2005 questionnaire.

### 3. EXTENT OF EQUAL PAY REVIEW ACTIVITY

This chapter discusses the incidence of EPRs. Where appropriate, comparisons are drawn with the levels of activity discovered in previous surveys and results are analysed principally by sector, size and country.

#### 3.1 Incidence of EPR activity

Table 3.1 gives the headline incidence of EPR activity in all 872 businesses surveyed. These figures show the overall incidence of EPR activity and, therefore, respondents may fall into more than one category (if they plan an EPR and have already completed an EPR, for example).

As in 2004, each respondent was given a short working definition, agreed with the EOC, of what an EPR is, on which to base their responses. The full text of the question is in Appendix 3 (question 7). This question was included to cut down on the number of 'false positives' given by organisations which were mistakenly describing other review processes as EPRs. These were either less rigorous than EPRs, or were focussed on aspects other than equal pay with regard to sex. Where respondents were still unsure of the status of pay reviews their organisation had carried out, further detail was given to clarify matters for respondents (see Appendix 3, question 7).<sup>1</sup>

**Table 3.1 Incidence of EPR activity overall, 2005**

	Yes	Per cent:	
		No	Don't know
Completed an EPR	12	80	8
In the process of conducting an EPR	3	94	2
Plans to conduct an EPR, but do not currently have a review in progress	9	84	7
No EPR activity		82	
<i>Base: All businesses</i>		872	

*Notes:* Row percentages used.

*Source:* Equal pay reviews survey 2005.

<sup>1</sup> The text of this paragraph was largely unchanged from 2004, although a slight rephrasing of the definition of 'factor-based' was introduced to give respondents more detail on the meaning of the term. The phrase, 'demands such as effort, skill and decision making' replaced 'its component parts', which had been used in the 2004 survey.

Over two-fifths (82%) of those interviewed had had no involvement with EPRs whatsoever. That is, they had not completed an EPR, did not have an EPR in progress and did not have plans to conduct an EPR at the time of the interview. Just under one in twelve had completed an EPR (12%). Only 3% were in the process of conducting an EPR, and a further 9% had plans to conduct an EPR, but did not currently have one in progress. The proportions of respondents who were either unsure whether their organisation had completed an EPR, or were unsure whether it was planning an EPR but did not have one in progress, were both reasonably high (8% and 7% respectively).

Two further EPR analysis variables were derived in 2004 and reference will be made to them where relevant in the rest of this report. These variables were *EPR discussed* and *EPR status*.

Since employers could be in more than one category within Table 3.1 (e.g. planning a future EPR, as well as having conducted one in the past), follow-up questions on the implementation of EPRs could potentially be answered by respondents on the basis of more than one process. This would have generated a conflicting or unclear picture. To avoid this, the questionnaire was designed so that respondents were asked about their *most recent* EPR activity only. Hence all those in the process of conducting an EPR were asked about this activity (3%). Those with an EPR completed, but none in progress, were asked about their completed EPR (11%) and those with just an EPR planned and none either completed or in progress were asked about that (4%). In the report, this variable is referred to as 'EPR discussed'.

### **3.2 EPR status**

EPR status consists of five categories derived from the EPR incidence data and information about when planned EPRs are expected to start. This gives a measure of how recently EPRs have been conducted in organisations and how frequently they have been repeated. The five mutually exclusive categories and the overall proportion of GB employers found to be in these categories are shown in Table 3.2.

Those who had already completed an EPR and had no further EPR in progress or planned made up 6% of organisations. Organisations that had completed an EPR and were either already engaged in a further EPR or had one planned made up another 6%. Similarly, those organisations that had not yet completed an EPR were split evenly between those which had their first EPR in progress, or planned for the following six months and those with an EPR planned for over six months away (3% of the total each).

**Table 3.2 EPR status overall, 2005**

	<b>Per cent:</b>
EPR completed only (none in progress, none planned)	6
EPR completed and repeating or planning to repeat	6
First EPR in progress or planned within six months	3
First EPR planned for over six months away	3
No EPR completed, none in progress and none planned	82
<i>Base: All businesses</i>	<i>872</i>

Source: Equal pay reviews survey 2005.

### 3.3 Incidence of EPR activity in previous years

The most straightforward and relevant comparison of the incidence of EPR activity is with that reported in 2004. Table 3.3 below shows the incidence in 2004, and two sets of figures for 2005 – those for the total sample, based on all interviews conducted in all sectors, and those for interviews conducted in the sectors of industry included in the 2004 survey only.

**Table 3.3 Incidence of EPR activity overall, 2004 and 2005**

	<b>2004</b>	<b>Per cent:</b>	
		<b>2005</b> <i>(comparable sectors)</i>	<b>2005</b> <i>(total sample)</i>
Completed an EPR	21	12	12
In the process of conducting an EPR	5	3	3
Plans to conduct an EPR, but do not currently have a review in progress	20	8	9
No EPR activity	68	82	82
<i>Base: All businesses</i>	<i>650</i>	<i>644</i>	<i>872</i>

Source: Equal pay reviews survey 2005; Schäfer et al, 2004, Table 3.1.

This comparison tells a clear and rather surprising story. Between 2004 and 2005, there was a fall of 9 percentage points in the proportion of employers reporting that they had completed an EPR, a fall of 2 percentage points in the proportion reporting that they were in the process of conducting an EPR and a fall of 11 percentage points in the proportion planning to conduct an EPR that did not have an EPR in progress. The 82% of organisations that reported no involvement with an EPR in 2005 showed

an increase of 14 percentage points since 2004, indicating a quite significant reduction in EPR activity.

With the exception of the fall in the proportion currently conducting an EPR, these changes are statistically significant at the 95% level, meaning that they are unlikely to be the product of random sampling error. However, the fall in the proportion of organisations that had completed an EPR is unlikely to be true of the actual population. An organisation that had (ever) completed an EPR at the time of the 2004 survey had still, logically, completed an EPR at the time of the 2005 survey. The only way in which a fall in the population statistic (as opposed to the survey statistic) could have occurred would be a large turnover in the organisations making up the population, with organisations that had completed an EPR closing down and being replaced by new organisations that had not yet completed one. It seems extremely unlikely that this can fully explain the level of change experienced. Data on business survival rates are available from the Small Business Service, but since these cover all businesses registered for Vat (over 90% of which have fewer than 20 employees), it is not possible to estimate survival rates for those with 25 or more employees. It is also worth reiterating here that the nature of the survey design means that, as noted in section 2.2, the *same* organisations are not being compared directly on a year by year basis.

As can also be seen from Table 3.3, the fall can not be attributed to the changes to the sample frame that took place between 2004 and 2005 (the inclusion of extra industries to broaden the sectoral coverage of the research). The incidence of EPR activity when the data are filtered to exclude the new additions is virtually identical to that for the total sample.

Factors other than changes in the sample structure or an actual fall in the population statistic, therefore, appear to be the cause for this fall in reported EPR activity. Possible specific causes for the seemingly paradoxical fall in the proportion with a completed EPR in particular are discussed in section 3.11, but the correct interpretation of the figures taken as a whole must be that there has indeed been considerable reduction in EPR activity since 2004.

As can be seen from Table 3.4, it was already evident in 2004 that there had been a considerable reduction in the proportion of organisations planning their *first* EPR (9%) since 2003 (15%). In 2005, this fell again to just 4%. Moreover, as was seen in 2004, the proportion of employers claiming to have their first EPR in progress in the previous year did not translate into completed EPRs in the following year. At best, organisations are taking a long time to complete an EPR (possibly an indication of

thorough work, and by no means a bad thing in itself), but at worst, it suggests that EPRs are being discontinued. The proportion *conducting* their first EPR was static at just one in fifty.

**Table 3.4 EPR incidence (single-code), 2003 - 2005**

	Per cent:		
	2003	2004	2005
Completed	15	21	12
First EPR in progress, but none completed	2	2	2
Plans to conduct first EPR, but none in progress or completed	15	9	4
No EPR activity	68	68	82
<i>Base: All businesses</i>	385	650	872

*Notes:* Data in this table are re-categorised so that each respondent falls into one category only. This reflects the set-up of the questionnaire in 2003 and is necessary to allow for comparison with results from this survey.

*Source:* Equal pay reviews survey 2005; Schäfer et al, 2004, Table 3.4.

The fall in EPR activity as a whole in 2005 must be seen as a consequence and continuation of this trend. As fewer organisations are considering their first EPR, the issue seems to be falling off HR departments' agendas. In 2005, overall just one in thirty organisations interviewed was actually conducting an EPR at the time of the interview and even in 2004, the figure was only one in twenty (5%). It seems simply to be the case that EPRs are not receiving much attention from organisations. Moreover, interest in those which have been conducted in the past is falling.

### 3.4 Incidence of EPR activity by sector

Table 3.5 shows the extent of EPR activity by sector in 2005, while Table 3.6 compares these latest findings with the situation in 2004.

The incidence of EPR activity amongst public sector organisations in 2005 was significantly higher than amongst organisations in the three other sectors – as many as two in five reported activity. Private services employers showed the least activity, with 85% reporting no involvement with an EPR. Across the private sector as a whole, 83% of businesses reported no EPR activity. Public sector employers were also the most likely to be engaged in each of the three stages of EPR activity. As many as 15% of public sector employers had an EPR in progress, five times the national average and five times the average in the three other sectors.

The newly surveyed construction sector, despite reporting workforces with the lowest mean proportion of female employees, show levels of overall EPR activity comparable with the private services and manufacturing sector – 12% had completed an EPR and 18% in total reported some form of EPR activity.

**Table 3.5 Incidence of EPR activity by sector, 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Completed an EPR	12	18	12	9	20	12
In the process of conducting an EPR	3	3	3	3	15	3
Plans to conduct an EPR but do not currently have a review in progress	9	12	9	6	20	8
No EPR activity	82	78	82	85	58	83
<i>Base: All businesses</i>	<i>872</i>	<i>217</i>	<i>209</i>	<i>220</i>	<i>226</i>	<i>646</i>

Source: Equal pay reviews survey 2005.

Table 3.6 shows the equivalent table from 2004. The construction sector, as a new addition in 2005, is absent. Recalculating the figures for the other three sectors in 2005 to exclude those SIC codes added to the 2004 sectors makes little difference to the percentages and has therefore not been tabulated.

**Table 3.6 Incidence of EPR activity by sector, 2004**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Completed an EPR	21	20	-	21	27	21
In the process of conducting an EPR	5	4	-	5	15	5
Plans to conduct an EPR but do not currently have a review in progress	20	19	-	20	24	20
No EPR activity	68	70	-	68	55	69
<i>Base: All businesses</i>	<i>650</i>	<i>217</i>	<i>-</i>	<i>218</i>	<i>215</i>	<i>435</i>

Source: Schäfer et al, 2004, Table 3.6.

Although 2005 witnessed a decline in EPR activity across all sectors, a comparison of Tables 3.5 and 3.6 shows that the private services sector saw the greatest decline, falling from a third of organisations reporting some EPR activity in 2004 to the 15% seen in 2005. Moreover, the proportion of private services organisations reporting a completed EPR fell by 12 percentage points. Changes in figures for the other sectors, though suggestive of a decline in activity, are in fact not large enough to be statistically significant given base sizes. As in 2004, the public sector showed the greatest incidence of EPR activity in 2005.

Table 3.7 looks at the incidence of EPR activity by sector in 2005 slightly differently, using the 'single-code' approach also used in Table 3.4. This shows that only 3% of private sector employers were planning their first EPR, compared with 9% in the public sector. Very similar proportions of organisations in manufacturing, construction and private services either had their first EPRs in progress or were planning their first reviews.

**Table 3.7 Incidence of EPR activity by sector (single-code), 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Completed	12	18	12	9	20	12
First EPR in progress, but none completed	2	1	2	2	13	2
Plans to conduct first EPR, but none in progress or completed	4	3	4	3	9	3
No EPR activity	82	78	82	85	58	83
<i>Base: All businesses</i>	<i>872</i>	<i>217</i>	<i>209</i>	<i>220</i>	<i>226</i>	<i>646</i>

Source: Equal pay reviews survey 2005.

Table 3.8 shows the equivalent data for 2004 for all sectors except construction, which was not of course covered in the previous survey. A comparison between the two tables reveals that the proportion of public sector organisations with their first EPR in progress increased between 2004 and 2005 from 8% to 13%, while there was no real change in the proportion planning their first EPR. In the private sector, there was a fall in the proportion planning their first EPR, which affected both the manufacturing and private services sectors.

**Table 3.8 Incidence of EPR activity by sector (single-code), 2004**

	GB	Per cent:			
		Manuf.	Private services	Public sector	All Private sector
Completed	21	20	21	27	12
First EPR in progress, but none completed	2	1	2	8	1
Plans to conduct first EPR, but none in progress or completed	9	9	9	10	9
No EPR activity	68	70	68	55	69
<i>Base: All businesses</i>	<i>650</i>	<i>217</i>	<i>218</i>	<i>215</i>	<i>435</i>

Source: Schäfer et al, 2004, Table 3.7 and additional unpublished data.

One aim of the 2005 survey was to obtain figures for the charity/voluntary sector alongside those for the more straightforward sector groupings based on SIC code. As a charity or voluntary organisation can operate in any industry, this is, however, a distinction that cross-cuts SIC definition. A further question was therefore added to determine whether an organisation was a charity or voluntary organisation. Table 3.9 shows the EPR activity in those describing themselves as a charity or voluntary organisation at this new question.

The base size for charity/voluntary sector organisations is small, so of the differences shown between the results for charity/voluntary sector organisations and all GB organisations in this table, only that for the proportion planning to conduct an EPR without having one in progress is statistically significant. However, the data do give an indication that these organisations are less likely than those in the GB as a whole to have had involvement with an EPR – just 11% reported EPR activity.

**Table 3.9 Incidence of EPR activity in the charity/voluntary sector, 2005**

	GB	Per cent:
		Charity/voluntary sector
Completed an EPR	12	7
In the process of conducting an EPR	3	4
Plans to conduct an EPR but do not currently have a review in progress	9	2
No EPR activity	82	89
<i>Base: All businesses</i>	<i>872</i>	<i>45</i>

Source: Equal pay reviews survey 2005.

### 3.5 Incidence of EPR activity by size

Table 3.10 shows that the incidence of EPR activity increased with the number of staff organisations employed. A third of the largest organisations (those with 500+ employees) had completed an EPR, a little over a sixth were in the process of conducting one and 30% did not have an EPR in progress, but were in the process of planning. In fact, the majority of the largest organisations reported some form of EPR activity (57%). At the other extreme, just one in ten of the smallest organisations sampled (25-99 employees) had completed an EPR, one in fifty were in the process of conducting an EPR and 6% had no EPR in progress, but were planning one.

**Table 3.10 Incidence of EPR activity by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Completed an EPR	12	10	16	34
In the process of conducting an EPR	3	2	4	17
Plans to conduct an EPR but do not currently have a review in progress	9	6	13	30
No EPR activity	82	87	74	43
<i>Base: All businesses</i>	<i>872</i>	<i>382</i>	<i>260</i>	<i>230</i>

Source: Equal pay reviews survey 2005.

Table 3.11 shows the equivalent data for 2004.

**Table 3.11 Incidence of EPR activity by size, 2004**

	GB	Per cent:		
		25-99	100-499	500+
Completed an EPR	21	21	19	33
In the process of conducting an EPR	5	4	6	17
Plans to conduct an EPR but do not currently have a review in progress	20	19	21	33
No EPR activity	68	71	65	46
<i>Base: All businesses</i>	<i>650</i>	<i>282</i>	<i>193</i>	<i>175</i>

Source: Schäfer et al, 2004, Table 3.8.

Table 3.11 shows that the pattern for 2005 was little changed from that for 2004, when an increase in activity by size was also seen. Indeed, the figures for the largest organisations in 2004 were very close to those reported in 2005. The smallest size

band, however, is where the largest change was seen. In 2004, a fifth of organisations in this size band had completed an EPR and a fifth planned to conduct one, but did not have one currently in progress. In 2005, these figures fell to 10% and 6% respectively.

Table 3.12 looks at the incidence of EPR activity by size in 2005 using the 'single-code' approach. This shows that of the largest employers, 10% were in the process of conducting their first EPR and a further 13% were planning their first EPR. Of those large organisations that were planning their first EPR, 52% were planning to start within the next 12 months.

**Table 3.12 Incidence of EPR activity by size (single-code), 2005**

	GB	Per cent:		
		25-99	100-499	500+
Completed	12	10	16	34
First EPR in progress, but none completed	2	2	2	10
Plans to conduct first EPR, but none in progress or completed	4	2	7	13
No EPR activity	82	87	74	43
<i>Base: All businesses</i>	<i>872</i>	<i>382</i>	<i>260</i>	<i>230</i>

Source: Equal pay reviews survey 2005.

Table 3.13 shows the equivalent data for 2004. A comparison of the two tables reveals that there were no significant changes in the picture for large organisations (as measured in this way) between 2004 and 2005, but confirms some of the decline in reported activity for smaller and medium-sized organisations noted earlier.

**Table 3.13 Incidence of EPR activity by size (single-code), 2004**

	GB	Per cent:		
		25-99	100-499	500+
Completed	21	21	19	33
First EPR in progress, but none completed	2	0	5	7
Plans to conduct first EPR, but none in progress or completed	9	8	11	14
No EPR activity	68	71	65	46
<i>Base: All businesses</i>	<i>650</i>	<i>282</i>	<i>193</i>	<i>175</i>

Source: Schäfer et al, 2004, Table 3.9.

### 3.6 Incidence of EPR activity by size within sector

Table 3.14 shows results by size within sector. Figures are presented as row percentages and should be read across the page.

**Table 3.14 Incidence of EPR activity by size within sector, 2005**

		Per cent:				<i>Base</i>
		EPR completed	EPR in progress	EPR planned but not in progress	No EPR	
<b>GB</b>	All sizes	12	3	9	82	872
<b>Manufacturing</b>	25-99	17	2	9	82	95
	100-499	19	5	18	67	64
	500+	22	7	28	60	58
<b>Construction</b>	25-99	12	3	7	84	90
	100-499	12	2	20	75	65
	500+	20	4	33	57	54
<b>Private services</b>	25-99	6	2	4	90	97
	100-499	14	2	9	80	65
	500+	40	15	30	41	58
<b>Public sector</b>	25-99	10	6	11	77	100
	100-499	25	13	22	54	66
	500+	33	34	31	30	60
<b>All Private sector</b>	25-99	10	2	6	87	282
	100-499	16	3	13	76	194
	500+	34	12	30	47	170

*Notes:* Row percentages used – proportions are of the total within each sector / size band.

*Source:* Equal pay reviews survey 2005.

As might be expected from the separate analyses by size and by sector, it is the larger public sector organisations that show the highest levels of EPR activity. A third of the largest public sector organisations reported having completed an EPR, a third had an EPR in progress and a third said that though they did not have an EPR in progress, they had one planned. In total, this meant that just 30% reported no EPR activity whatsoever, as compared with over four-fifths of GB employers as a whole.

There was a decline in EPR activity in almost every cell of this table between 2004 and 2005, though these reductions were generally below the level of statistical significance due to the lower base sizes involved in analysis at this level. A notable exception to this, though also not statistically significant, is that despite the fall in the

level of EPR activity in the private services sector as a whole, the proportion that had completed an EPR in the 100-499 and the 500+ size bands had actually increased. The latter had also seen an increase in EPR activity generally, with 59% reporting some activity in 2005 as compared with 54% in 2004.

The more important change for the overall picture, however, comes in the smallest size band of the private services sector. There were statistically significant falls of 16 percentage points in the proportion of organisations in this cell that had completed an EPR and of 15 percentage points in the proportion that were planning an EPR. Thus in 2004, 22% of small private services organisations had completed an EPR and 19% had an EPR planned, but not in progress; in 2005, the equivalent percentages were 6% and 4% respectively. Conversely, whereas 70% of small private services organisations reported no EPR activity in 2004, 90% did so in 2005.

These organisations make up almost half of the sampled population, so the fall in completed EPRs – the largest in any size-by-sector cell – has a large effect on the overall figure and to a large extent drives the fall seen at the GB level. This is not to say that there has not been a general fall in reported EPR activity – there certainly has – but the fall has been largest and, due to their predominance in the population, most significant amongst these small private services organisations.

Table 3.15 uses the single-code approach to examine the trends for all large public sector organisations and all large private sector organisations.

**Table 3.15 Incidence of EPR activity by sector for large organisations (single-code), 2004 and 2005**

	Per cent:			
	Public sector		Private sector	
	2004	2005	2004	2005
Completed	36	33	32	34
First EPR in progress, but none completed	10	28	6	5
Plans to conduct an EPR, but none in progress or completed	17	10	13	14
No EPR activity	37	30	48	47
<i>Base: All businesses</i>	58	60	117	170

Source: Equal pay reviews survey 2005.

Table 3.15 reveals that the picture for large private sector organisations was virtually the same in both years; however, there was a marked increase in the proportion of

large public sector organisations with a first EPR in progress. There were small (but not statistically significant) falls in the proportion with a first EPR planned and with no EPR activity.

### 3.7 Incidence of EPR activity by country

In this section, an analysis is made of the incidence of EPR activity amongst GB employers by the location of their headquarters. Tables 3.16 and 3.17 show the results for 2005 and 2004 respectively.

**Table 3.16 Incidence of EPR activity by country, 2005**

	GB	Per cent:		
		England	Scotland	Wales
Completed an EPR	12	12	12	17
In the process of conducting an EPR	3	3	4	4
Plans to conduct an EPR but do not currently have a review in progress	9	8	9	12
No EPR activity	82	82	80	78
<i>Base: All businesses</i>	<i>872</i>	<i>602</i>	<i>135</i>	<i>135</i>

Source: Equal pay reviews survey 2005.

**Table 3.17 Incidence of EPR activity by country, 2004**

	GB	Per cent:		
		England	Scotland	Wales
Completed an EPR	21	22	10	15
In the process of conducting an EPR	5	5	3	4
Plans to conduct an EPR but do not currently have a review in progress	20	21	13	11
No EPR activity	68	66	80	81
<i>Base: All businesses</i>	<i>650</i>	<i>450</i>	<i>99</i>	<i>101</i>

Source: Schäfer et al, 2004, Table 3.5.

A comparison of the two tables shows that, in a change from 2004, organisations with their head office in England were no longer the most likely to report EPR activity in 2005. The proportion of these organisations that had completed an EPR dropped from 22% to just 12%, and the proportions in the process of conducting an EPR and planning to conduct an EPR without one currently in progress also fell, in line with the change in the national picture. Employers based in Scotland and Wales, though

starting from a lower 2004 level, showed no statistically significant change in levels of EPR activity. Employers based in Wales reported the highest levels of EPR activity, with 22% reporting some activity in 2005, though this does not represent a statistically significant difference from the levels of activity in England and Scotland.

### 3.8 Incidence of EPR activity by location of sites

Table 3.18 shows the variation in EPR activity by locations in which the organisations operate, rather than by the location of their headquarters. This analysis differs from the country analysis in that organisations are counted everywhere they have a location.

**Table 3.18 Incidence of EPR activity by location of sites, 2005**

	GB	Per cent:		
		Organisations with sites in ...		
		England	Scotland	Wales
Completed an EPR	12	12	13	22
In the process of conducting an EPR	3	4	5	5
Plans to conduct an EPR but do not currently have a review in progress	9	9	10	14
No EPR activity	82	82	78	70
<i>Base: All businesses with sites in the country</i>	<i>872</i>	<i>658</i>	<i>245</i>	<i>220</i>

Source: Equal pay reviews survey 2005.

The extent of EPR activity, when location is considered in this way, is little different to that seen when EPR activity is assessed by the location of head offices. Organisations with locations in Wales were the most likely to have completed an EPR and the least likely to have had no involvement with an EPR whatsoever. Although the difference is too small to be statistically significant, the results show a higher proportion of Welsh employers were in the process of conducting an EPR as well. EPR activity amongst those with sites in England and those with sites in Scotland were very similar.

Table 3.19 shows the equivalent data for 2004. In all three countries, the proportion of organisations which had completed an EPR fell between 2004 and 2005, while the proportion which had no EPR activity increased.

**Table 3.19 Incidence of EPR activity by location of sites, 2004**

	GB	Per cent:		
		Organisations with sites in ...		
		England	Scotland	Wales
Completed an EPR	21	22	18	29
In the process of conducting an EPR	5	6	6	9
Plans to conduct an EPR but do not currently have a review in progress	20	21	21	19
No EPR activity	68	67	66	56
<i>Base: All businesses with sites in the country</i>	<i>650</i>	<i>501</i>	<i>195</i>	<i>174</i>

Source: Schäfer et al, 2004, Table 3.10.

### 3.9 Incidence of EPR activity by female proportion of the workforce

As Table 3.20 shows, there is far less variation in the proportion of organisations involved in EPR activity, according to the proportion of the workforce that is female, than might be expected.

**Table 3.20 Incidence of EPR activity by female proportion of the workforce, 2005**

	GB	Per cent:		
		0-20%	21-50%	51-100%
Completed an EPR	12	11	14	12
In the process of conducting an EPR	3	1	6	4
Plans to conduct an EPR but do not currently have a review in progress	9	7	11	7
No EPR activity	82	87	79	80
<i>Base: All businesses+</i>	<i>872</i>	<i>290</i>	<i>219</i>	<i>353</i>

Notes: + Respondents who were unsure of the proportion of the proportion of female workers in their organisation are not included in this analysis, hence unweighted bases do not sum to 872.

Source: Equal pay reviews survey 2005.

Table 3.20 shows that employers with the lowest proportion of female employees in their workforce were the least likely to have an EPR in progress, with just 1% having an EPR in progress and they were also the least likely to be involved in any kind of EPR activity (87% reported no EPR activity whatsoever). Differences in the incidence of completed EPRs and in the proportion planning an EPR, but without one in

progress, were not large enough to be statistically significant. Overall, the proportion of female employees in a workforce, then, does not seem to have had a major effect on the reported levels of EPR activity. The situation in 2004 was similar, although those with a workforce with a majority of women were then significantly more likely to have conducted an EPR.

### 3.10 Proportion of employees covered by EPRs

Table 3.21 shows what the organisation-based figures outlined earlier in this chapter mean in terms of numbers of employees working at the organisations involved in each kind of EPR activity. These figures have been produced by weighting the findings of the research to figures obtained from ONS on the number of employees in each 'cell' of the sampling matrix.

**Table 3.21 Incidence of EPR activity overall, 2005 – employee base**

	Per cent:		
	Yes	No	Don't know
Completed an EPR	27	62	11
In the process of conducting an EPR	16	80	4
Plans to conduct an EPR, but do not currently have a review in progress	31	46	7
No EPR activity		47	
<i>Base: All employees</i>		872	

*Notes:* Row percentages used. These figures were generated using an employee weight rather than the unit weight used for all other tables in this report. This weights results properly to reflect the distribution of *employees* in GB in the same cells as used for the organisation weight.

*Source:* Equal pay reviews survey 2005.

This table shows that of the 16.9 million people ONS estimate to be employed in GB organisations with 25 or more staff, 27% work in organisations that have completed an EPR, 16% in organisations with an EPR in progress and nearly a third (31%) in organisations planning to conduct an EPR, but with no EPR in progress. Just over half of employees (53%) work in organisations that reported some EPR activity.

This slightly more optimistic picture is a reflection of the tendency shown in Table 3.10 for the larger organisations to be those that report EPR activity. When the number of *employees*, rather than the number of organisations, is used as a base for analysis, EPR activity in just one large organisation can have more of an effect on overall figures than activity (or indeed, inactivity) in dozens of smaller organisations.

This way of looking at the figures, then, does show a more encouraging picture than that seen on an organisation base – although just 12% of organisations had completed an EPR in 2005, these did employ over a quarter of employees.

A further analysis of the employee base was conducted to estimate the number of male and female employees in each of the four categories. This estimate should be regarded as slightly more approximate than the one made for all employees.<sup>2</sup> It shows that in GB organisations with 25 or more staff, 29% of female employees, compared with 26% of male employees, worked in organisations that had completed an EPR. However, this difference is not statistically significant. Conversely, 44% of female employees, compared with 50% of male employees, worked in organisations where there had been no EPR activity. This is a statistically significant difference.

### **3.11 Possible causes of the fall in EPR activity**

The main reason for the fall in reported EPR activity must, as discussed above, be due to a general slow down in the progress of EPRs amongst GB organisations. There do not appear to be any differences relating to the sample structure, or the nature of the individuals responding, that can account for this change in EPR activity – this is discussed further in Appendix 2. Nor, as noted in section 3.1, was there any substantial change in the definition of an EPR which interviewers gave to respondents. There are, however, a number of other influences on these results. There is evidence of a stricter understanding of what a properly conducted EPR involves, whilst at the same time interest in previous EPR activity is in decline. In both cases, this has a deflationary effect on reported levels of EPR activity.

It was noted in the 2004 report that in almost a quarter of organisations that had completed or were conducting an EPR, respondents reported that they had conducted EPRs that, on further examination, were found not to have been in strict accordance with the standard laid down in the EOC's Code of Practice on Equal Pay. As will be shown in Chapter 5, in 2005, this proportion fell to 13%. This implies that there is a better understanding of the EPR process amongst those employers who are saying that they have conducted an EPR. It indicates that those EPRs discussed in 2005 were more likely to have met the standard laid down in the Code. This goes some of the way to explaining the difference in EPR activity reported by organisations – respondents were less prone to describe general reviews of pay as EPRs than in the past because they now had a better understanding of what an EPR should involve. This is discussed further in Chapter 5. It is also possible that respondents in

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<sup>2</sup> The reason for this is that the survey only asked for the 'rough proportion' of the organisation's workforce that was female (on the assumption that many organisations would not be able to provide the exact figures).

the *same* organisations would now describe their organisation's past EPRs activity differently; in other words, a process which would have been described as an EPR in a previous EPR survey would no longer be regarded as such. The nature of the survey design means that this possibility cannot be tested.

The fact that respondents may be more reticent than hitherto to report an EPR, due to a general increased awareness of its proper features, may also account for the increase in the proportion saying that they 'don't know' to the three EPR activity questions (Table 3.22). If a sizeable proportion of the organisations which gave these responses were ones which in previous years would have said 'yes', albeit with a lesser understanding of the issues, this would explain the fall in reported EPR activity.

**Table 3.22 'Don't know' responses to EPR activity questions, 2004 and 2005**

	Per cent:	
	2004	2005
Completed an EPR	2	8
In the process of conducting an EPR	*	2
Plans to conduct an EPR, but do not currently have a review in progress	4	7
<i>Base: All businesses</i>	650	872

Source: Equal pay reviews survey 2005.

It may also be the case that the fact that EPRs have become less of a 'top of mind' issue for HR professionals has meant that 'old' EPRs are less likely to be consulted as well as leading to a slow down in the conduct of 'new' EPRs. If EPRs are no longer being discussed, then, as employees move on to other organisations, previously conducted EPRs may recede into the past and reference will no longer be made to them. This may also be part of the reason for the increase in the proportion of 'don't know' responses seen in 2005. Knowledge and understanding of past EPRs may be in decline. This leaves respondents unsure about the precise details of reviews which were conducted either before they joined their organisations, or before they or their departments were thinking in terms of EPRs when conducting pay reviews.<sup>3</sup>

<sup>3</sup> An alternative explanation, that respondents in 2005 were less well placed to answer questions about HR matters than their counterparts in 2004, seems unlikely. As shown in Appendix 2, the type of person responding was little changed between the two surveys.

As noted in section 3.5, the fall in completed EPRs between 2004 and 2005 was greater amongst the smallest organisations (21% to 10%) than in medium-sized ones (19% to 16%), while there was a marginal (but not statistically significant) increase in completed EPRs amongst the largest organisations (33% to 34%). It seems reasonable to assume that smaller organisations will be more likely to overlook past EPRs than larger organisations. This is because the process will obviously have involved a smaller number of people and it is likely that fewer records will have been kept of the process. In addition, as shown in Chapter 5, a higher proportion of the smaller than medium-sized or larger organisations used their own review processes (rather than calling in external assistance), and a lower proportion identified any pay gaps as a result of the process. Thus it can be argued that in smaller organisations, EPRs are less of an 'event'; and are therefore less likely to be recalled if the person responsible for conducting the EPR did not take part in the survey interview, in particular, if the EPR was completed some years in the past.

Finally, it may be argued (for the reasons noted above) that EPRs which were completed a long time ago will be more likely to be overlooked in smaller organisations than in larger ones. Thus it is relevant to note here that as many as two-fifths of the smallest organisations stated in 2005 that their EPR had been completed at least five years before, or did not know the completion date. Moreover, the equivalent figure for 2004 was much lower at only a quarter.

### **3.12 Conclusions**

In 2005, the proportion of organisations reporting a completed EPR – the key measure for EOC targets – fell from an overall 21% in 2004 to 12% in 2005. The level of activity generally has also fallen, with 82% of employers reporting no involvement whatsoever in 2005, as compared with 68% in 2004.

The fall does not appear to be due to methodological differences between the surveys, and appears to reflect, if not a genuine fall in the number of organisations that have completed an EPR (since this is not possible), then certainly a marked slowing in the progress of EPRs in the GB economy. This reduced involvement in EPRs may be responsible for a reduction in the use (and therefore, awareness) of EPRs which have already been conducted. A further deflationary effect – evident both in the increased proportion of those conducting an EPR who were doing so in accordance with the proper EOC definition (see Chapter 5), and the increase in the proportion of 'don't know' responses to the EPR activity questions – appears to be a better appreciation of precisely what an EPR is amongst those who are involved. This may lead to some pay reviews, which were previously considered to have

incorporated an EPR, being reassessed as not actually having done so. This will further deflate reported levels of completed EPRs.

By size, the larger employers showed the highest level of engagement with EPR activity, with over a third (34%) having completed an EPR. However, this is still a long way short of the EOC target that, by the end of 2003, 50% of large organisations (those with 500+ employees) should have completed an EPR. That said, it should be noted that 10% of large organisations were in the process of conducting their first EPR in 2005, while an additional 13% were planning to conduct their first one. Thus over half (57%) reported some EPR activity. The proportion of large organisations reporting some EPR activity was significantly higher in the public sector (70%) than in the private sector (53%).

By 2003, 14% of large organisations had completed an EPR. This doubled to 33% by 2004. But between 2004 and 2005, activity stagnated, with this proportion rising to only 34% by 2005. This process affected both the private and public sectors; the proportion of completed EPRs increased from 32% to 34% in the private sector and fell from 36% to 33% in the public sector. The Government's target is that 45% of large organisations should have completed an EPR by 2008. Thus, if the current stagnation in EPR activity continues, this target will not be met.

The second EOC target, that 25% of smaller organisations should have completed an EPR by the end of 2005, was clearly missed. Just one in ten of these organisations had completed an EPR at the time of fieldwork (and only 13% reported any EPR activity).

Unlike in 2004, when employers based in England were the most likely to have completed an EPR, in 2005, Wales-based employers showed the highest levels of EPR activity. In total, 17% of these organisations had completed an EPR as compared with only 12% in both England and Scotland. This may partly reflect the predominance of the public sector amongst Welsh employers.

By sector, public sector organisations were the most likely to report EPR activity (42% did so). However, almost as many manufacturing organisations (18%), as public sector organisations (20%), had actually completed EPRs. Private services, the most populous sector by far, showed the largest decline from 2004, with 9% reporting a completed EPR in 2005, as compared with 21% in the previous survey. Results for the manufacturing sector were almost unchanged. The construction sector, newly added to the survey population in 2005, showed comparable levels with

the other sectors of the economy, with 12% having completed an EPR and 18% reporting some EPR activity.

## 4. CONDUCTING AN EPR

This chapter addresses the reasons employers gave for their level of EPR activity – both the reasons they provided for having conducted, currently conducting or planning an EPR, and the reasons they gave for having not done so.

### 4.1 Reasons for conducting an EPR

To begin with, Table 4.1 shows the reasons given by GB employers for deciding to conduct an EPR. This includes completed and planned EPRs, as well as those currently in progress. Respondents were also asked to nominate the single ‘main reason’ behind their decision to conduct an EPR. Where just one reason was mentioned initially, this was taken to be the ‘main reason’ automatically.

**Table 4.1 Reasons for conducting an EPR overall, 2005**

	Per cent:	
	All reasons mentioned	Main reason
Wanted to be seen as a good practice employer	75	58
Saw it as good business sense	58	17
As a result of Government policy or publicity	33	13
As a result of leadership from employer bodies	14	2
As a result of EOC policy or publicity	12	1
Standard Practice	7	1
As a result of equal pay cases being raised in your organisation	7	4
Were under pressure from trade unions	9	3
Were introducing new pay scales/structures	2	1
Other	1	*
Don't know	1	1
<i>Base: All businesses that have conducted, are conducting or plan to conduct an EPR</i>	267	267

Source: Equal pay reviews survey 2005.

The wish to be seen as a ‘good practice’ employer was the most commonly cited reason for conducting an EPR amongst GB employers. Three-quarters mentioned it, with almost three-fifths (58%) nominating it as the single most important reason behind their decision. Although three-fifths (58%) of organisations mentioned that they saw conducting an EPR as good business sense, less than a fifth (17%) felt it

was their main motivation. Government policy or publicity was mentioned by a third of employers as a reason for conducting an EPR, but less than one in eight perceived it to be the key reason behind their decision.

Leadership from employer bodies, EOC policy or publicity and pressure from trade unions were mentioned by around one in ten employers, but were very rarely the main reasons for involvement with EPRs. Hence these factors are influences rather than key drivers.

Over three-quarters of those conducting EPRs (204 out of 267 organisations in the sample) had their headquarters in England. Only 31 had their headquarters in Wales and 32 in Scotland. Therefore, due to these low base sizes in Wales and Scotland, it is not possible to assess whether the reasons for conducting an EPR varied depending on the location of the organisation's head office.

The great majority (83%) of those saying that government policy or publicity was part of the reason for conducting an EPR said that it was the policy or publicity of Parliament in Westminster, rather than the Welsh Assembly or the Scottish Executive, to which they were reacting. This reflects the fact that 90% of the respondents naming government policy or publicity as a reason were based in England.

Table 4.2 shows the most important reason that employers gave for conducting or planning EPRs in 2004 and 2005.

**Table 4.2 Main reason given for conducting an EPR, 2004 and 2005**

	Per cent:	
	2004	2005
Wanted to be seen as a good practice employer	58	58
Saw it as good business sense	25	17
As a result of Government policy or publicity	7	13
All other reasons/don't know	10	12
<i>Base: All businesses that have conducted, are conducting or plan to conduct an EPR</i>	241	267

Source: Equal pay reviews survey 2005; Schäfer et al, 2004, Table 4.1.

Table 4.2 reveals that exactly the same proportion of employers cited 'wanted to be seen as a good practice employer' in each year. There was a statistically significant

increase in the proportion citing 'as a result of Government policy or publicity' and a similar decline in the proportion citing 'saw it as good business sense'. These three factors between them accounted for nine-tenths of the main reasons cited in both years.

#### 4.2 Reasons for conducting an EPR by sector

Table 4.4 shows the variation in the reasons for conducting an EPR by sector.

**Table 4.3 Reasons for conducting an EPR by sector, 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Wanted to be seen as a good practice employer	75	78	71	73	77	75
Saw it as good business sense	58	60	67	56	57	59
As a result of Government policy or publicity	33	27	29	34	49	31
As a result of leadership from employer bodies	14	16	11	9	36	12
As a result of EOC policy or publicity	12	4	11	13	28	10
<i>Base: All businesses that have conducted, are conducting or plan to conduct an EPR</i>	267	62	53	60	92	175

Source: Equal pay reviews survey 2005.

As might be expected, public sector employers were significantly more likely than average to be influenced by policy or publicity from either the EOC or the Government. They were also significantly more likely than average to conduct an EPR as a result of leadership from employer bodies; more than a third (36%) cited this as a reason, compared with less than one in ten (9%) of private services employers.

The desire to be seen as a good practice employer and the belief that conducting an EPR is good business sense were consistently the most common motivators across all sectors.

#### 4.3 Reasons for conducting an EPR by size

There were few significant variations by size in the reasons given for conducting EPRs, as can be seen from Table 4.4.

Those organisations with between 100 and 499 employees were significantly more likely than average to base their decision to conduct an EPR on wanting to be seen as a good practice employer (around nine in ten stated this as a reason, compared with three-quarters of GB employers as a whole).

The influence of EOC policy or publicity rose steeply with size of employer, with only 3% of the 25-99 size band citing this as a reason, compared with around a third (32%) of the largest employers (with 500+ staff). The same is true, although the differences are less marked, for the influence of the Government and employer bodies.

**Table 4.4 Reasons for conducting an EPR by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Wanted to be seen as a good practice employer	75	67	89	77
Saw it as good business sense	58	56	64	58
As a result of Government policy or publicity	33	27	38	44
As a result of leadership from employer bodies	14	12	14	24
As a result of EOC policy or publicity	12	3	15	32
<i>Base: All businesses that have conducted, are conducting or plan to conduct an EPR</i>	<i>267</i>	<i>63</i>	<i>80</i>	<i>124</i>

Source: Equal pay reviews survey 2005.

#### 4.4 Reasons for not conducting an EPR

Employers that had no involvement with an EPR (none conducted, planned or in progress) were asked the reasons for this. The responses are displayed in Table 4.5. The belief by employers that their existing pay systems were not discriminatory was the most common reason given for having no involvement with an EPR (85%). Two-fifths (41%) stated that their senior management team did not see the need for a review and a further third (30%) said that the organisation already had an analytic job evaluation system.

These three most cited responses have a commonality in that they imply that the organisation does not *need* to conduct an EPR. However, the next two most frequently cited responses do not necessarily imply a lack of need. Nearly a fifth (17%) of employers stated that they did not have either the time (12%) or the financial resources (9%) to carry out such a review; some cited both reasons. No other reason was mentioned by more than one in twenty of these employers.

**Table 4.5 Reasons for having no involvement with an EPR overall, 2005**

	<b>Per cent:</b>
Believe their pay systems are not discriminatory	85
Senior management do not see the need for a review	41
Organisation has an analytic job evaluation system	30
Do not have time to carry out a review	12
Do not have the financial resources to carry out a review	9
Are implementing or planning to implement a new pay or grading system	5
Men and women employed in different roles	5
Workforce largely male	5
Feel current processes are sufficient	5
Have concerns about what such a review would find	4
Wages are performance, merit or experience-based	2
Haven't thought about it/wasn't aware of the problem	2
Workforce largely female	2
Pay rates fixed by industry/unions/government	1
Other	1
Don't know	*
<i>Base: All businesses that have not conducted, are not currently conducting and do not plan to conduct an EPR</i>	<i>605</i>

Source: Equal pay reviews survey 2005.

The 2004 survey did not use the same list of categories at this question so a direct comparison is not possible. However, the same pattern of response was seen with the great majority (87%) answering that they already had equal pay.

#### **4.5 Reasons for not conducting an EPR by sector**

Overall, there was very little variation in the reasons for having no involvement in an EPR by business sector. However, some differences were observed and are highlighted in bold in Table 4.6.

Public sector employers were significantly less likely than those in the private sector to state that senior management did not see the need for a review (30%, compared with 42%). More than one in ten (11%) were in the process of implementing or planning to implement a new pay or grading system (compared with one in twenty private sector employers).

**Table 4.6 Reasons for having no involvement with an EPR by sector, 2005**

	Per cent:					
	GB	Manuf.	Constr.	Private services	Public sector	All Private sector
Believe their pay systems are not discriminatory	85	86	85	85	82	85
Senior management do not see the need for a review	41	38	<b>51</b>	42	<b>30</b>	42
Organisation has an analytic job evaluation system	30	23	27	33	27	30
Do not have time to carry out a review	12	9	11	13	7	12
Do not have the financial resources to carry out a review	9	10	14	9	7	10
Are implementing or planning to implement a new pay or grading system	5	4	<b>11</b>	5	<b>11</b>	5
Men and women employed in different roles	5	3	<b>13</b>	5	1	5
Workforce largely male	5	4	7	5	0	5
Feel current processes are sufficient	5	2	3	6	1	5
Have concerns about what such a review would find	4	3	5	4	1	4
Wages are performance, merit or experience-based	2	3	1	2	4	2
Haven't thought about it/wasn't aware of the problem	2	3	*	2	1	2
Workforce largely female	2	-	*	2	<b>20</b>	1
Pay rates fixed by industry/unions/government	1	1	<b>9</b>	*	<b>6</b>	1
<i>Base: All businesses that have not conducted, are not currently conducting and do not plan to conduct an EPR</i>	605	155	156	160	134	471

Source: Equal pay reviews survey 2005.

Table 4.6 also shows that a fifth of public sector employers had not been involved in an EPR due to having a largely female workforce (only 1% of private sector employers gave this as a reason). Employers in the public sector were also

significantly more likely to have externally fixed pay rates (6%, compared with 1% of private sector employers).

Those operating in the construction sector were also significantly more likely than average to have pay rates that were fixed by the industry, unions or government, and to be in the process of implementing a new pay or grading system. However, unlike public sector employers, they were significantly more likely to have a senior management team that did not see the need for a review (mentioned by half of all construction employers). This may be in part due to the industry being more likely to employ men and women in different roles (13% gave this as a reason for no EPR involvement, compared with 5% overall and only 1% of those in the public sector).

#### 4.6 Reasons for not conducting an EPR by size

Variations in the reasons given for not conducting an EPR by size are shown in Table 4.7.

**Table 4.7 Reasons for having no involvement with an EPR by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Believe their pay systems are not discriminatory	85	87	79	80
Senior management do not see the need for a review	41	44	32	26
Organisation has an analytic job evaluation system	30	31	20	47
Do not have time to carry out a review	12	11	13	15
Do not have the financial resources to carry out a review	9	11	13	17
<i>Base: All businesses that have not conducted, are not currently conducting and do not plan to conduct an EPR</i>	<i>605</i>	<i>319</i>	<i>180</i>	<i>106</i>

Source: Equal pay reviews survey 2005.

The belief that the organisation already has a non-discriminatory pay system was still the most commonly given reason across all size bands (at least eight in ten employers felt this to be the case).

The largest employers (with 500+ employees) were significantly more likely than GB employers as whole to state insufficient financial resources as the reason for not carrying out a review. This may be partly explained by the belief that an EPR in such

large organisations would have to investigate a very large number of jobs and that this would be a major undertaking. Furthermore, almost half (47%) of these employers already had an analytic job evaluation system in place compared with less than a third (30%) of GB employers.

The largest employers were significantly less likely than the smallest employers to state that senior management did not see the need for a review; only a quarter (26%) of the former mentioned this reason, compared with 44% of the latter.

#### 4.7 Reasons for not conducting an EPR by country

Table 4.8 shows the differences given for not conducting an EPR by country.

**Table 4.8 Reasons for having no involvement with an EPR by country, 2005**

	GB	Per cent:		
		England	Scotland	Wales
Believe their pay systems are not discriminatory	85	85	94	88
Senior management do not see the need for a review	41	42	39	31
Organisation has an analytic job evaluation system	30	30	30	30
Do not have time to carry out a review	12	11	18	10
Do not have the financial resources to carry out a review	9	9	10	6
Are implementing or planning to implement a new pay or grading system	5	5	2	8
Men and women employed in different roles	5	5	2	5
Workforce largely male	5	5	2	5
Feel current processes are sufficient	5	5	2	4
Have concerns about what such a review would find	4	4	3	1
Wages are performance, merit or experience-based	2	2	3	2
Haven't thought about it/wasn't aware of the problem	2	2	1	*
Workforce largely female	2	2	*	*
Pay rates fixed by industry/unions/government	1	1	7	1
Other	1	1	-	-
Don't know	*	*	-	-
<i>Base: All businesses</i>	<i>605</i>	<i>398</i>	<i>103</i>	<i>104</i>

Source: Equal pay reviews survey 2005.

Table 4.8 shows that employers in Scotland were more likely to be convinced that their pay systems were not discriminatory and to state that they did not have time to carry out a review. Employers in Wales were the least likely to state that members of their senior management team did not see the need for a review.

#### **4.8 Equal pay questionnaires**

As in 2004, employers were asked whether they had been presented with an equal pay questionnaire.

Equal pay questionnaires are intended to help individuals who believe they may not be receiving equal pay to request information from their employers to establish whether this is the case and if so, the reasons why. These questionnaires were drawn up by the Women and Equality Unit, a unit within the Department for Trade and Industry, and only came into effect in April 2003. The purpose of the questionnaire is to make asking such questions easier for individuals, and answering them easier for employers. The questionnaire as presented to an employer would include:

- A statement of why the individual thinks they are not receiving equal pay, followed by a statement of who they believe their comparators are.
- Factual questions to ascertain whether they are receiving less pay than their comparator and, if so, the reasons why.
- A question about whether the employer agrees that the people being compared are doing equal work or work of equal value.
- The individual's own questions.

When a questionnaire is presented to an employer, its completion is not compulsory, although tribunals are entitled to draw conclusions from a refusal or evasive responses.

As shown in Table 4.9, the proportion of employers that had been presented with an equal pay questionnaire was very low (1% in the GB as a whole – an identical proportion to 2004). Employers with an EPR currently in progress were significantly more likely to have been presented with a questionnaire (8%). However, the relationship between the questionnaires and EPRs is unclear – we do not know whether the questionnaire tipped the employer into carrying out an EPR, or whether the information coming out of the EPR led to the questionnaire being served.

**Table 4.9 Incidence of organisations presented with an equal pay questionnaire, 2004 and 2005**

	Per cent:	
	2004	2005
<b>GB</b>	1	1
<b>Size</b>		
25-99	*	*
100-499	3	2
500+	11	3
<b>Sector</b>		
Manufacturing	1	*
Construction	-	*
Private services	1	1
Public sector	4	2
All Private services	1	1
<b>Country</b>		
England	1	1
Scotland	1	2
Wales	3	1
<i>Base: All businesses</i>	650	872

Source: Equal pay reviews survey 2005.

Table 4.9 also shows that the largest organisations were more likely than their smaller counterparts to have been presented with an equal pay questionnaire. However, the difference is much less marked than in 2004, where over one in ten of the largest organisations had been presented with one (11%), representing a fall of 8 percentage points among this group of employers.

There was no significant variation in the proportion of organisations to which an equal pay questionnaire had been presented by country or sector.

#### 4.9 Conclusions

The wish to be seen as a 'good practice' employer remains the most common reason for carrying out an EPR amongst those organisations with some EPR activity. Three-quarters mentioned this as a reason behind the decision to conduct an EPR, and 58% of employers indicated that this was the *main* reason. In contrast, less than a fifth (17%) of employers said that seeing EPRs as good business sense was the

primary reason for involvement. The Government, the EOC and employer bodies were seldom stated as the main reason for conducting an EPR, although they appear to be an influence for a significant minority, especially for public sector employers or organisations with in excess of 500 staff.

As in previous years, the great majority of employers that reported no EPR activity whatsoever said that the reason for this was that they believed that they already had equal pay in their organisation. Although this belief remained the most common reason for having not carried out an EPR across all sub-sectors of employers, nearly a fifth (17%) of GB employers mentioned a lack of time or resources (or both) as reasons.

As in 2004, just 1% of employers had been presented with an equal pay questionnaire by one of their employees. The largest organisations were slightly more likely to have been presented with an equal pay questionnaire (although the incidence of employers with 500+ staff being presented with a questionnaire fell by 8 percentage points between 2004 and 2005).

## 5. THE EPR PROCESS AND RESULTS

As in 2004, respondents with some EPR involvement were asked a series of follow-up questions to draw out more detail about the process they went through and the methods they used, as well as information about the timing of their EPR and its scope. Additionally, the 2005 survey asked respondents how satisfied they were with the methods used to identify pay gaps. This chapter discusses the key findings of this section of the survey.

Organisations that had completed an EPR, had an EPR in progress or were planning an EPR, were asked the dates that these reviews had started or were expected to start. Where organisations fell into more than one of these categories, they were asked about just the most recent (i.e. any in progress, then any completed and then any planned).

### 5.1 Start date of completed EPR

Firstly, Table 5.1 shows the dates that those discussing completed EPRs had started that EPR.

**Table 5.1 Start date of completed EPR, 2005**

	<b>Per cent:</b>
July - Nov 2005	18
Jan - June 2005	4
<i>2005, months unknown</i>	-
2004	20
2003	7
2002	11
2001	10
1996 - 2000	21
1991 - 1995	1
1990 and earlier	1
Don't know	7
<i>Base: All businesses discussing a completed EPR</i>	<i>137</i>

Source: Equal pay reviews survey 2005.

Just over a fifth (22%) of all those discussing a completed EPR had started the EPR under discussion in 2005, with the majority of those having done so in the latter half

of the year. A further fifth had started the EPR under discussion in 2004, leaving the majority (51%) stating that they started their completed EPR in 2003 or earlier.

This pattern is somewhat different from that observed in 2004 (Table 5.2). The 2004 survey found that almost half (47%) of those discussing a completed EPR had started it that year. A fifth (19%) had started it the year before the survey was conducted (2003) leaving just under a quarter (23%) that had started their completed EPR in 2002 or earlier.

**Table 5.2 Start date of completed EPR, 2004**

	Per cent:
July - Nov 2004	23
Jan - June 2004	23
<i>2004, months unknown</i>	<i>1</i>
2003	19
2002	9
2001	2
1996 - 2000	4
1991 - 1995	1
1986 - 1990	6
1981 - 1985	1
<i>Base: All businesses discussing a completed EPR</i>	<i>122</i>

Source: Schäfer et al, 2004, Table 5.1.

## 5.2 Start date of EPR in progress

Those discussing an EPR in progress (which was all employers that had an EPR in progress) were asked when this EPR was started (Table 5.3). Almost half (45%) of those discussing an EPR in progress had started the EPR in the first half of 2005, with a further one in seven having started in the latter part of 2005. A relatively small proportion (11%) had started the EPR between 2001 and 2004.

Over a quarter (28%) of those discussing an EPR in progress stated that the process had begun in 2000 or earlier. This relatively long timeframe would suggest that for a proportion of employers, the process of completing an EPR is not a continuous one, but may go through phases of being stalled and re-visited. There is also the possibility that repeat EPRs may be viewed by some employers as one ongoing review, rather than as discrete exercises with their own start and completion dates.

**Table 5.3 Date EPR in progress was started, 2005**

	<b>Per cent:</b>
July - Nov 2005	14
Jan - June 2005	45
<i>2005, months unknown</i>	1
2004	4
2003	5
2002	2
2001	-
2000 and earlier	28
Don't know	*
<i>Base: All businesses discussing an EPR in progress</i>	<i>61</i>

Source: Equal pay reviews survey 2005.

Again, a comparison with the 2004 survey (Table 5.4) shows some differences in the timeframes involved in conducting an EPR.

**Table 5.4 Date EPR in progress was started, 2004**

	<b>Per cent:</b>
July - Nov 2004	40
Jan - June 2004	25
<i>2004, months unknown</i>	1
2003	7
2002	2
2001	*
2000 or earlier	19
<i>Base: All businesses discussing an EPR in progress</i>	<i>59</i>

Source: Schäfer et al, 2004, Table 5.2.

Two-fifths (40%) of those who were discussing an EPR in progress in 2005 started the survey in the second half of the year, compared with a quarter that started it during the first six months of 2004. Thus, employers in 2005 with an EPR still in process at the time of the survey were significantly more likely to have started the process during the first half of the year (i.e. between January and June) than was the situation in 2004. There is, therefore, some suggestion that the process of conducting an EPR has become lengthier.

### 5.3 Date planned EPR is likely to start

Those discussing a planned EPR, who had neither completed an EPR nor had one in progress, were asked the date at which they expected to start this EPR (Table 5.5).

**Table 5.5 Date planned EPR is likely to start, 2005**

	Per cent:
Within the next six months	26
Within the next year, but not in the next six months	16
At a point over 12 months away	12
No fixed start date yet	44
Other	*
Don't know	2
<i>Base: All businesses discussing a planned EPR</i>	69

Source: Equal pay reviews survey 2005.

Just over a quarter (26%) of employers discussing their first planned EPR anticipated starting the review within six months of the interview (placing the EPR in the last few months of 2005 or the opening months of 2006). In contrast, over two-fifths (44%) of employers had no fixed start date for their planned EPR at the time of interview.

### 5.4 Approaches taken to conducting an EPR

The 198 respondents (unweighted) that had either completed an EPR, or were in the process of conducting one, were asked about the methods they had used or were using to do this (Table 5.6). Initially, all methods involved in their review were recorded. Where more than one method was mentioned, respondents were then asked to nominate the most important of these methods. The results of this question are summarised below at an overall level; where only one method was mentioned, it was automatically recorded as being the most important.

The use of review processes devised by the organisation themselves was by far the most common approach taken for implementing EPRs (71%). Moreover, it was felt to be the most important approach by two-thirds (66%) of those that had conducted or were conducting an EPR. A quarter of employers mentioned having sought the advice of consultants as part of the process of conducting an EPR, with just under one in seven citing this as the most important approach.

Just under one in ten employers (9%) had used the EOC Equal Pay Review Kit (6% had used the kit designed for larger employers, with a further 3% using the

equivalent for smaller organisations). A handful of employers (1% in both cases) cited it as the most important part of their overall approach to conducting an EPR.

Low base sizes mean that it is not possible to investigate possible variation in approaches to EPRs by country (out of the 198 employers interviewed that had conducting or were in the process of conducting an EPR, only 21 had headquarters in Scotland and only 26 were based in Wales).

**Table 5.6 Approaches taken to conducting an EPR overall, 2005**

	Per cent:	
	All approaches mentioned	Most important approach
Own review process	71	66
The advice of consultants	25	15
Industry models (various)	8	5
The EOC Equal Pay Review Kit (designed for larger employers)	6	1
Model/standard for NHS, LEA, council etc.	3	3
The EOC Small Employers Equal Pay Review Kit	3	1
Other	-	-
Don't know	6	8
<i>Base: All businesses that have conducted or are conducting an EPR</i>	198	198

Source: Equal pay reviews survey 2005.

As Table 5.7 shows, there has been little variation overall in the approaches taken over time, although employers appear to be becoming increasingly likely to seek the advice of consultants.

**Table 5.7 Main approaches taken to conducting an EPR, 2003 – 2005**

	Per cent:		
	2003	2004	2005
Own review process	83	71	71
The advice of consultants	14	19	25
Industry models (various)	n/a	n/a	8
The EOC Equal Pay Review Kit (designed for larger employers)	4	7	6
Model/standard for NHS, LEA, council etc.	n/a	2	3
The EOC Small Employers Equal Pay Review Kit	n/a	1	3
<i>Base: All businesses that have conducted, are conducting or plan to conduct an EPR</i>	75	181	198

Source: Equal pay reviews survey 2005; Schäfer et al, 2004, Tables 5.4 and 5.5.

### 5.5 Approaches taken to conducting an EPR by sector

Base sizes when looking at variation by sector are also low, and findings should be viewed as indicative only (Table 5.8).

**Table 5.8 Approaches taken to conducting an EPR by sector, 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Own review process	71	89	63	66	43	74
The advice of consultants	25	18	35	28	24	25
Industry models (various)	8	15	3	4	6	8
The EOC Equal Pay Review Kit (designed for larger employers)	6	4	3	5	15	5
Model/standard for NHS, LEA, council etc.	3	1	-	3	14	2
The EOC Small Employers Equal Pay Review Kit	3	7	2	1	4	3
Other	-	-	-	-	-	-
Don't know	6	1	*	9	17	5
<i>Base: All businesses that have conducted or are conducting an EPR</i>	198	45	33	47	73	125

Source: Equal pay reviews survey 2005.

It is, however, clear from Table 5.8 that the private sector organisations were much more likely than those in the public sector to have used their own review process; 74% of the former, compared with only 43% of the latter, had done so.

As in 2004, public sector employers were more likely than private sector employers to draw upon help and advice from outside their organisation when performing an EPR. They were also more likely to make use of the EOC Equal Pay Review Kit or models and standards for the NHS, LEA etc.

Compared with other employers in the private sector, employers in the manufacturing sector were the most likely to rely on their own review processes and least likely to seek the advice of consultants.

### 5.6 Approaches taken to conducting an EPR by size

Table 5.9 shows that review processes designed by the organisations themselves constituted the most popular approach taken to conducting EPRs across all three size brackets. Although the difference was not marked enough to deliver statistical significance, the larger the organisation, the less likely it was to have used a review process of its own. As might be expected, the use of the EOC Equal Pay Review Kit for larger employers was significantly higher than average amongst the largest employers (16%, compared with 6% of GB employers as a whole).

**Table 5.9 Approaches taken to conducting an EPR by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Own review process	71	76	67	61
The advice of consultants	25	27	22	23
Industry models (various)	8	9	7	5
The EOC Equal Pay Review Kit (designed for larger employers)	6	-	12	16
Model/standard for NHS, LEA, council etc.	3	*	6	9
The EOC Small Employers Equal Pay Review Kit	3	4	3	2
Other	-	-	-	-
Don't know	6	1	13	13
<i>Base: All businesses that have conducted or are conducting an EPR</i>	198	51	56	91

Source: Equal pay reviews survey 2005.

This variation by size band was similar to that observed in 2004, although the overall increase in the use of consultants when conducting an EPR would appear to have been driven by organisations with 25-99 employees (2004 – 16%, 2005 – 27%). This may well provide evidence that the reviews described as EPRs by these smaller organisations were more likely to have been serious and/or thorough (and hence to warrant the use of external support) than was the case in 2004, when the overall proportion reporting having conducted or conducting EPRs was considerably higher.

### 5.7 The scope of the EPR

Employers conducting an EPR were asked about the scope of this review, both in terms of which of their sites were covered and precisely what aspects of pay policy were looked at by the review. Table 5.10 compares the overall findings from 2004 and 2005.

**Table 5.10 Scope of the EPR overall, 2004 and 2005**

	Per cent:	
	2004	2005
Applied to all employees in Great Britain	94	90
Examined differences in pay by ethnic origin	30	29
Examined differences in pay by disability	26	38
Involved checking that a job evaluation system is free from discrimination*	71	72
Checked for differences in pay by sex where men and women are doing the same jobs	66	84
Checked for differences in pay by sex where men and women are doing different jobs but of equal value	66	77
<i>Base: All businesses that have conducted or are conducting an EPR</i>	<i>181</i>	<i>198</i>

Notes: \*This code changed slightly between 2004 and 2005.

Source: Equal pay reviews survey 2005; Schäfer et al, 2004, Table 5.8.

As in 2004, the EPRs in the vast majority (90%) of organisations in 2005 applied to all of their employees throughout Great Britain. Just under a third of EPRs (29%) examined differences in pay by ethnic origin and nearly three-quarters (72%) looked at a job evaluation system.

Employers that had conducted, or were conducting, an EPR were significantly more likely in 2005 than in 2004 to have examined differences in pay by disability. They were also significantly more likely (representing an increase of 18 percentage points)

to have checked for differences in pay by sex where men and women are doing the same jobs. Similarly, they were also significantly more likely to have checked for differences where men and women are doing different jobs but of equal value (an increase of 11 percentage points).

The EOC's Code of Practice on Equal Pay states explicitly that amongst other features, an equal pay review should involve:

*Comparing the pay of men and women doing equal work. Here employers need to check for one or more of the following: like work; work rated as equivalent; work of equal value. These checks are the foundation of an equal pay review*

EOC (2003): 15.

Moreover, the EOC's Code of Practice adds that:

*A pay review process that does not include these features cannot claim to be an equal pay review*

EOC (2003): 15.

In 2004, only two-thirds of GB employers (66%) that considered that their organisation had either completed, or was in the process of conducting, an EPR, had actually checked for differences in pay by sex where men and women are doing the same jobs. The same proportion had checked for differences in pay by sex where men and women were doing different jobs that are of equal value. Almost a quarter (24%) had done neither of these checks and hence by the EOC's definition of the process had not strictly speaking conducted an EPR.

Encouragingly, in 2005 the proportion that had done neither of these checks had fallen to 13%, indicating an increasing awareness among employers of what correctly constitutes an EPR. At the same time, the proportion of organisations conducting both checks rose from 56% in 2004 to 74% in 2005. Therefore, nearly every organisation that had checked for differences in pay where men and women are doing jobs of equal value had also checked for differences in pay where men and women are doing the same jobs. These findings may also explain the overall decrease in the proportion of GB employers that had conducted an EPR – as awareness of the necessary scope of an EPR grows, employers may discount previous reviews which were not conducted sufficiently rigorously.

There was no statistically significant variation in the scope of EPRs by business sector. Table 5.11 shows the two key measures (the proportion of organisations

which checked for equal work and the proportion which checked for equal value) by size of organisation, while Table 5.12 shows the equivalent data for 2004.

**Table 5.11 Scope of the EPR by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Checked for differences in pay by sex where men and women are doing the same jobs	84	89	75	82
Checked for differences in pay by sex where men and women are doing different jobs but of equal value	77	82	77	62
Conducted both checks	74	81	67	61
Conducted neither check	13	11	15	17
Conducted either check	87	89	85	83
<i>Base: All businesses that have conducted or are conducting an EPR</i>	198	51	56	91

Source: Equal pay reviews survey 2005.

**Table 5.12 Scope of the EPR by size, 2004**

	GB	Per cent:		
		25-99	100-499	500+
Checked for differences in pay by sex where men and women are doing the same jobs	66	65	60	87
Checked for differences in pay by sex where men and women are doing different jobs but of equal value	66	67	56	81
Conducted both checks	56	54	51	80
Conducted neither check	24	22	35	12
Conducted either check	76	78	65	88
<i>Base: All businesses that have conducted or are conducting an EPR</i>	181	54	53	74

Source: Schäfer et al, 2004, Table 5.9.

In 2004, the largest organisations were markedly more likely than average to be checking for differences in pay where men and women are doing the same jobs and also where men and women are doing different jobs of equal value. They were also

markedly more likely to be making both checks. However, this was no longer the case in 2005. The largest organisations were significantly less likely than GB employers as a whole to check for differences where men and women are doing different jobs of equal value and no more likely than average to conduct checks where men and women are doing the same jobs. They were also much less likely than average to be conducting both checks and slightly more likely to be conducting neither checks.

It is significant that there is no longer such a disparity between large and small organisations over whether they have included checking for differences in pay where men and women are doing the same jobs and where they are doing jobs of equal value. The increasing likelihood that EPRs will be conducted according to EOC guidelines is because messages about the correct nature of an EPR are increasingly likely to reach smaller employers. However, as a comparison of Tables 5.11 and 5.12 reveals, there has been a statistically significant fall in the proportion of large organisations which check for jobs of equal value.

### 5.8 Activity and scope of the EPR

In the light of these findings concerning the scope of the EPR, a further measure of EPR activity can be generated. This shows all employers involved in EPR activity split between those including both the equal value and equal pay check and those not doing so. Figure 5.13 gives this measure for 2004 and 2005. These figures should be compared with the data presented in Table 3.4, which gave the overall figures for completed EPRs and for first EPRs in progress.

**Table 5.13 Incidence of EPR activity and scope (single-code), 2004 and 2005**

	Per cent:	
	2004	2005
First EPR completed or in progress <i>including both equal pay and equal value check</i>	13	11
First EPR completed or in progress <i>including neither check</i>	10	4
Plans to conduct first EPR, but none in progress or completed	9	4
No EPR activity	68	82
<i>Base: All businesses</i>	<i>650</i>	<i>872</i>

Source: Equal pay reviews survey 2005 and unpublished data from the 2004 survey.

Table 5.13 demonstrates that, although there does appear to have been a general increase in the quality of EPRs being conducted, the improvement is not sufficient to

counteract the fall in EPR activity overall. That is, although discussed EPRs in 2004 were less likely to include the equal value and equal pay checks, the greater number of EPRs reported that year means that, nevertheless, the number of employers properly conducting an EPR, taken as a proportion of all employers, fell in 2005 (though, of course, so has the proportion including neither check, and by a greater degree). In total, in 2005, 11% of organisations had completed an EPR or had a (first) EPR in progress that included both checks.

Tables 5.14 and 5.15 adopt a similar approach to look at data by sector; these tables should be compared with Tables 3.7 and 3.8 respectively.

A comparison of Tables 5.14 and 5.15 reveals that while the proportion of all organisations in the private sector which had a completed or in progress EPR fell between 2004 and 2005, completed or in progress EPRs were more likely to have included both an equal pay and equal value check in 2005. There was little change in the figures in the public sector.

**Table 5.14 Incidence of EPR activity and scope by sector (single-code), 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
First EPR completed or in progress including both equal pay and equal value check	11	14	9	9	22	10
First EPR completed or in progress including neither check	4	5	2	2	10	3
Plans to conduct first EPR, but none in progress or completed	4	3	4	3	9	3
No EPR activity	82	78	82	85	58	83
<i>Base: All businesses</i>	<i>872</i>	<i>217</i>	<i>209</i>	<i>220</i>	<i>226</i>	<i>646</i>

Source: Equal pay reviews survey 2005.

**Table 5.15 Incidence of EPR activity and scope by sector (single-code), 2004**

	GB	Per cent:			
		Manuf.	Private services	Public sector	All Private sector
First EPR completed or in progress <i>including both equal pay and equal value check</i>	13	12	12	22	14
First EPR completed or in progress <i>including neither check</i>	10	9	10	12	9
Plans to conduct first EPR, but none in progress or completed	9	9	9	10	9
No EPR activity	68	70	68	55	69
<i>Base: All businesses</i>	<i>650</i>	<i>217</i>	<i>218</i>	<i>215</i>	<i>435</i>

Source: Unpublished data from the equal pay reviews survey 2004.

Tables 5.16 and 5.17 adopt a similar approach to look at data by organisational size; these tables should be compared with Tables 3.12 and 3.13 respectively. A comparison of these tables reveals that there was both an absolute and a relative fall between 2004 and 2005 in the proportion of large organisations which had completed an EPR or had one in progress which had included both checks; moreover, the proportion which had included neither check had doubled. In contrast, smaller and medium-sized organisations which had completed an EPR or had one in progress were, in relative terms, more likely in 2005 than in 2004 to have carried out both checks.

**Table 5.16 Incidence of EPR activity and scope by size (single-code), 2005**

	GB	Per cent:		
		25-99	100-499	500+
First EPR completed or in progress <i>including both equal pay and equal value check</i>	11	9	12	27
First EPR completed or in progress <i>including neither check</i>	4	1	6	17
Plans to conduct first EPR, but none in progress or completed	4	2	7	13
No EPR activity	82	87	74	43
<i>Base: All businesses</i>	<i>872</i>	<i>382</i>	<i>260</i>	<i>230</i>

Source: Equal pay reviews survey 2005.

**Table 5.17 Incidence of EPR activity and scope by size (single-code), 2004**

	GB	Per cent:		
		25-99	100-499	500+
First EPR completed or in progress <i>including both equal pay and equal value check</i>	13	11	12	32
First EPR completed or in progress <i>including neither check</i>	10	10	11	8
Plans to conduct first EPR, but none in progress or completed	9	8	11	14
No EPR activity	68	71	65	46
<i>Base: All businesses</i>	<i>650</i>	<i>282</i>	<i>193</i>	<i>175</i>

Source: Unpublished data from the equal pay reviews survey 2004.

Table 5.18 compares the situation in large private sector and large public sector organisations. This table should be compared with Table 3.15. This reveals that there was an increase between 2004 and 2005 in the absolute proportion of large public sector organisations which had completed or were conducting an EPR which involved both checks. In contrast, there was both an absolute and a relative reduction in the equivalent proportion for large private sector organisations.

**Table 5.18 Incidence of EPR activity and scope by sector for large organisations (single-code), 2004 and 2005**

	Per cent:			
	Public sector		Private sector	
	2004	2005	2004	2005
First EPR completed or in progress <i>including both equal pay and equal value check</i>	38	46	32	21
First EPR completed or in progress <i>including neither check</i>	8	15	9	17
Plans to conduct first EPR, but none in progress or completed	17	10	13	14
No EPR activity	37	30	48	47
<i>Base: All businesses</i>	<i>58</i>	<i>60</i>	<i>117</i>	<i>170</i>

Source: Equal pay reviews survey 2005 and unpublished data from the 2004 survey.

## 5.9 Satisfaction with methods used to check for pay gaps

Employers that had conducted, or were conducting, an EPR were asked how satisfied they were that the methods used to check for pay gaps met their objectives.

The results at an overall level are presented in Table 5.19, while Table 5.20 examines the data by employer size.

Table 5.19 shows that around half (49%) of all employers were very satisfied with the methods used. A further 28% were fairly satisfied. No employer stated that they were dissatisfied.

**Table 5.19 Satisfaction with methods used to check for pay gaps, 2005**

	Per cent:
Very satisfied	49
Fairly satisfied	28
Neither satisfied nor dissatisfied	14
Fairly dissatisfied	0
Very dissatisfied	0
Don't know	9
<i>Base: All businesses that have conducted or are conducting an EPR</i>	198

Source: Equal pay reviews survey 2005.

**Table 5.20 Satisfaction with methods used to check for pay gaps by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Very satisfied	49	63	30	27
Fairly satisfied	28	15	41	54
Neither satisfied nor dissatisfied	14	20	6	6
Fairly dissatisfied	0	-	-	-
Very dissatisfied	0	-	-	-
Don't know	9	2	23	12
<i>Base: All businesses that have conducted or are conducting an EPR</i>	198	51	56	91

Source: Equal pay reviews survey 2005.

Table 5.20 reveals that employers in the largest organisations were less likely to say they were very satisfied with the methods used (27%, compared with 63%) than employers in smaller organisations, but combined levels of satisfaction (i.e. those who were very or fairly satisfied) were comparable. By sector, those in the manufacturing sector were more likely to state that they were very satisfied than

those in other sectors (64%, compared with 50% across the private sector as a whole and 40% in the public sector), but these differences are not statistically significant.

### 5.10 Establishing which jobs are of equal value

The organisations that checked for pay gaps by sex where men and women were doing different jobs of equal value as part of the scope of an EPR they had conducted or were conducting, were asked how they were checking for equal value. Results are shown in Table 5.21 for 2004 and 2005.

In 2005, over two-thirds (69%) of those determining whether jobs were of equal value used a review of job titles to do so and a similar proportion (67%) used an analytic job evaluation, making these by far the most common approaches to the task. The Hay job evaluation system – a particular formal system for measuring the value of occupations – was mentioned by just under one in eight employers that had checked for pay gaps where men and women were doing jobs of equal value.

While the proportion of employers stating that they had used an analytic job evaluation system had significantly decreased from 2004 (by 11 percentage points), an increase was observed in those specifically mentioning the Hay evaluation system (from 6% in 2004 to 13% in 2005).

**Table 5.21 Method of determining which jobs are of equal value, 2004 and 2005**

	Per cent:	
	2004	2005
A review of job titles	77	69
An analytic job evaluation	78	67
Comparative job evaluation	n/a	4
Hay job evaluation system	6	13
Other	14	10
Undecided / don't know	11	6
<i>Base: All businesses that checked or are checking for equal value</i>	126	142

Source: Equal pay reviews survey 2005.

The only significant sectoral variation in the method of determining which jobs were of equal value was that public sector organisations were less likely than other organisations to use a review of job titles than GB employers as a whole.

### 5.11 Pay gaps identified

The key first result of any EPR is the determination of whether pay gaps do in fact exist in the organisation. As noted in Chapter 1, an EPR is mainly concerned with unequal pay for equal work and does not directly require employers to address other aspects of inequality, such as occupational segregation, or the lack of flexible working in higher paid jobs, which we know are also key causes of the pay gap. Some employers will use a pay review to take action on these areas too. However, the EPR focus on whether or not a pay system may be giving rise to pay gaps that could be the subject of legal challenge means that responses to questions about the pay gap will under-report the extent of the broader gender pay gap. Moreover, as noted in Table 5.13, since only 11% of organisations reported that they had done, or were currently doing, an EPR that includes checking for both equal pay and equal value, there will also have been under-reporting of the extent of pay discrimination – unequal pay for equal work.

In 2004, just one in twenty of those that had conducted or were conducting an EPR reported that their EPR had discovered a pay gap. It was felt that, in light of other research into women's remuneration, this proportion was unrealistically low and did not properly reflect the problems women continue to face in obtaining pay equality with men. In order to try and minimise the effect that the form of questioning used might have on this figure, the question was separated into two questions in 2005. The 2004 question ran as follows:

- *As a result of your equal pay review, did you identify any pay gaps between men and women that could not be satisfactorily explained on grounds other than sex?*

In 2005, a further question was added to address another kind of pay gap that respondents may not recognise as such:

- *And have you identified any gaps between the average salary of men and women working either in the same occupation or in occupations found to be of equal value?*

The responses to these questions are shown in Table 5.22.

**Table 5.22 Pay gaps identified, 2005**

	Per cent:		
	Yes	No	Don't know
Identified pay gaps that could not be satisfactorily explained on grounds other than sex	10	81	9
Identified pay gaps between the average salary of men and women working either in the same occupation or in occupations of equal value	13	83	4
Identified either kind of pay gap	16		
Base: <i>All businesses that have conducted or are conducting an EPR</i>		198	

*Notes:* Row percentages used.

*Source:* Equal pay reviews survey 2005.

A higher proportion of respondents in 2005 said 'yes' to the first of these questions than in 2004 (10%, compared with 5%), though the difference is not statistically significant. Despite this, it seems to be in keeping with the suggestion that respondents now have a better understanding of the proper conduct of an EPR. An increase in understanding would be expected to go hand in hand with a higher rate of identification of pay gaps.

The second of the two questions asked about pay gaps discovered between the average salary of men and women working in the same occupation or in occupations of equal value. The 13% of employers reporting the discovery of this sort of pay gap includes 6% that had not reported this first kind. So, in total, 16% of those that had conducted or were conducting an EPR reported finding a pay gap – nearly three times the number that reported having done so in 2004, (although in 2004 responses were collected through just one question).

There is not a statistically significant variation in the proportion reporting having found pay gaps by the type of EPR being discussed. In total, 14% of those employers who discussed an EPR in progress reported having found a pay gap, compared with 17% of those who discussed a completed EPR. It is possible, however, that those EPRs in progress could still turn up pay gaps even if they have yet to do so.

As Table 5.23 shows, pay gaps were slightly more commonly identified by organisations in the public sector than in the private sector – 24% reported having found pay gaps at one or both of the pay gap questions, compared with 18%.

Manufacturing and private services organisations were the least likely to identify a pay gap, with 15% having done so.

**Table 5.23 Pay gaps identified by sector, 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Identified pay gaps that could not be satisfactorily explained on grounds other than sex	10	8	7	8	23	8
Identified pay gaps between the average salary of men and women working either in the same occupation or in occupations of equal value	13	12	16	14	11	13
Identified either kind of pay gap	16	15	18	15	24	18
<i>Base: All businesses that had conducted or were conducting an EPR</i>	198	45	33	47	73	125

Source: Equal pay reviews survey 2005.

As Table 5.24 shows, the discovery of pay gaps shows a clear increase by size of organisation, as was also seen (for the single question then used) in 2004.

**Table 5.24 Pay gaps identified by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Identified pay gaps that could not be satisfactorily explained on grounds other than sex	10	2	14	31
Identified pay gaps between the average salary of men and women working either in the same occupation or in occupations of equal value	13	8	19	21
Identified either kind of pay gap	16	8	25	32
<i>Base: All businesses that had conducted or were conducting an EPR</i>	198	51	56	91

Source: Equal pay reviews survey 2005.

Table 5.24 shows that as many as a third of the largest organisations had identified gaps, compared with only 8% of the smallest organisations. The differences between the incidence of pay gaps among the smallest employers (those with 25-99 staff) and their larger counterparts are statistically significant.

This difference must, at least in part, be due to the fact that larger organisations have, by definition, more employees and, in all likelihood more job roles to investigate. Thus there is simply a greater potential for pay gaps to develop in these more complex and extensive hierarchies than in smaller organisations.

### **5.12 Further analysis of pay gaps**

It should be emphasised that the 16% of employers that had discovered a pay gap in the process of their EPR equates to just 51 organisations in the sample. This allows limited analysis to be conducted into the nature of these pay gaps. Issues of base sizes are further compounded by the fact that three-quarters of these respondents were unable to give average wages for men and women in the organisation. In some cases, this was because they simply did not have the information to hand; moreover, despite attempts being made after the completion of the main fieldwork to re-contact them to try to obtain this information, they were unable to supply it. In some instances, respondents did not feel comfortable sharing what could be commercially sensitive information, despite assurances of anonymity. There were a handful of cases in which both of these factors were in play – respondents were unsure of exact figures, but felt uneasy giving out 'ballpark' estimates in case they made a mistake. In a couple of cases, the information was unavailable to the respondent because the EPR had been conducted 'a long time ago'.

In those organisations which were able to give an average salary (13 for men's salaries, 14 for women), the mean salaries given were £19,800 per annum for women and £23,200 per annum for men. Thus, on average, women were found to earn 85% of men's salaries where pay gaps were found and figures were available. Qualitative research commissioned by the EOC at the end of 2004 (consisting of case studies with employers that had conducted an EPR) found that 9 out of the 14 organisations interviewed had identified a pay gap of 5% or greater (with one organisation identifying a gap as great as 40%). In the majority of cases, these gaps were found to be in favour of men (Neathey et al, 2005).

### **5.13 Causes of pay gaps**

The causes of these pay gaps are examined in Table 5.25.

**Table 5.25 Causes of pay gaps, 2005**

	<b>Per cent:</b>
Women not getting into the senior, more highly paid jobs	40
Women coming in on lower starting salaries	22
Differences in the length of time that women take to progress through the pay scale	19
Women not getting access to jobs that attract bonus or other performance related payments	8
Other	34
<i>Base: All businesses that had conducted or were conducting an EPR</i>	<i>51</i>

Source: Equal pay reviews survey 2005.

Table 5.25 shows that in two-fifths of cases, the cause was that women were not getting into the senior, more highly paid jobs. Around a fifth of employers identifying pay gaps mentioned one of two other reasons: differences in the length of time it takes women to progress through the pay scale, compared with men, and women starting on lower starting salaries than men. This question was not asked in the same way in 2004.

#### **5.14 Occupations in which pay gaps were identified**

Given the low base sizes involved, rigorous analysis of pay gaps by the occupations in which the women involved are working is not possible. To give an indication of the level of involvement, however, the following occupations were reported as being involved in pay gaps (some more than once per employer in the context of different skills gaps):

- Managers – 16 responses.
- Administrators – 14 responses.
- Academics – 7 responses.
- Cleaners – 6 responses.
- Teachers – 4 responses.
- Other non-skilled / semi-skilled – 19 responses.
- Other professional – 12 responses.

Some of the occupations mentioned are typically found in the public sector, reflecting the fact that, unweighted, two-fifths of those identifying a pay gap were public sector organisations.

### **5.15 Action as a result of pay gaps**

Where pay gaps have been identified, employers are obliged to take action to eradicate them. For the majority of pay gaps discussed, this was the case, with respondents saying that in around two-thirds of cases (unweighted), action had already been taken to eliminate the pay gap.

Over a dozen pay gaps identified had yet to be dealt with (although organisations stated that they had plans in place to do so). Without exception, these employers stated that there was a process already in progress – a job evaluation scheme typically – that they trusted would address the problem in the course of a broader review of job roles within their organisations.

More worryingly, no action was planned to deal with around a dozen reported pay gaps (although over half of these were located within one organisation). The reason that the respondent – a public sector employer – gave for this was that women's further progression in the organisation would be needed for them to earn more and that this, in turn, required a qualification that the lower earning female employees did not have and were unwilling to obtain. Elsewhere, respondents blamed low staff turnover preventing progression, or budget pressures meaning that they felt themselves unable to change the situation. One respondent felt that the pay gap that existed in their organisation was inevitable or out of their control, saying:

*There isn't anything you can do – most of our cleaners are women and that's just a fact of life.*

### **5.16 Planning a first EPR**

Employers that were planning to conduct an EPR for the first time can be usefully sub-divided into two broad categories; those that were planning to do so within twelve months of the survey being conducted and those that were planning to do so at a later date or had no identified start date. It may be argued that those organisations which have a planned start date within a year are more committed to carrying out an EPR than those which are not in this position. The results of this analysis are shown in Table 5.26. It reveals that no less than 84% of organisations had no first EPR activity planned within 12 months of the survey.

**Table 5.26 Planned start date of first EPR (single-code), 2004 and 2005**

	Per cent:	
	2004	2005
EPR completed	21	12
First EPR in progress	2	2
First EPR planned	9	4
---- First EPR planned to start within next 12 months	5	2
---- First EPR planned to start more than 12 months in advance / no fixed start date / don't know	4	2
No EPR activity	68	82
<i>Base: All businesses</i>	<i>650</i>	<i>872</i>

Source: Equal pay reviews survey 2005 and unpublished data from the 2004 survey.

Tables 5.27 and 5.28 show planned start dates by sector for 2005 and 2004 respectively. Tables 5.29 and 5.30 adopt a similar approach to look at data by organisational size, while Table 5.31 compares the situation in the public and private sectors for large organisations only.

**Table 5.27 Planned start date of first EPR by sector (single-code), 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
EPR completed	12	18	12	9	20	12
First EPR in progress	2	1	2	2	13	2
First EPR planned	4	3	4	3	9	3
---- First EPR planned to start within next 12 months	2	2	3	1	5	1
---- First EPR planned to start more than 12 months in advance / no fixed start date / don't know	2	1	1	2	4	2
No EPR activity	82	78	82	85	58	83
<i>Base: All businesses</i>	<i>872</i>	<i>217</i>	<i>209</i>	<i>220</i>	<i>226</i>	<i>646</i>

Source: Equal pay reviews survey 2005.

**Table 5.28 Planned start date of first EPR by sector (single-code), 2004**

	GB	Per cent:			
		Manuf.	Private services	Public sector	All Private sector
EPR completed	21	20	21	27	21
First EPR in progress	2	1	2	8	2
First EPR planned	9	9	9	10	9
---- First EPR planned to start within next 12 months	5	6	3	8	3
---- First EPR planned to start more than 12 months in advance / no fixed start date / don't know	4	3	6	2	6
No EPR activity	68	70	68	55	69
<i>Base: All businesses</i>	<i>650</i>	<i>217</i>	<i>218</i>	<i>215</i>	<i>435</i>

Source: Equal pay reviews survey 2005.

**Table 5.29 Planned start date of first EPR by size (single-code), 2005**

	GB	Per cent:		
		25-99	100-499	500+
EPR completed	12	10	16	34
First EPR in progress	2	2	2	10
First EPR planned	4	2	7	13
---- First EPR planned to start within next 12 months	2	1	3	7
---- First EPR planned to start more than 12 months in advance / no fixed start date / don't know	2	1	4	6
No EPR activity	82	87	74	43
<i>Base: All businesses</i>	<i>872</i>	<i>382</i>	<i>260</i>	<i>230</i>

Source: Equal pay reviews survey 2005.

**Table 5.30 Planned start date of first EPR by size (single-code), 2004**

	GB	Per cent:		
		25-99	100-499	500+
EPR completed	21	21	19	33
First EPR in progress	2	0	5	7
First EPR planned	9	8	11	14
---- First EPR planned to start within next 12 months	5	3	7	10
---- First EPR planned to start more than 12 months in advance / no fixed start date/ don't know	4	5	4	4
No EPR activity	68	71	65	46
<i>Base: All businesses</i>	<i>650</i>	<i>282</i>	<i>193</i>	<i>175</i>

Source: Equal pay reviews survey 2005.

**Table 5.31 Planned start date of first EPR by sector for large organisations (single-code), 2004 and 2005**

	Per cent:			
	Public sector		Private sector	
	2004	2005	2004	2005
EPR completed	36	33	32	34
First EPR in progress	10	28	6	5
First EPR planned	17	10	13	14
---- First EPR planned to start within next 12 months	11	7	10	7
---- First EPR planned to start more than 12 months in advance / no fixed start date / don't know	6	3	3	7
No EPR activity	37	30	48	47
<i>Base: All businesses</i>	<i>58</i>	<i>60</i>	<i>117</i>	<i>170</i>

Source: Equal pay reviews survey 2005.

### 5.17 Plans to repeat an EPR

Employers that had either completed an EPR, or were in the process of conducting one (or both), were asked how regularly they expected to repeat the process. Table 5.32 gives the results for 2005, while Table 5.33 provides the comparative information for 2004.

**Table 5.32 Regularity with which further EPRs are expected to be conducted, 2005**

	Per cent:
Every year	53
Every two years	18
Every three years	3
Every four years	1
Every five years	*
Ongoing	2
No plans to repeat	20
Other	*
Don't know	2
<i>Base: All businesses that had conducted or were conducting an EPR</i>	<i>198</i>

Source: Equal pay reviews survey 2005.

**Table 5.33 Regularity with which further EPRs are expected to be conducted, 2004**

	Per cent:
Every year	72
Every two years	13
Every three years	1
Longer than three years	2
Ongoing	2
No plans to repeat	5
Other	3
Don't know	3
<i>Base: All businesses that had conducted or were conducting an EPR</i>	<i>181</i>

Source: Equal pay reviews survey 2005.

In 2005, just over half (53%) of the organisations that had either conducted or planned to conduct an EPR thought themselves likely to repeat the exercise annually. This represents a significant fall from 2004, where nearly three-quarters (72%) of organisations expressed an intention to conduct an EPR every year. A further fifth (18%) planned to conduct a review biannually.

A fifth (20%) stated in 2005 that they had no plans to repeat an EPR, compared with only 5% in 2004. This further confirms the picture of an overall slow down in EPR activity.

As shown in Table 5.34, public sector organisations were much less likely to state their intention to repeat EPRs annually than private sector ones (34%, compared with 56%). They were also significantly more likely to repeat an EPR every three to five years.

**Table 5.34 Regularity with which further EPRs are expected to be conducted by sector, 2005**

	GB	Per cent:				
		Manuf.	Constr.	Private services	Public sector	All Private sector
Every year	53	60	49	54	34	56
Every two years	18	27	24	10	19	17
Every three years	3	3	11	1	8	2
Longer than three years	1	-	*	-	5	*
Ongoing	*	*	-	4	1	2
No plans to repeat	20	10	16	59	15	21
Other	*	-	*	-	3	*
Don't know	2	-	-	2	15	1
<i>Base: All businesses that had conducted or were conducting an EPR</i>	198	45	33	47	73	125

Source: Equal pay reviews survey 2005.

By size (as shown in Table 5.35), employers with more than 500 staff were significantly less likely to state an intention to repeat an EPR annually than the smallest employers (37%, compared with 59%). Correspondingly, they were significantly more likely to plan to repeat an EPR every three to five years. This suggests that in these sorts of organisations, the process of conducting an EPR may be more resource intensive, and that repeating it annually would be less viable.

**Table 5.35 Regularity with which further EPRs are expected to be conducted by size, 2005**

	GB	Per cent:		
		25-99	100-499	500+
Every year	53	59	50	37
Every two years	18	15	22	19
Every three years	3	1	4	7
Longer than three years	1	*	1	3
Ongoing	*	-	6	4
No plans to repeat	20	22	16	19
Other	*	-	1	1
Don't know	2	1	-	9
<i>Base: All businesses that had conducted or were conducting an EPR</i>	198	51	56	91

Source: Equal pay reviews survey 2005.

### 5.18 Conclusions

The majority of organisations that had either completed, or were in the process of conducting, an EPR had done so through the use of their own review process, rather than through engaging the help of external consultants, or by relying on processes drawn up by other organisations. Few (6%) mentioned the use of the EOC Equal Pay Review Kit (designed for large employers); fewer still (3%) mentioned its equivalent for small employers.

The EOC's Code of Practice on Equal Pay states that a properly conducted EPR should check for like work, or work of equal value, or both. Encouragingly, the proportion of organisations reporting that these key checks had been included within the scope of their EPR had risen significantly from 2004. Nevertheless, 13% of those which believed that they had conducted or were conducting an EPR still included neither of these checks and thus were not conducting what could be properly described as an equal pay review.

One in ten of those that had conducted or were conducted EPRs reported having discovered pay gaps – a slightly higher proportion than in 2004 and in line with the suggestion that employers have an increased understanding of the process of investigating equal pay. Further analysis of these pay gaps was limited by the low base size this resulted in.

Around half the organisations planned to repeat their EPR annually (a significantly lower proportion than in 2004), while a much higher proportion in 2005 had no plans to repeat the exercise.

## 6. CONCLUSIONS

The Government has been encouraging organisations voluntarily to carry out EPRs since 2001. The findings of the latest EOC survey shows that progress in EPRs is stalling amongst large employers; that interest is waning significantly amongst smaller private sector employers; and that, whilst public sector progress is better, much depends on the carrying through of existing plans.

Amongst large organisations with 500 or more employees, 14% had completed an EPR by 2003. This doubled to 33% by 2004. But between 2004 and 2005, activity stagnated, with only 34% of large employers stating in 2005 that they had completed an EPR. It is evident from these figures that the EOC's target – that 50% of large organisations should have completed an EPR by the end of 2003 – was not met. It is also apparent that, on the current rate of change, the Government will not meet its PSA target that 45% of large organisations should have done so by 2008.

The stagnation in EPR activity among large organisations has occurred in both the public and the private sector. In 2005, 34% of large private sector organisations and 33% of large public sector organisations had completed an EPR, percentages which were very similar to those for 2004. However, the overall incidence of EPR activity amongst large organisations is significantly higher in the public sector; 28% had a first EPR in progress in 2005, compared with only 5% of organisations in the private sector. Moreover, over half of large private sector organisations reported no past EPR activity and were not planning to conduct their first EPR within the next twelve months; this compares with a third of large public sector organisations.

In 2005, 10% of organisations with 25-99 employees and 16% of those with 100-499 employees had completed an EPR. Again, it is evident that the EOC's other target – that 25% of organisations with fewer than 500 employees should have completed an EPR by the end of 2005 – was not met.

The overall results for small organisations have been affected by a significant decline in reported activity over the past two years amongst small private services employers. In 2004, 30% of such employers reported some EPR activity; the equivalent figure for 2005 was only 10%. There are likely to be two key reasons: a greater understanding now of the characteristics of an EPR, so that some (past) pay reviews would no longer be assessed as being *equal* pay reviews and a higher proportion of small businesses than previously now being unsure whether they have completed an EPR or not. Some past EPR activity may also be being overlooked.

Overall, six out of seven organisations (82%) reported in 2005 that they had never carried out an EPR, had none in progress and had no plans to conduct one. This compares with 68% in each of the last two years. This is further evidence of a slow down in EPR activity.

In total, only 11% of organisations reported that they had done, or were currently doing, an EPR that included checking for both equal pay and equal value, a recommendation in the EOC's Code of Practice on Equal Pay. The figure was higher for large organisations (27%) than for small ones (9%); it was also higher for the public sector (22%) than for the private sector (10%).

It is encouraging that a higher proportion of organisations checked for both equal pay and equal value in 2005 (74%) than in 2004 (56%). However, it should be noted that while the proportion of small and medium-sized employers who carried out both checks increased, the proportion of large employers who did so declined.

Three-fifths (58%) of those with some EPR activity stated that being seen as a 'good practice' employer was the main reason for undertaking a review. This was exactly the same proportion as in 2004.

The most common reason cited by employers for not undertaking a review was that they believed their pay systems were not discriminatory. This was stated by 85% of all employers. Two-fifths of employers stated that senior management did not see the need for a review; this was more commonly stated by private sector than by public sector employers.

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## APPENDIX 1: Further details of sample

**Table A1.1 Sample achieved: country by size**

Country	Total	Size:		
		25-99	100-499	500+
England	602	200	200	202
Scotland	135	89	30	16
Wales	135	93	30	12
<b>Total</b>	<b>872</b>	<b>382</b>	<b>260</b>	<b>230</b>

*Notes:* Interviews achieved are given as unweighted figures, indicating the actual numbers of interviews conducted in each cell.

**Table A1.2 Sample achieved: country by sector**

Country	Total	Sector:			
		Manuf.	Constr.	Private services	Public sector
England	602	150	150	150	152
Scotland	135	32	31	35	37
Wales	135	35	28	35	37
<b>Total</b>	<b>872</b>	<b>217</b>	<b>209</b>	<b>220</b>	<b>226</b>

*Notes:* Interviews achieved are given as unweighted figures, indicating the actual numbers of interviews conducted in each cell.

**Table A1.3 Sample achieved: size by sector**

Size	Total	Sector:			
		Manuf.	Constr.	Private services	Public sector
25 - 99	382	95	90	97	100
100 - 499	260	64	65	65	66
500+	230	58	54	58	60
<b>Total</b>	<b>872</b>	<b>217</b>	<b>209</b>	<b>220</b>	<b>226</b>

*Notes:* Interviews achieved are given as unweighted figures, indicating the actual numbers of interviews conducted in each cell.

## APPENDIX 2: 2004 and 2005 respondents and samples compared

One possible explanation for the fall in EPR activity between 2004 and 2005 is that it is as a consequence of some uncontrolled element of the fieldwork progress and thus, in some sense, not a true fall. Factors which might have contributed to this are considered in this Appendix.

### The change of sample source

In 2004, the sample for the interview was obtained from Experian; in 2005, it came from Dun & Bradstreet. The impact that this might have on the results is hard to quantify, but there is no reason to think that the change of sample source would lead to systematically fewer organisations being included in the sample which would report EPR activity. Both databases are aiming at coverage of the same population (notwithstanding the deliberate alterations made to the definition of the population interviewed which have already been shown to have not been responsible for the decline). Moreover, the sample making up a small proportion of the total database was drawn randomly in the same manner in both cases.

### A change in uncontrolled properties of the sample

Within each quota cell, there is the possibility for year-on-year variation occurring within the defined boundaries of size and sector. That is, particular SIC codes could predominate within the interviews achieved in a sector one year and not in the next. Or the actual size of organisations in a particular size band may tend towards the top or the bottom of the band in one year and not the next.

The most important sample cell to check for this effect is small private services organisations in the UK as these not only make up two-fifths of the population, but also show the largest fall in the proportion that had completed an EPR (22% in 2004, compared with just 6% in 2005). There is, however, little indication in this key cell of variation that would explain the fall.

**Table A2.1 SIC profile of private services organisations with 25-99 employees in England, 2004 and 2005**

	2004		2005 ( <i>comparable sectors</i> )	
	Completed an EPR	Total number of cases (unweighted)	Completed an EPR	Total number of cases (unweighted)
One digit SIC code	Per cent:	N	Per cent:	N
5	47	15	6	33
6	10	10	0	8
7	17	24	20	5
9	-	0	0	2

*Source:* Unpublished data from the equal pay reviews survey 2004; Equal pay reviews survey 2005.

Although there is a greater proportion of interviews amongst organisations with a one digit SIC code of '5' (retail and wholesale organisations), these were in fact the most

likely to have conducted an EPR in 2004. So, if anything, this difference might be expected to increase the proportion of organisations that reported a completed EPR rather than decrease it.

By size, the relevant question is whether, within the boundaries of the three size bands used, there is a difference in the mean number of employees. As EPR activity is more common amongst larger employers, if organisations in 2004 had been clustered towards the top end of size bands, this might have had an inflationary effect on results. Similarly, were organisations in 2005 clustered towards the bottom end of the size bands, this might deflate incidence of EPR activity in this survey. To give a measure of this, the mean number of employees in organisations in each of the three size bands is shown in table A2.2 below.

**Table A2.2 Comparison of size profile of size bands, 2004 and 2005**

Size :	Mean number of employees ( <i>unweighted</i> ):	
	2004	2005
25-99	50	47
100-499	223	215
500+	9,758	3,527
<i>Base: All businesses</i>	650	872

Source: Unpublished data from the equal pay reviews survey 2004; Equal pay reviews survey 2005.

There is a slightly lower mean number of employees in the first two size bands, though the difference is not of a magnitude to explain the fall in the proportion of organisations that had completed EPRs. And although there is a much larger difference in the mean for those with 500+ employees, there has in fact been a slight increase in EPR activity amongst these employers since 2004.

### **A change in the type of respondent contacted**

The introductory text on the questionnaire was rearranged on paper, but would have been practically unchanged from the perspective of respondents, so the selection process for respondents was consistent with that in 2004. Furthermore, the respondents' job titles and the departments in which they work, recorded towards the end of the interview, indicate that appropriate respondents were interviewed. Two-fifths of respondents were from HR departments, with the bulk of the remainder split evenly between general managers, accountants/financial officers and directors, owners and managing directors of organisations. This distribution of respondents is almost identical to that seen in 2004. The quality of responses can therefore be assumed to have been maintained. The fall in reported EPR activity cannot be plausibly ascribed to poorly informed respondents, or to respondents in inappropriate roles. As a side note, it also suggests that the tendency to see EPRs as a matter extending beyond a straightforward question of remuneration seen in 2004 continues.

### **Conclusion**

Variations of this sort do not appear to have contributed to the observed fall in EPR activity between 2004 and 2005. The change of sample source does not provide a

plausible explanation; there does not appear to have been uncontrolled variation in the sample profile within controlled quota cells; and the type of respondent spoken to in 2005 was very similar to that in 2004.

## APPENDIX 3: Equal pay reviews survey 2005 questionnaire

**PRIVATE & CONFIDENTIAL**

**Equal Pay Reviews Survey 2005  
Telephone**

Start Time:	
Company Name:	
Respondent:	
Job Title:	
Interviewer:	

### ASK TELEPHONIST

- 1) Good morning/afternoon, my name is \_\_\_\_ calling from IFF Research, an independent market research company on behalf of the Equal Opportunities Commission. Please can I speak to your Human Resources or Personnel Manager or Director?

IF NECESSARY: I need to speak to the person who handles reviews of salary levels for your organisation

INTERVIEWER NOTE – if respondent states that no reviews have been undertaken, then explain that would still like to continue but the interview will be very short.

INTERVIEWER NOTE: If no HR manager / director – ask to speak to most senior person with responsibility for HR.

( )

Transferred	1	CONTINUE
Make appointment to call back	2	SET APPOINTMENT TIME / DATE
Refused	3	THANK AND CLOSE
Unobtainable Number	4	
Reviews of salary levels undertaken by another site or part of the organisation	5	TAKE DETAILS AND CLOSE (NEED TEL NO, CONTACT NAME, WHETHER ENGLAND, SCOTLAND OR WALES, NEW COMPANY NAME)
Other (RECORD)	0	SUPERVISOR TO ASSESS

### ASK RESPONDENT

- 2) Good morning/afternoon, my name is \_\_\_\_ calling from IFF Research, an independent market research company. We are conducting a very short survey on behalf of the Equal Opportunities Commission. My questions will take between 5 and 10 minutes depending on your answers, and everything you say will be strictly confidential.

First can I just check that you are the most appropriate person to ask about any reviews of salary levels that your organisation has undertaken or might undertake?

INTERVIEWER NOTE – if respondent states that no reviews have been undertaken, then explain that would still like to continue but the interview will be very short.

ADD IF NECESSARY: The survey just involves a few questions about salary reviews.

Is now a convenient time to talk?

( )

Yes – OK to interview now	1	CONTINUE
No – More appropriate person	2	TRANSFER AND RE-INTRODUCE
Make appointment to call back	3	SET APPOINTMENT TIME / DATE
Reviews of salary levels undertaken by another site or part of organisation	4	TAKE DETAILS AND CLOSE (NEED TEL NO, CONTACT NAME, WHETHER ENGLAND, SCOTLAND OR WALES, NEW COMPANY NAME)
Refused	5	THANK AND CLOSE
Unobtainable Number	6	
Other (RECORD)	0	SUPERVISOR TO ASSESS

**REASSURANCES**

- The survey is voluntary and completely confidential
- The interview will take up to 10 minutes
- IFF Research is an independent research company which is bound by the Code of Conduct of the Market Research Society. This means that all your answers to the survey will be treated in strict confidence and will not be attributed to you.
- If you would like to confirm that IFF Research is a bona fide Market Research company, you can call the Market Research Society, free of charge, on 0500 39 69 99
- If you have any queries about the research, you can contact Katie Carter or Stefan Schaefer at IFF Research on 020 7250 3035
- If you would like to confirm that IFF is working for the EOC, then you can contact David Perfect at the EOC on 0161 838 8320.

INFORMATION TO RECORD FROM SAMPLE:

RECORD 2-DIGIT SIC CODE

RECORD COUNTRY

( )

ENGLAND	1
SCOTLAND	2
WALES	3

RECORD SECTOR

( )

MANUFACTURING	1
SERVICES	2
PUBLIC	3

3) To start with, can you tell me how many people your organisation employs in Great Britain (i.e. across England, Scotland and Wales)?

ADD IF NECESSARY – An approximate figure would be fine.

WRITE IN NUMBER OF STAFF	
--------------------------	--

IF GIVE ABSOLUTE NUMBER – RECORD TO RANGES BELOW

IF DON'T KNOW ABSOLUTE NUMBER – PROMPT WITH RANGES

( )

24 or fewer	1	THANK AND CLOSE
25-49	2	SET TO QUOTA '25-99'
50-99	3	
100-249	4	SET TO QUOTA '100-499'
250-499	5	
500-999	6	SET TO QUOTA '500+'
1000+	7	
Don't know	8	THANK AND CLOSE

- 4) And is this the only site that your organisation has or do you have other sites?

( )

Only site	1	
Have other sites	2	

**IF HAVE OTHER SITES (Q4/2)**

- 5) I'd like to know approximately how many sites your organisation has in Great Britain. Can you tell me how many sites you have in....?

IF DON'T KNOW ABSOLUTE NUMBER OF SITES – PROMPT WITH RANGES

	WRITE IN NUMBER OF SITES	1-10	11-24	25-49	50-99	100+
England		1	2	3	4	5
Scotland		1	2	3	4	5
Wales		1	2	3	4	5

**ASK ALL**

- 6) Would you classify your organisation as one mainly seeking to make a profit; as a charity / voluntary sector organisation; as a local-government financed body, or as a central government financed body?

CODE ONE ONLY

Seeking a profit	1
Charity / voluntary sector	2
Local government financed body	3
Central government financed body	4
None of the above / other	5

**ASK ALL**

- 7) Has your organisation ever **completed** an equal pay audit or equal pay review - by an equal pay review, we mean comparing the pay of men and women doing equal work, identifying any equal pay gaps and eliminating those pay gaps that cannot satisfactorily be explained on grounds other than sex.

IF NECESSARY: If you have undertaken a job evaluation scheme/review, with a broader remit than comparing pay of men and women, please only include this as an equal pay review if the job evaluation is analytical (i.e. factor based and free from gender bias). Factor-based means where a job is broken down into demands such as effort, skill and decision-making. The demands are then scored and this is used to create an overall score for the job.

INTERVIEWER NOTE: If organisation is in process of conducting its first EPR – then record as ‘no’.

( )

Yes	1	
No	2	
Don't know	3	

- 8) Is your organisation currently in the process of conducting an equal pay audit or equal pay review?

( )

Yes	1	
No	2	
Don't know	3	

**IF NOT IN PROCESS OF CONDUCTING AN EPR (Q8/2 OR 3)**

- 9) Does your organisation currently have any plans to conduct an equal pay audit or equal pay review in the future?

( )

Yes	1	
No	2	
Don't know	3	

**IF HAVE NOT CONDUCTED AN EPR, NOT CURRENTLY CONDUCTING ONE AND HAVE NO PLANS TO DO SO (Q7/2-3 AND Q8/2-3 AND Q9/2-3)**

- 10) Which of the following are reasons why your organisation has no plans to conduct an equal pay audit or equal pay review. Is it because.....? READ OUT AND CODE ALL MENTIONED

( )

Your pay systems are not discriminatory	1	
You have an analytical job evaluation system	2	
Senior management do not see the need for a review	3	
You do not have time to carry out a review	4	
You are implementing or planning to implement a new pay or grading system	5	
You do not have the financial resources to carry out a review	6	
You have concerns about what such a review would find	7	

- 11) DUMMY QUESTION – EPR TO ASK ABOUT (SINGLE)

( )

COMPLETED EPR	1	Q7/1 AND Q8/NOT 1
EPR IN PROGRESS	2	Q8/1
PLANNED EPR	3	Q9/1 AND Q7/NOT 1 AND Q8/NOT 1
NO EPR	4	Q9/NOT 1 AND Q7/NOT 1 AND Q8/NOT 1

**IF ASKING ABOUT COMPLETED EPR (Q11/1)**

- 12) When did the process of conducting the equal pay review that your organisation has now completed start?

RECORD YEAR		RECORD MONTH	
-------------	--	--------------	--

**IF ASKING ABOUT EPR IN PROGRESS (Q11/2)**

- 13) When did you start the process of conducting the equal pay review that is currently in progress?

RECORD YEAR		RECORD MONTH	
-------------	--	--------------	--

**IF ASKING ABOUT PLANNED EPR (Q11/3)**

- 14) When do you think you are likely to start the equal pay review that you have planned? Do you think you will start the process.....?

( )

Within the next 6 months	1	
Within the next year but not the next 6 months	2	
At a point over 12 months away	3	
No fixed start date yet	4	
Other (WRITE IN)	5	

**ASK ALL WHO HAVE CONDUCTED, ARE CONDUCTING OR PLANNING AN EPR (Q11/1-3), OTHERS GO TO Q17**

- 15) What prompted your organisation to conduct the equal pay review that you (TEXT SUBSTITUTION: Q11/1: have now completed; Q11/2: are in the process of conducting; Q11/3: are planning)? Was it because....? READ OUT AND CODE ALL MENTIONED

**ASK ALL WHO MENTION MORE THAN ONE REASON AT Q15**

15a) And which of these would you describe as being the main reason? READ OUT ALL MENTIONED AT Q15 AND CODE ONE ONLY

	Q15	Q15a
You wanted to be a good practice employer	1	1
As a result of leadership from employer bodies	2	2
You saw it as good business sense	3	3
You were under pressure from trade unions	4	4
As a result of Government policy or publicity	5	5
As a result of equal pay cases being raised in your organisation	6	6
As a result of EOC policy or publicity	7	7
For other reasons (SPECIFY)	8	8

**IF MENTION GOVERNMENT POLICY AT Q15 (Q15/5)**

16) You said that Government policy or publicity was at least part of the reason why you decided to conduct an equal pay review. Can I just check, by 'Government' do you mean....?

( )

The Scottish Executive	1	
The Welsh National Assembly	2	
The Westminster Parliament	3	
Other (WRITE IN)	4	

**ASK ALL**

17) Has your organisation been presented with an Equal Pay Questionnaire by any of your employees?

( )

Yes	1	
No	2	
Don't know	3	

**ASK ALL WHO HAVE CONDUCTED OR ARE CONDUCTING AN EPR (Q11/1-2)  
[OTHERS ASK Q27]**

18) We are interested to know how you (TEXT SUBSTITUTION: Q11/1: went about; Q11/2: are going about) conducting an equal pay review. (TEXT SUBSTITUTION: Q11/1: Did you take; Q11/2: are you planning to take) any of the following approaches...? READ OUT AND CODE ALL MENTIONED

**IF MENTION MORE THAN ONE APPROACH AT Q18**

- 18a) And which of these would you say was most important in determining the approach that you (TEXT SUBSTITUTION: Q11/1: ended up taking; Q11/2: are going to take)? CATI TO SHOW LIST FROM Q18: INTERVIEWER READ LIST OUT.

	Q18	Q18a
(TEXT SUBSTITUTION: Q11/1: Designed / Q11/2: designing) your own review process	1	1
(TEXT SUBSTITUTION: Q11/1: Followed / Q11/2: following) the advice of consultants	2	2
(TEXT SUBSTITUTION: Q11/1: Used / Q11/2: using) the EOC Small Employers Equal Pay Review Kit	3	3
(TEXT SUBSTITUTION: Q11/1: Used / Q11/2: using) the EOC Equal Pay Review Kit (designed for larger employer)	4	4
(TEXT SUBSTITUTION: Q11/1: Used / Q11/2: using) another model (SPECIFY)	5	5

**ASK ALL WHO HAVE CONDUCTED OR ARE CONDUCTING AN EPR (Q11/1-2)**

- 19) I'd just like to ask you a few details about the scope of your equal pay review. (TEXT SUBSTITUTION: Q11/1: Did your review; Q11/2: Will your review)..?

	YES	NO	UNDECIDED	DON'T KNOW
Apply to ALL your employees in Great Britain	1	2	3	DK
(IF NOT COVERING ALL EMPS AND HAVE SITES IN ENGLAND (Q19_1/2-3 AND Q5_1>0) Cover your sites in England	1	2	3	DK
(IF NOT COVERING ALL EMPS AND HAVE SITES IN SCOTLAND(Q19_1/2-3 AND Q5_2>0) Cover your sites in Scotland	1	2	3	DK
(IF NOT COVERING ALL EMPS AND HAVE SITES IN WALES (Q19_1/2-3 AND Q5_3>0) Cover your sites in Wales	1	2	3	DK
Examine differences in pay by ethnic origin	1	2	3	DK
Examine differences in pay by disability	1	2	3	DK
Involve checking that a Job Evaluation system is free from discrimination	1	2	3	DK
Check for differences in pay by sex where men and women are doing the same jobs	1	2	3	DK
Check for differences in pay by sex where man and women are doing different jobs but of equal value **	1	2	3	DK

- 19a) How satisfied are you that the methods you used to check for pay gaps met their objectives? Would you say that you are...? READ OUT

	( )
Very satisfied	1
Fairly satisfied	2
Neither satisfied nor dissatisfied	3
Fairly dissatisfied	4
Very dissatisfied	5
Don't know	X

**ASK ALL WHO HAVE/PLAN TO CHECK FOR EQUAL VALUE (Q19/9-1) \*\***

- 20 We are interested to know how you (TEXT SUBSTITUTION: Q11/1: went about determining; Q11/2: will go about determining) which jobs are of equal value. As part of this process (TEXT SUBSTITUTION: Q11/1: did you; Q11/2: will you)....?

	YES	NO	UNDECIDED
Conduct a review of job titles	1	2	3
Conduct analytical job evaluation	1	2	3
Use another job analysis method (SPECIFY)	1	2	3

**ASK ALL WHO HAVE CONDUCTED OR ARE CONDUCTING AN EPR (Q11/1-2)**

- 21) As a result of your equal pay review, (TEXT SUBSTITUTION: Q11/1: did you identify; Q11/2: have you so far identified) a gap between the overall average salary paid to men and the average salary paid to women?
- 21a) And have you identified any gaps between the average salary of men and women working either in the same occupation or in occupations found to be of equal value?

	Q21	Q21a	
Yes	1	1	ASK Q22
No	2	2	ASK Q26
Don't know	3	3	

**IF HAVE IDENTIFIED A GAP IN AVERAGE SALARY (Q21/1)**

- 22) Please can you tell me the overall average salary earned by men and the average salary earned by women?

AVERAGE ANNUAL SALARY FOR MEN (WRITE IN)	ALLOW NUMERIC ANSWER
RECORD SALARY FOR MEN IN SOME OTHER WAY (WRITE IN)	ALLOW TEXT ANSWER
AVERAGE ANNUAL SALARY FOR WOMEN (WRITE IN)	ALLOW NUMERIC ANSWER
RECORD SALARY FOR WOMEN IN SOME OTHER WAY (WRITE IN)	ALLOW TEXT ANSWER

**IF IDENTIFIED GAP IN AVERAGE SALARY OR WITHIN INDIVIDUAL OCCUPATIONS (Q21/1 OR Q21A/1)**

23) And have these gaps in earnings come about as a result of differences between men and women in terms of ....?

	YES	NO	DK
Differences in the length of time that women take to progress through the pay scale	1	2	3
Women coming in on lower starting salaries	1	2	3
Women not getting access to jobs that attract bonus or other performance related payments – for example bonus payments for manual workers	1	2	3
Women not getting into the senior, more highly paid jobs – for example women clustering at the top pf the junior grades, but not getting through into management	1	2	3
Some other reason	1	2	3

FOR EACH TYPE OF GAP IDENTIFIED AT Q23

24) And can you tell me what occupations the women affected by pay gaps as a result of (TEXT FROM Q23) are working in...? RECORD UP TO 4 DIFFERENT OCCUPATIONS

INTERVIEWER NOTE: CODE NULL WHEN NO MORE OCCUPATIONS TO ENTER

OCCUPATION 1 (WRITE IN)	
OCCUPATION 2 (WRITE IN)	
OCCUPATION 3 (WRITE IN)	
OCCUPATION 4 (WRITE IN)	

**FOR EACH TYPE OF GAP IDENTIFIED AT Q23**

25a) And has action been taken to eliminate these pay gaps for (OCCUPATION)....?

( )

Yes	1	
Not yet but action planned	2	
No action planned	3	
DON'T KNOW	4	

**IF NO ACTION PLANNED FOR GAP (Q25a/3)**

25b) Why is it that no action is planned to address these gaps?


**IF ACTION PLANNED BUT NOT YET TAKEN (Q25a/2)**

25c) Why is it that action has not yet been taken to address these gaps?


**ASK ALL WHO HAVE CONDUCTED OR ARE CONDUCTING AN EPR (Q11/1-2)**

26) How regularly do you think your organisation is likely to conduct equal pay reviews?

( )

Every year	1	
Every two years	2	
No plans to repeat	3	
Other (SPECIFY)	4	

**ASK ALL**

27) Finally, can I just ask you roughly what proportion of your workforce is female. Would you estimate this to be...?

PROMPT AS NECESSARY

( )

None	1	
Between 1 and 5%	2	
Between 6 and 10%	3	
Between 11 and 20%	4	
Between 21 and 30%	5	
Between 31 and 40%	6	
Between 41 and 50%	7	
Between 51 and 60%	8	
Between 61 and 70%	9	
Between 71 and 80%	10	
Between 81 and 90%	11	
More than 90%	12	

**THANK AND CLOSE**

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
<b>Interviewer signature:</b>	Date:	
Finish time:	Interview Length	mins