

UK Gender Pay Gap Reporting – The Narrative

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The UK gender pay gap reporting deadline is now only weeks away. As at 7 March 2018 only 1,624 employers had published their gender pay gap report, still leaving around 7,000 to share their gender pay information.

As we recommended in our previous article '**An introduction to UK Gender Pay Gap Reporting – A Brave New World**', employers should ensure they have a clear narrative ready to publish alongside their gender pay gap figures.

Although the accompanying narrative is optional, ACAS guidance, 'Managing Gender Pay Reporting' suggests that all employers should add a supporting narrative to their report. Also, businesses should see this as an excellent opportunity, and not a burden, as the narrative will be an important tool to contextualise their results to their employees and the general public, including prospective female talent, activists and the media, and show that they are looking seriously at their working practices. Explanation not excuses is a good mantra, and it is likely the case that businesses who bury their heads in the sand will come off worst and attract further scrutiny. It is easy to see how a 'run and hide' approach may lead to negative media coverage and broader scrutiny of leadership and corporate governance and other working practices/treatment of minorities.

There are numerous internal and external factors as to why a gender pay gap may exist. The narrative allows employers the chance to communicate its view of why there is a gender pay gap and share how the business intends to deal with it. Report figures alone cannot explain the impact that particular sector specific factors have, or the make-up of the workforce, or the use of family friendly policies, such as flexible working, within a business.

A well-crafted narrative should help to convey a positive message within and outside the business, and encourage employers to reflect on and better understand its own practices and culture.

Whilst each employer's explanation will of course be specific to their business, generally when drafting a narrative employers should consider:

- Explaining the reasons for the gender pay gap;
- Explaining what steps the business has already taken to reduce the gap;
- Confirming the business's action plan to reduce the gap (this may include actions such as reviewing their recruitment processes, firm wide initiatives, better career development opportunities, and reviewing existing staff bonus schemes);
- Comparing figures with the gender pay gap of competitors and the wider economy.

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- Reiterating what the gender pay gap data measures; it is a common misconception that the presence of a pay gap means that an employer is acting unfairly or discriminating against its employees when this is not the case. It is not a measure of equal pay.

Employers should consult with and communicate action plans to any recognised trade unions prior to releasing their narrative and should offer their employees the chance to contribute to action plans where possible.

Certain businesses, such as PwC, Weetabix, TSB Bank, Virgin Media and Npower, to name a few, have released detailed narratives alongside their gender pay gap report which not only include graphs and visual aids that are easy to understand, but some have also provided case studies from their employees, which adds a personal touch to the business's position.

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