



CLOSING THE GENDER PAY GAP BRC SUBMISSION

SUMMARY

Over 60 per cent of those working in retail are women so our members recognise the importance of harnessing female talent within the workplace. Many of our members have specific internal programmes focussed on career development and the flexible nature of retail also supports the retention of women at work.

The BRC is supportive of initiatives that will encourage employers to take actions that will help close the gender pay gap and increase transparency. We believe the publication of gender pay information will encourage employers to take steps to close the pay gap as the focus on this important issue will be increased. We do however believe the reporting should be simple, accompanied by additional narrative, to ensure the requirements are not overly costly or burdensome on business.

The BRC is keen to work with Government as the proposals are progressed, particularly given the retail industry's strong record on employing and progressing female talent. BRC members are keen to share positive work that has been undertaken in this space to encourage best practice sharing and would be happy to share relevant case studies if this would be useful.

DETAILED RESPONSE

GENDER PAY GAP TRANSPARENCY

Q1: *Publication of gender pay information will encourage employers to take actions that will help close the pay gap. Do you agree?*

The BRC is supportive of initiatives that will encourage employers to take actions that will help close the gender pay gap. We believe the publication of gender pay information will encourage employers to take actions that will help close the pay gap as this will increase the focus on this important issue.

External publication of gender pay information may however mean a disproportionate focus on the figures rather than the positive actions organisations are doing to address any issues which exist. It is for this reason we believe the reporting should be simple, accompanied by additional narrative, to ensure the requirements are not overly costly or burdensome on business. We therefore believe focus should be given to the benefits of individual companies looking at gender pay within their own organisations.

Q2: *Transparency on gender pay will have an impact on:*

- a) *Encouraging girls and women to consider working in a wider variety of occupations and sectors.*
- b) *Encouraging employers to develop their female talent.*
- c) *Encouraging employees to take up flexible working or shared parental leave.*
- d) *Encouraging employers to support flexible working or shared parental leave.*
- e) *Encouraging employers to adopt good practice on how to manage and support a multigenerational workforce.*

- f) *Helping those who have a stake in the organisation, including investors, shareholders and clients.*
- g) *Helping employers to address equal pay in their organisations.*

Do you agree?

Whilst we are supportive of the aims of the proposed regulations we are unsure transparency on gender pay will have a significant impact on all the areas listed above. For example, the take up of shared parental leave will be due to a wide variety of factors so will not be changed simply by introducing gender pay gap reporting. We therefore believe the purpose of the policy needs to be clearly outlined, with realistic objectives.

Q3: *Employees or other interested parties (e.g. shareholders) may want to gauge how an employer's gender pay gap compares with similar organisations. How important do you think comparability is?*

As noted above, external publication of gender pay information may mean a disproportionate focus on the figures rather than the positive actions organisations are doing to address any issues which exist which may be further increased if organisations are compared with each other. Although comparability may be useful across sectors, this will also significantly increase the complexity and cost to businesses complying with the proposed regulations. We therefore believe focus should be given to the benefits of individual companies looking at gender pay within their own organisations through a flexible approach.

Q4: *Do you think the regulations should specify where the employer publishes their gender pay information – for example, a prominent place on their public website?*

We feel this should be left to the individual company to decide. If it were to be stipulated, we feel the information should be published on a public website.

MAKING REGULATIONS

Q5: *Which of the following measures showing the differences in the pay of male and female employees are you currently able to calculate from existing data and systems?*

- a) *An overall gender pay gap figure by calculating the difference between the earnings of men and women as a percentage of men's earnings.*
- b) *Gender pay gap figures broken down by full-time and part-time employees.*
- c) *Gender pay gap figures broken down by grade or job type.*
- d) *None of the above.*

Different BRC members will be able to calculate different measures depending on their existing data and systems. We would however make the following observations:

- When earnings are referred to, does this mean the total reward an employee receives or basic pay? We believe the former may be more appropriate but will be far more time consuming to calculate. This needs more detailed consideration.
- What is meant by job type needs to be very clear as there are a huge number of job roles within retail, with each retailer having different job roles from another. This in itself will make comparability across the retail sector very challenging and would thus increase the complexity of complying significantly.

CONTEXTUAL NARRATIVE

Q6: *Do you think that any additional narrative information published by employers should be:*

- a) *Voluntary and not set out within the regulations or non-statutory guidance.*
- b) *Voluntary, not set out in regulations, but set out in non-statutory guidance.*
- c) *Set out within the regulations.*
- d) *Other, please specify.*

The BRC believes providing additional narrative will be very important to most businesses but thinks this should be voluntary and not set out in regulations, but set out in non-statutory guidance. Although guidance on what details a business may wish to include in additional narrative would be useful, there should be flexibility to how a business approaches this.

PUBLICATION FREQUENCY

Q7: *How often do you think employers should report gender pay gap information?*

- a) *Every year.*
- b) *Every 2 years.*
- c) *Every 3 years.*
- d) *Other.*

Our members would support annual reporting provided the requirements are manageable. If the purpose of reporting is for individual companies to act upon pay gaps within their own organisation through simple metrics, this could be achieved on a yearly basis. If however the requirements were for comparable figures across businesses, this would be far more complex so the frequency of reporting would need to be considered carefully.

IMPLEMENTATION COSTS

Q8: *If you are an employer, what is your assessment of the costs of conducting gender pay analysis and publishing relevant information?*

This will vary for individual BRC members but will also be dependent on what exactly a business is being asked to report. Associated costs could, for example, be around investing in software systems, internal resource to collate and analyse the data and staff training. In the interests of Better Regulation we would hope a full Impact Assessment will be undertaken to assess the impact different reporting requirements would have on businesses impacted by the proposed regulations.

Q9: *What is the actual/estimated time taken by the lead person assigned to the activity of analysing and publishing a gender pay gap estimate?*

This will vary for different BRC members depending on their internal systems and resources.

COMMENCEMENT

Q10: *Private and voluntary sector employers in Great Britain with at least 250 employees may fall within the scope of the proposed regulations. Do you think this threshold is appropriate?*

Businesses nearer this threshold are likely to have far less resource and internal systems to support gender pay gap reporting so the regulations may therefore be far more onerous on these businesses. This needs to be considered in an Impact Assessment. A phased implementation, as mentioned in the consultation, may be a sensible way forward so smaller organisations have longer to plan.

Clarity is also required around which businesses would fall within the scope of the regulations. For example, would they apply to global companies or those companies with employees abroad?

Q11: *The cut off period for any calculation of the gender pay gap will need to be specified in the regulations. Which of the following do you consider preferable:*

- a) 1 January.
- b) 6 April.
- c) 1 October.
- d) The year-end date for each business.
- e) No preference.
- f) Other (please specify, including reason).

The overall consensus from BRC members was the year-end date for each business so as to reduce the burden of reporting. The BRC welcomes the Government's intention of delaying the introduction of the regulations by an appropriate period to give businesses an opportunity to prepare for implementation but we would still urge that clarity on the timing of reporting is given as soon as possible so businesses can consider the impact and plan accordingly. Detail on how soon after the cut-off period the figures need to be published will also need to be clarified as the collation and analysis of gender pay gap information could take up a significant amount of time, particularly if follow up investigations and remedial actions are needed.

SUPPORT FOR EMPLOYERS

Q12: *The Government is considering a number of actions to help support employers implement the proposed regulations. How helpful do you think the following measures would be?*

- a) *Helping employers to understand the new regulations (e.g. through workshops or seminars).*
- b) *Helping employers to calculate their organisation's gender pay gap (e.g. through access to software).*
- c) *Helping employers with other types of supporting analysis (e.g. analysis of representation of women at different levels within the workforce).*
- d) *Helping employers to address the issues identified by a pay gap analysis.*
- e) *Other, please specify.*

All these measures would be useful to help support members implement the proposed regulations. We would make the following suggestions:

- Any workshops should be practical and reflective of the reality of what is required under the proposed regulations.
- Access to software will be very useful, particularly for businesses without sophisticated systems, as this is where the time will be taken up for employers.
- Helping employers to address the issues identified by a pay gap analysis may be helpful given some employers may not know how to tackle the issues.
- We would also stress that any guidance on how to do the analysis is clearly written and easy for a business to interpret.



Q13: *Do you think there are alternative ways to increase transparency on gender pay that would limit the cost for employers, for example reporting to the Government via the existing PAYE system?*

We do not believe that using the PAYE system would provide very accurate data and would not give employers the opportunity to provide a narrative to explain the findings within their organisation. Instead we wish to work with the Government on a simple approach to pay gap reporting.

COMPLIANCE

Q14: *Do you think that introducing civil enforcement procedures would help ensure compliance with the proposed regulations?*

The BRC believes that the risk of brand and reputational damage will drive compliance with the proposed regulations. We are not convinced civil enforcement procedures will be any greater lever for compliance.

IMPLEMENTATION RISKS

Q15: *What, if any, do you consider to be the risks or unintended consequences of implementing section 78?*

Although the BRC is supportive of the reasons for introducing pay gap reporting there are some associated risks which include:

- Media coverage resulting in negative stories that may cause internal employee relations issues
- Women starting out on their careers and being deterred from applying for jobs in certain industries as a result of gender pay gap publications
- Unintentional breaches of confidentiality due to reporting
- Comparing job roles and grades could become very complex and onerous
- There is a chance there could be equal pay claims (where there is no legal basis) made on the back of more pay gap information being in the public domain.

Q16: *Do you consider there are any risks or unintended consequences that warrant dropping or modifying the implementation of section 78? If yes, please explain.*

The important thing for BRC members is the proposed regulations are flexible and easy to comply with. Employers systems vary greatly and to avoid unproductive spend on systems modification or manual data collation to satisfy reporting requirements, simplicity and flexibility will be crucial.

WIDER WORK TO CLOSE THE GENDER PAY GAP

Q17: *How do you think the Government can most effectively encourage young girls to consider the broadest range of careers?*

Career advice is vital to ensure young girls understand the broad range of careers they may wish to consider. This needs to begin at a very early age and particular focus should be given to traditionally male-dominated sectors.



Q18: How do you think the Government can work with business to support women to return to work and progress in their career after having children?

The cost of childcare and before/after school care is a significant barrier for many women. This can be compounded when women have two or more children with some of our member's report that they lose talented women because it is not cost effective for them to continue to work.

Q19: How do you think the Government can make sure that older working women are able to fulfil their career potential?

This is an issue which is relevant to males as well as females. One challenge is changing stereotypes but the abolition of the default retirement age should help in terms of continuing meaningful roles for all.

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