



Our gender pay gap report

November 2020

CIPD gender pay gap report 2020

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The CIPD is the professional body for HR and people development. The registered charity champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Foreword

Reflections from Brad Taylor, Director of People, OD and Workplace, and Louise Fisher, Chair of the Board

Gender pay gap reporting in the UK is now in its fourth year. This report covers the 2020–21 reporting cycle, the deadline for which is 4 April 2021.

Due to the coronavirus pandemic, the Government Equalities Office suspended compulsory reporting for the 2019–20 reporting cycle, but thousands of employers chose to report anyway. The CIPD had already published its 2019–20 report in November 2019, four months ahead of the decision to suspend reporting, and encouraged employers to continue reporting despite the relaxation of the rules.

Gender pay gap data shines a valuable and often uncomfortable light on the internal and external factors that lead to women in our society earning less than men. We also know that closing the gap will take time and progress will not be linear. Among those employers that have reported their data under gender pay gap reporting requirements, the median pay gap grew from 9.2% in the first year of reporting to 10.6% in 2019. And at the CIPD, after three years of seeing our median gender pay gap narrowing, from 10.8% to 6.8% in 2019, this year's data showed an unwelcome widening of the gap to 15.2%, serving as a reminder of how, in a medium-sized organisation like ours, small changes in our staff profile can result in a widening of the pay gap.

Several factors contribute to gender pay gaps at organisational and societal level and many of these won't be solved in the space of a few years. We believe, however, that over time, our commitment to fostering inclusion, fairness and flexibility will be reflected in our gender pay gap figures. But it's not just about closing the pay gap; it's about building a strong foundation for individual and organisational growth by ensuring that the people who work for us feel a sense of belonging and that we value everyone for the differences they bring. To progress in the right direction requires a concerted effort at every level of our business and at every point in the employee lifecycle, from recruitment through to progression opportunities and how we retain our people by keeping them engaged.



Brad Taylor
Director of
People, OD and
Workplace, CIPD



Louise Fisher
Chair of the
CIPD Board

Declaration

I confirm that our data has been calculated according to the requirements of the **Equality Act 2010** (Gender Pay Gap Information) Regulations 2017.

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Gender pay gap reporting – an overview

In the UK, public, private and voluntary sector organisations with 250 or more employees have to report on their gender pay gaps annually. The reports show the difference between the average earnings of men and women, expressed relative to men's earnings. If an organisation reports a gender pay gap, it does not mean women are paid less than men for doing the same job, but it does show that, on average, men occupy higher-paying roles than women.

Employers must report six different measures, based on a snapshot of pay data on a set date set out by the Government Equalities Office:

- **median gender pay gap** – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- **mean gender pay gap** – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- **median bonus gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
- **mean bonus gap** – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
- **bonus proportions** – the proportions of male and female relevant employees who were paid bonus pay during the relevant period
- **quartile pay bands** – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

Headlines about the gender pay gap tend to focus on the median figure, which ignores extremes and is therefore thought to be the most representative measure. It is, however, important to report all of these measures as each one tells you something different about the underlying causes of the gender pay gap and each one can mask issues that another may highlight. If there is a big difference between an organisation's mean and median pay gap, this indicates that the dataset is skewed – either by the presence of very low earners (making the mean lower than the median), or by a group of very high earners (making the mean bigger than the median). Taking a 'snapshot' of this data on a set date, as required by regulation, creates a level playing field for all reporting organisations. Also, a snapshot may mask the fluidity of gender pay gaps, which can fluctuate from month to month and across pay quartiles depending on changes to headcount.



The CIPD's gender pay gap data

A look behind the numbers

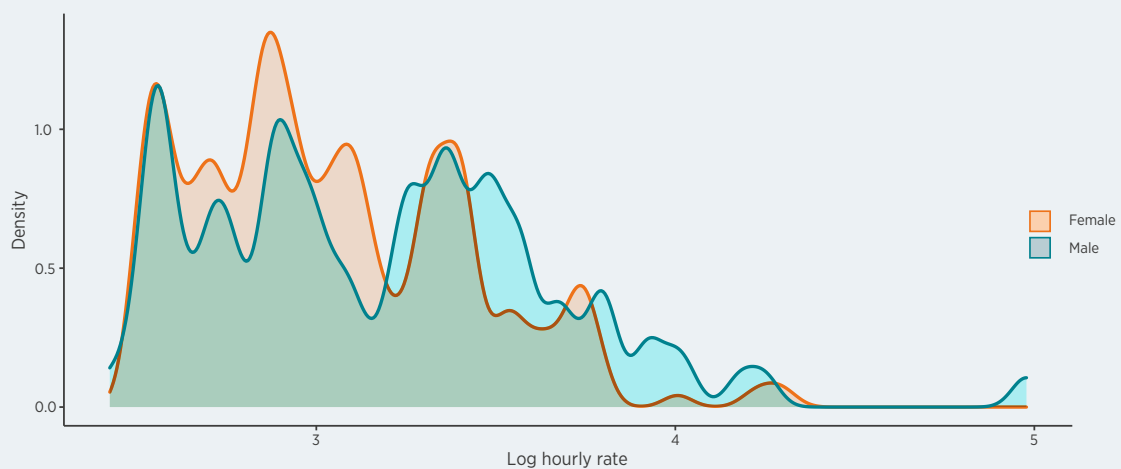
The CIPD's gender pay gap data was collected on the snapshot date of 5 April 2020. At this time there were 333 people within the CIPD's UK workforce: 239 women and 94 men.

The CIPD has clear, externally benchmarked salary ranges in place for all job roles, which ensures that everyone is paid fairly for undertaking the same or similar role. The gender pay gap looks at the distribution of men and women across all job levels of the organisation, and how this translates into the average salary and bonus payments made as a result of this.

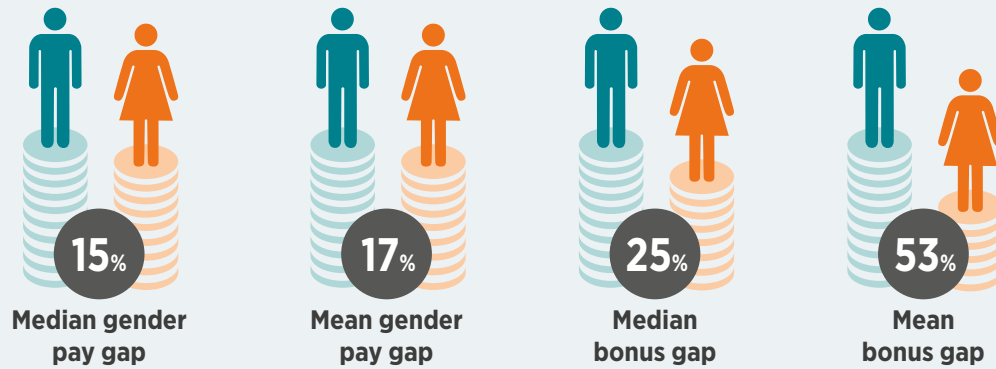
As an organisation with 70% women and 30% men, relatively small changes in the distribution of men across the different pay quartiles in the organisation can have a significant impact on our gender pay gap. Figure 1 charts the pay distribution of employees at the CIPD. It shows that male employees are relatively well spread across the distribution while female employees are more heavily skewed towards lower grades. This means that statistical measures of the centre of the data, such as mean and median, which are used to calculate gender pay gaps, are lower for female employees at the CIPD than for male employees.

This year's pay gap data reflects an organisation restructure that contributed to a change in the distribution of men and women at the CIPD, which in turn impacted our median pay gap. We restructured some of our directorates to progress our digital transformation programme, resulting in the creation of Digital and Technology, and Commercial and Marketing directorates. The focus on new and niche skillsets, particularly in the Digital and Technology directorate, has seen the introduction of more senior professional and managerial roles in our upper-middle quartile, which have been filled by a higher proportion of men than women.

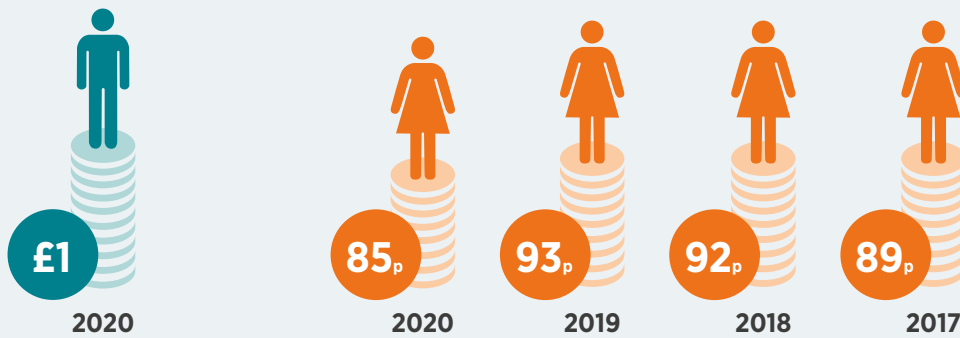
Figure 1: Male employees are more evenly distributed along the pay distribution



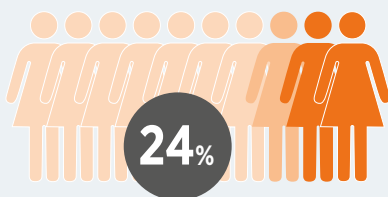
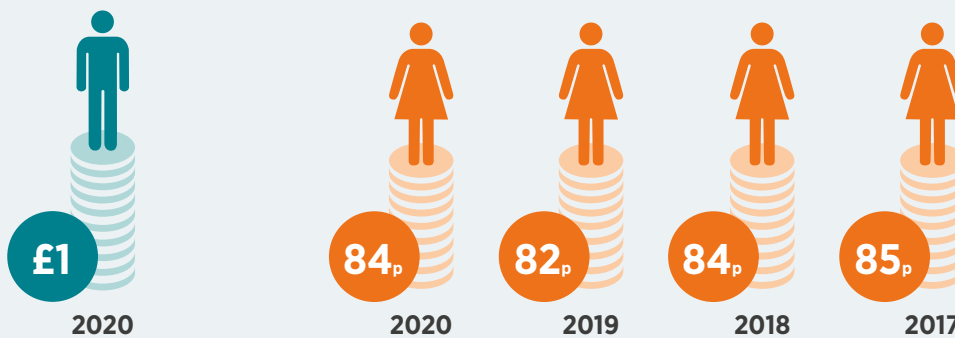
Our 2020 data at a glance



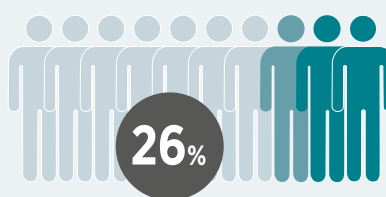
When comparing average hourly wages (median), women make 85p for every £1 that men make:



When comparing average hourly wages (mean), women make 84p for every £1 that men make:



Women received a bonus



Men received a bonus

Table 1: Our gender pay and bonus gaps have fluctuated over the past four years

	2020	2019	2018	2017	+/- percentage point change 2019-20
Median gender pay gap by hourly rate	15	7	8	11	+8
Mean gender pay gap by hourly rate	17	18	16	15	-1
Median bonus gap*	25	0	3	27	+25
Mean bonus gap*	53	-29	29	26	+82

Our gender pay data explained

Median gender pay gap

Calculating the median: when we rank all of our people by their hourly pay, and then compare what the woman in the middle of the female pay range received with what the man in the middle of the male pay range received, we get the median gender pay gap.

Our 2020 findings: Our latest data shows that the woman in the middle of the female pay range received 15.2% less than the man in the middle of the male pay range. This is an increase of 8.4 percentage points on last year. The previous two years' data had shown the gap narrowing from 10.8% in 2017 to 6.8% in 2019. By comparison, the median pay gap for the UK grew from 9.2% in 2017 to 10.6% in 2019 (based on those employers who've reported on the Government's Gender Pay Gap Service: 10,565 in 2017, 10,831 in 2018, and 5,861 in 2019).

As a result of the changes in our organisation described earlier, the gap between the median salary of men and women joining us in the year reported was much wider (33.36%) than the gap between the median salary of men and women leaving the CIPD (-1.76%). This was because we lost more highly paid women than we recruited, and recruited more highly paid men than we lost, leaving us with a higher proportion of women in lower-paid roles, as illustrated in Table 2.

Table 2: The gap between the average earnings of men and women joining the CIPD is wider than the gap between those leaving (median and mean earnings of the CIPD's leavers and joiners, 2020)

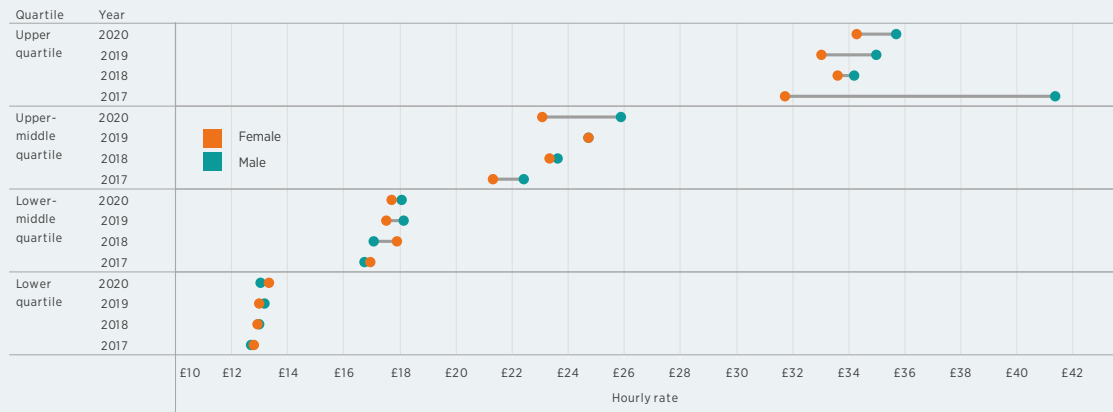
	Number of roles	Median hourly salary	Mean hourly salary
Female leavers	48 roles	£20.76	£26.05
Male leavers	22 roles	£20.40	£26.32
Female joiners	48 roles	£16.48	£21.41
Male joiners	21 roles	£27.73	£24.09

*Our bonus gap figures differ from what we reported in 2019, due to a reporting error in the previous report.

When we analyse our median pay gap further, looking at the gaps in each quartile (see Figure 2), we see our pay gaps are wider in the upper quartiles than they are in the lower quartiles. This is because a higher proportion of women in our upper quartiles have been promoted internally and are still relatively new in their roles. As these women progress in their roles and therefore their salary bands, and assuming no further changes to the distribution of men and women at this level, we would expect to see the pay gap in the upper quartiles start to close. Furthermore, while we have significantly more women than men in our organisation, this majority decreases from around 75% in our lower half and upper-middle quartile of the organisation to 61% in the upper quartile (see Figure 4).

Figure 2: Our biggest median pay gap this year is in the upper-middle quartile

Median pay gaps by quartile and year



Note: Data in this chart can be found in Appendix B



Mean gender pay gap

Calculating the mean: If we add together all the hourly pay rates that women earn, divided by the number of women in our workforce, and then compare that with the same calculation for men, we get the mean gender pay gap.

Our 2020 findings: Using this calculation we found that the average pay for women was 16.5% less, per hour, than the average pay for men. This figure has fluctuated over the past four years and the latest data shows a year-on-year decrease of 1.2 percentage points.

Like many organisations of our size, our chief executive's salary has a significant impact on our mean gender pay gap. If we were to exclude the chief executive (a man) from the analysis, the mean gender pay gap would fall from 16.5% to 12.5% (the median gender pay gap would fall less significantly from 15.2% to 13.8%). However, the distribution of men and women at different levels of our organisation also plays a big factor in our mean pay gap. Nearly 65% of our women occupy roles in bands one and two, while our men are more evenly distributed across our four bands. This places the average pay for women at a lower level than men.

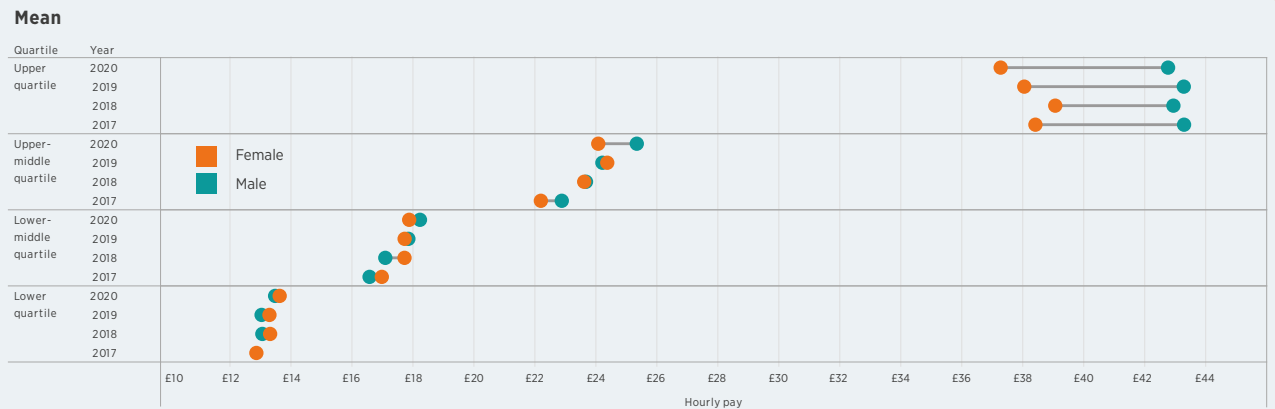
Our pay bands are:

- Band one includes a range of administrative roles, secretarial and PA roles, co-ordinators and some executive roles. They may require education from GCSE level up to degree level. Around a third of jobs at the CIPD fall into this band.
- Band two includes jobs at a professional level, normally requiring a professional qualification. This band will include officer, executive and supervisor roles.
- Band three covers jobs at management or experienced professional level. This band will also include department managers and advisers. Some band three roles may report into a member of the senior leadership team (SLT).
- Band four covers jobs with high accountability, either heading up business units, departments and/or roles which require significant depth of expertise or level of experience in their field and they report to a member of the SLT.

Figure 3 shows that it is the upper pay quartile that contributes most significantly to our mean pay gap. This is driven largely by the salary of our chief executive, but also by the fact that there are more women than men in our upper quartile, and the men and women in our upper quartile are not evenly distributed across our job bands:

- 68% of women in our upper quartile occupy band three roles, compared with 62% of men
- 25% of women in our upper quartile occupy band four roles, compared with 28% of men
- 5% of women in our upper quartile occupy senior leadership team roles, compared with 9% of men.

Figure 3: Our biggest mean gender pay gap this year is in the upper quartile



Note: Data in this chart can be found in Appendix B

Our pay quartiles

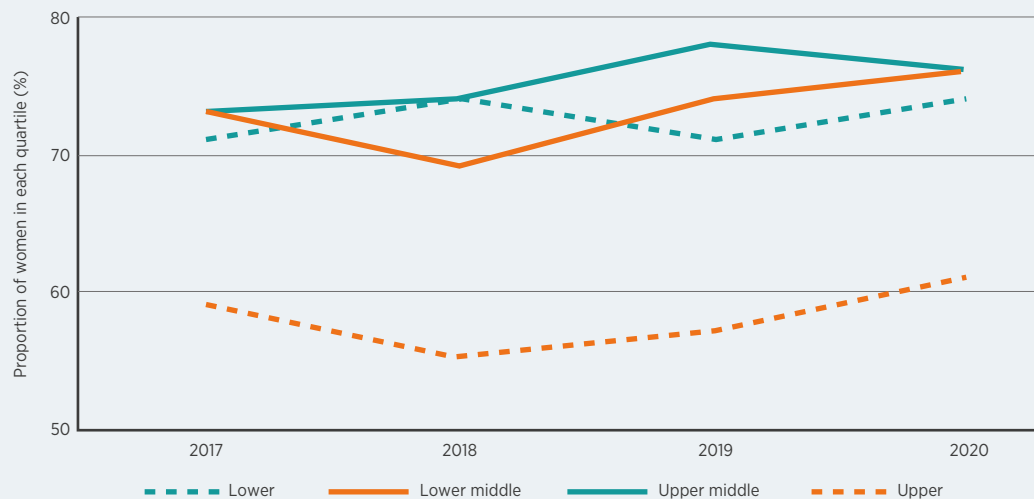
A pay quartile represents a quarter, or 25%, of the workforce, ranked by pay. The pay quartiles are then broken down by gender.

Our 2020 findings: On our snapshot date there were 239 women and 94 men in the CIPD workforce, so there are 2.5 times more women than men.

Figure 4 shows how the proportion of men and women at the lower, lower-middle and upper-middle pay quartiles has remained relatively stable over the previous four years (approximately 75% women to 25% men), whereas the gender balance in the upper quartile is different (61% women to 39% men). Salary ranges in the upper quartile are much wider than in other quartiles (because of the highly specialised roles at these levels) and this contributes significantly to our mean and median pay gaps.

The proportion of women in our upper quartile has increased by 4 percentage points since 2019 and our senior leadership team has retained an even gender balance (changing from four men and four women at our last snapshot date to three men and three women at this year's snapshot date).

Figure 4: Women are the majority in every pay quartile of the CIPD



Note: Data in this chart can be found in Appendix C

However, as the proportion of women in the lower and middle pay quartiles has remained consistently higher than the upper quartile over the past few years (see Table 5), this continues to impact our pay gaps.

More than half of women (125) are in roles in the lower and lower-middle pay quartiles, while more than half of men (52) are in the upper-middle and upper pay quartiles. Many of the roles in our lower quartiles are undertaken on a flexible working basis and we are proud to be an employer that so readily offers these opportunities. Achieving greater balance in the distribution of both men and women throughout the entire organisation will take time.

Our bonus pay gap

Calculating the bonus pay gap: The bonus gap is the difference between the bonus pay or one-off lump-sum payments (such as recognition awards) paid to male relevant employees and that paid to female relevant employees, during the year ending on 4 April 2020. Only relevant employees who did receive a bonus are included in the calculation. On this basis, our bonus pay gaps are based on 24 men and 57 women who received a payment.

Our 2020 findings: Our median and mean bonus pay gaps this year were 24.61% and 52.97% respectively. Last year our median and mean bonus gaps were -0.31% and -29.36%.

The difference here is due to changes in our bonus structure. In 2017, the CIPD took the decision to remove annual bonuses linked to individual and organisational performance. This means that larger performance-related bonus payments are no longer made to the majority of our people, although we continue to award some small one-off payments. These include ad hoc payments made through our 'Star Award' scheme in recognition of exceptional performance. Last year more women received higher payments, hence the negative bonus gap amounts.

This year's data shows an increase in our bonus pay gap due to the introduction in 2019 of a new commission scheme for our sales team, in order to support our ambitious business-to-business (B2B) growth targets and remunerate such roles in line with the external market. This is a predominantly male team, with men occupying the majority of the most senior roles within it, meaning the men generally have higher sales targets and therefore the opportunity to earn higher commission payments.

Table 3: Similar proportions of men and women have received a bonus (one-off payment) over the past four years (%)

	2017	2018	2019	2020
Men	84.62	21.28	25.00	25.53
Women	84.98	23.76	21.33	23.85

So, while similar percentages of men and women received some sort of 'bonus' payment (25.53% of men compared with 23.85% of women), the payments to men were higher overall. We would expect this gap to narrow over time as women at more junior levels gain in experience and seniority, but we would also need to see the mix of genders in this team to become more balanced over time if we are to see the gap narrowing further.

Closing our gender pay gap

A long-term commitment

Our gender pay gap data over the past four years shows that there are no quick and easy fixes when it comes to closing the pay gap, and that organisations mustn't get complacent if they do start to see their gap narrowing. There are many societal reasons why more men than women tend to occupy the highest paid roles, and closing the gender pay gap for good requires a meaningful shift in cultural norms more widely. But all employers have the responsibility to continue driving the changes we need to see, and the CIPD takes seriously its responsibility to lead by example in order to fulfil our purpose of championing better work and working lives.

Within the CIPD, our commitment to closing our own gender pay gap centres around the following areas of action.

Pay transparency and understanding

We're committed to establishing a full picture on gender and ethnicity within the CIPD, including pay differentials and opportunities for progression. We were among the first 250 organisations to publish our gender pay gap data and supporting narrative in 2017 and remain committed to reporting even when not mandated to do so.

In 2017/18 we conducted a thorough review of all of our pay grades and reduced the span of the pay ranges at each job level so as to provide greater equality of pay for people undertaking the same or similar roles at the same level.

We carry out regular pay benchmarking exercises and we are also signed up as a Living Wage Employer. Further work planned in this area includes more open communication with our people about how pay at the CIPD is determined, to make the whole process as transparent as possible.

We also recognise the importance of monitoring the gender pay gap across the year, and not just on the snapshot date. As such, we have begun tracking data on a monthly basis and conducting a full analysis halfway through the year. Doing so gives us a better understanding of what drives our gender pay gap figure at any given time, and in turn, how it can be reduced.

Our directors already have performance objectives built into their individual plans to progress our inclusion and diversity ambitions. To further ensure that focus on equity and inclusion is a priority for all teams across the CIPD, every line manager will have at least one performance objective related to enabling greater diversity and inclusion within their areas of responsibility by 2021.



Recruitment practices

To ensure our recruitment practices are rigorous and consistent, in order to reduce the risk of bias, we've made investments in our staff in recent years – both in terms of line manager training and in creating a new role in our People Team responsible for enhancing inclusive thinking and practices at the point of recruitment. This includes implementing and auditing selection criteria to ensure fairness and inclusivity and reviewing our talent attraction approach to ensure that candidate pools are diverse. Where the CIPD engages search firms, for example for senior roles, we instruct them to ensure that their search methodologies reach a diverse candidate base. We also aim to be as transparent as possible when advertising job roles with regards to the pay range and being open to discuss flexible working arrangements. Our aim is to achieve greater balance of gender throughout the CIPD as a result of increased diversity of candidate pools for all roles. Furthermore, where we observe imbalances in the diversity of specific areas of our business, we will explore potential causation with the managers of those areas in order to remove any possible barriers to entry and progression.

Flexible working

We're committed to continuing to improve our flexible working provisions, to ensure that men and women alike are able to take on senior roles regardless of their caring responsibilities.

We are proud to have many opportunities for part-time and flexible working at all levels of our organisation. Some of our most senior people work on a flexible basis and we've proactively highlighted this in internal communications so that people progressing through the organisation can see that flexible working is a viable option at senior levels.





However, the majority of our part-time roles are still in the lower-pay quartiles. The societal trend for women to look for part-time work to fit around caring responsibilities contributes to the high proportion of women we have working at this level, and therefore to our gender pay gap.

Our commitment is, therefore, to ensure that we encourage even more flexibility in our senior-level roles, such that they enable people to work alongside caring responsibilities. Following the enforced working from home put in place as a result of the COVID-19 pandemic, the vast majority of our people, at all job levels, have expressed the desire to work much more flexibly in the future. Based upon the success we have seen in being able to continue to be a productive and effective organisation throughout this time, we are already planning to make this aspiration a reality.

Parental leave

Research shows that encouraging more men to take more time off work to care for their children could help to close the gender pay gap by reducing the negative effects that maternity leave and childcare responsibilities have on women's careers. There's also evidence that greater involvement of both parents in their baby's early life leads to long-term benefits and a far more even sharing of childcare responsibilities in the long term. As an employer, it's therefore our responsibility to do what we can to encourage the uptake of shared parental leave.

To this end, we have enhanced our paternity leave and pay provision significantly to 13 weeks in the UK, to make it easier for families to share this responsibility. We will continue to review our other family-friendly policies to ensure that we are doing what we can at the CIPD to encourage the equal sharing of caring responsibilities.

Conclusions from our chief executive

A commitment to lasting change

Our purpose is to champion better work and working lives. We know that work can and should be a force for good that benefits everyone in society. Building and maintaining diverse and inclusive workplaces is fundamental to achieving that vision.

We have much to be proud of at the CIPD – both in terms of our external voice on diversity and inclusion and on the work we do internally to make our own workplace as inclusive as possible. But, our gender pay gap is a sign that the balance of roles held in the organisation remains a challenge for us – and we're committed to doing all we can to address the underlying causes and close the gap.

Gender pay gap reporting, and the interrogation of our workforce data that comes with it, brings much needed transparency to the different experiences of men and women in our organisation. It's this insight into our workforce and our people practices that will enable us to make changes that will have deep and lasting impact.

As covered in this report, because more than 70% of our people are female, relatively small changes in people leaving and joining us can have a significant impact on our gender pay gap. This was one of the causes of the rise in our gender pay gap this year – and, indeed, results in previous years may also be attributable to this. This year's results show that we still have some way to go in closing the gap, and that progress is rarely linear. To progress in the right direction requires a concerted effort at every level of our business and at every point in the employee lifecycle, from recruitment through to progression opportunities. We have made investments in our staff through line manager training, and last year, we created a new role in our People Team to enhance inclusive thinking and practices at the point of recruitment.



CONCLUSIONS FROM OUR CHIEF EXECUTIVE

Addressing the gap between the earnings of male and female employees is a huge challenge for most organisations. It's important to remember that, in closing the gap, we are challenging workplace structures that have evolved over the years, enabling some individuals to progress more than others. Lasting change will only be achieved when jobs at senior levels are accessible to all – and when career paths to achieving them are equally accessible. While the majority of caring responsibilities are carried out by women, this will be difficult to achieve.

At the CIPD, we strongly advocate creating flexible and part-time roles at every level of the business, including senior-level positions. Last year this approach resulted in an improved gender balance in our upper and upper-middle quartiles.

Flexible working is at the heart of how the CIPD works. In our wider work with the UK Government through the [Flexible Working Task Force](#), we will continue to campaign for the right to request flexible working at day one. We believe this will help support greater take-up of flexible working across all employees and at all levels.

I am proud to lead the CIPD as it seeks to achieve pay parity across our own organisation and in the wider world of work. And I am proud of the significant number of flexible job opportunities we have enabled all people to undertake with the CIPD. As well as addressing our own gender pay gap, we'll continue to guide other businesses to act responsibly, through reporting and addressing their own gender pay gaps and by dismantling working cultures that prevent people from bringing their best selves to work.



Peter Cheese
CEO, CIPD



Appendices

Appendix A

Table 4: Our pay gaps are widest in the upper pay quartiles (median pay gaps by year and by quartile)

		Male hourly earnings	Female hourly earnings	Pay gap (%)
Lower quartile	2020	£13.02	£13.32	-2.31%
	2019	£13.16	£12.97	1.45%
	2018	£12.97	£12.91	0.44%
	2017	£12.68	£12.78	-0.80%
Lower-middle quartile	2020	£18.06	£17.70	1.97%
	2019	£18.13	£17.51	3.44%
	2018	£17.06	£17.89	-4.87%
	2017	£16.73	£16.94	-1.26%
Upper-middle quartile	2020	£25.89	£23.08	10.88%
	2019	£24.73	£24.73	0.00%
	2018	£23.63	£23.34	1.16%
	2017	£22.42	£21.32	4.90%
Upper quartile	2020	£35.72	£34.31	3.93%
	2019	£35.01	£33.05	5.60%
	2018	£34.22	£33.63	1.75%
	2017	£41.40	£31.75	23.30%

Appendix B

Table 5: Mean pay gaps by year and quarter

		Male hourly earnings	Female hourly earnings	Pay gap (%)
Lower quartile	2020	£13.46	£13.60	-1.03%
	2019	£13.03	£13.28	-1.97%
	2018	£13.06	£13.20	-1.08%
	2017	£12.87	£12.88	-0.09%
Lower-middle quartile	2020	£18.20	£17.84	1.99%
	2019	£17.82	£17.70	0.72%
	2018	£17.07	£17.68	-3.57
	2017	£16.56	£16.95	-2.35%
Upper-middle quartile	2020	£25.33	£24.08	4.93%
	2019	£24.19	£24.37	-0.76%
	2018	£23.67	£23.62	0.25%
	2017	£22.88	£22.20	3.01%
Upper quartile	2020	£42.74	£37.26	12.81%
	2019	£43.25	£38.03	12.06%
	2018	£42.91	£39.05	9.00%
	2017	£43.25	£38.40	11.20%

Appendix C

Table 6: The proportion of women in the lower and middle pay quartiles has remained consistently higher than the upper quartile over the past few years (number and percentage of men and women in each of our pay quartiles)

	2017		2018		2019		2020	
	Male	Female	Male	Female	Male	Female	Male	Female
Lower quartile	24 (29%)	60 (71%)	19 (26%)	55 (74%)	24 (29%)	58 (71%)	22 (26%)	62 (74%)
Lower-middle quartile	23 (27%)	61 (73%)	23 (31%)	51 (69%)	21 (26%)	60 (74%)	20 (24%)	63 (76%)
Upper-middle quartile	23 (27%)	61 (73%)	19 (26%)	55 (74%)	18 (22%)	63 (78%)	20 (24%)	63 (76%)
Upper quartile	34 (41%)	50 (59%)	33 (45%)	41 (55%)	35 (43%)	46 (57%)	32 (39%)	51 (61%)
Total workforce	104 (31%)	233 (69%)	94 (32%)	202 (68%)	98 (30%)	227 (70%)	94 (28%)	239 (72%)



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