

Birmingham City University

Equal Pay Audit 2018

Aim

The University supports the principle of equal pay for work of equal value and recognises that we should operate a pay system that is transparent, based on objective criteria, free from bias and delivers in line with the University's commitment to equality and diversity.

What is an Equal Pay audit?

An Equal Pay audit involves the comparison of the pay of men and women doing equal work. Investigating the causes of any pay gaps by gender and other protected characteristics (where data is available) and planning to close those gaps that cannot be justified on grounds other than one of those characteristics.

The University is committed to achieving equal pay because it is the fair way to reward people for the work they do.

This Equal Pay audit has used data taken from the University's HR system on 31 January 2018. Significant pay gaps have been defined as gaps of 4% or more between the average pay of men and women carrying out work of equal value.

Work of equal value has been defined as work that is at the same grade or that is at a different grade but with equivalent Hay 'know how' scores.

Executive Summary

The key findings from the audit are:

- BCU uses the Hay job evaluation system to size and rank jobs. The Hay 'know how' scores are aligned to the BCU grade system and it is the grade system that drives salary bands and therefore BCU has a systematic approach to pay structure which is based on a recognised job evaluation process
- Each pay grade has 4 'points' which ensures that people move through the pay grade on a relatively quick basis without any undue weighting being placed on length of service
- The salary ranges attached to each grade are driven by internal factors (such as affordability) and external market comparisons.
- The blunt measures of mean average salary at University level and employment contract group level show gaps that are larger than the 4% tolerance. However, all of these gaps have closed significantly since the last equal pay audit (2016/17) and are due to the skewing effect of the inclusion of the Vice Chancellor's salary and the impact of an exclusively male pro vice chancellor population.

Analysis has shown that:

- The BCU pay system is systematic and transparent and has no inherent discriminatory factors within it
- The use of Hay to size and rank jobs ensures an externally validated approach

- Using Hay evaluation enables a systematic approach to ensuring jobs of equal value (and in particular Academic and Professional Service Group roles) are rewarded comparatively

Key risk areas are:

- Manager’s discretion to appoint at a salary which is above the bottom of the grade. This allows flexibility to reflect the evidenced starting level skills / experience of the appointee compared to others doing the same job, by allowing appointment at any point up to the grade max (fully competent). However, there is potential for inconsistency to be introduced by nature of the judgement being made at that time.
- Professorial and senior Professional Services Group appointments where a degree of salary match is undertaken and there are a higher level of ‘spot’ and personal salaries
- The use of market supplements to reflect market rates which may skew the total remuneration package – particularly if supplements are not removed once no longer appropriate.

Key Recommendations:

- Continue to use a robust benchmarking database to enable business cases for market supplements to be tested against an externally validated data source
- Continue to apply the agreed process for salary appointments above the bottom and top of the grade to provide an audit trail with robust business rationale
- Continue to apply the BCU job evaluation principles in order to maintain the integrity of the Hay system

Results

Table 1 – University Basic Pay as of 31 January 2018

Gender	Mean Average of Full Time Basic Pay	
Female	£	36,430
Male	£	40,306

- The % different between the mean average full time basic salary of female and males is 10.6%. The 2016/17 % difference was 12.9%. Overall the gap has closed from last year to this year by 2.3%. this because:
 - Turnover and people (men and women) being appointed largely at bottom of grade – and the work that HRBPs do in challenging back on starting salaries
 - Male DVC being replaced by a Female
 - Higher proportion of women being promoted last year
- BUT when you take the median salary of women and the median salary of men there is still a big gap (even though it is closing). This is down to the fact that when you look at that top group of people (UEG) there is a skew (in earnings sense) towards men. Because they are the largest salaries it has a disproportionate effect on the blunt university wide level.

Table 2 – University Basic Pay as of 31 January 2018 – by contract type

Contract Type by Gender	Average of Full Time Basic Pay	
Female	£	36,430
Academic	£	43,811
Support	£	29,733
Male	£	40,306
Academic	£	46,996
Support	£	31,509

The % difference between the mean average full time basic pay of female and males on academic contracts is 6.7% (a decrease of 2.3% from 9% in last audit) This may in part be because more females than males were successful in the promotion / conferment round in 2017

The % difference between the mean average full time basic pay of female and males on support contracts is 5.6% (a decrease of 1.9% from 7.5% in last audit)

Table 3 – University Basic Pay as at 31 January 2018 – by grade

Grade by Gender	Average of Full Time Basic Pay	
S1	£	15,953.22
Female	£	15,944.33
Male	£	15,957.67
S2	£	17,751.22
Female	£	17,693.76
Male	£	17,860.91
S3	£	18,896.02
Female	£	18,682.80
Male	£	19,084.63
S4	£	21,539.73
Female	£	21,482.33
Male	£	21,657.80
S5	£	24,323.52
Female	£	24,327.65
Male	£	24,310.68
S6	£	26,783.47
Female	£	26,815.37
Male	£	26,726.06

SO1	£	29,511.11
Female	£	29,570.37
Male	£	29,421.06
SO2	£	32,707.59
Female	£	32,602.80
Male	£	32,821.12
RA	£	30,038.43
Female	£	30,022.69
Male	£	30,071.76
MA1	£	35,407.20
Female	£	35,082.60
Male	£	35,731.80
TIC_4	£	36,729.00
Female	£	36,729.00
UL	£	37,080.11
Female	£	37,048.16
Male	£	37,112.33
Unknown	£	37,250.00
MA2	£	40,022.09
Female	£	40,008.24
Male	£	40,038.98
TIC_3	£	43,678.00
Male	£	43,678.00
MA3	£	45,613.23
Female	£	45,830.57
Male	£	45,423.06
USL	£	46,710.88
Female	£	46,801.18
Male	£	46,596.95
USL_SPOT	£	49,995.03
Female	£	50,095.50
Male	£	49,956.76
MA4	£	52,209.75
Female	£	51,680.67
Male	£	52,587.67

SAP	£	55,320.90
Female	£	55,622.00
Male	£	55,122.71
Unknown	£	52,436.00
SAP_SPOT	£	59,179.21
Female	£	59,124.67
Male	£	59,194.09
MA5	£	60,579.59
Female	£	60,532.27
Male	£	60,612.13
PROF	£	62,847.99
Female	£	63,160.55
Male	£	62,704.73
MA6	£	72,611.55
Female	£	72,639.17
Male	£	72,578.40
MA		
	Data to be provided under separate cover	
Female		
Male		

Table 3 shows that:

- Where the standard grades are used (S1-S6, S0, MA1-MA6, MA spot UL, USL, RA, SAP) the differences between male and female average pay is zero or negligible (and caused by relative position on the progression points)
- The very high level of consistency in MA grades is because progression was only introduced 2 years ago, prior to then it was a spot salary and there has been little turnover in these roles since
- Where spot salaries are used (mainly for senior academic roles especially Professorial and senior management roles (MA)) the differential increases albeit by relatively insignificant amounts on a grade by grade basis. It should be noted that the headcount in these roles is again relatively small. In respect of the MA grade (spot point – support salary) average female pay is higher than average male pay – this is due to the majority of the Professional Services director posts being occupied by female employees
- A number of ‘non-standard’ grades (TIC) are retained as a result of protected rights of transfer and are shown for information purposes only.

Table 4 - University Basic Pay as at 31 January 2018 – by Hay ‘know how’ score

Know How by Gender	Average of Full Time Basic Pay	
66		
Female	£	15,944
Male	£	15,957
76		
Female	£	17,693
Male	£	17,860
87		
Female	£	18,682
Male	£	19,084
100		
Female	£	21,482
Male	£	21,657
115		
Female	£	24,327
Male	£	24,310
132		
Female	£	26,815
Male	£	26,726
152		
Female	£	29,570
Male	£	29,421
175		
Female	£	31,312
Male	£	31,446
200		
Female	£	36,065
Male	£	36,421
230		
Female	£	40,008
Male	£	40,038
264		
Female	£	46,315
Male	£	46,009

304		
Female	£	55,475
Male	£	55,634
305	£	65,540.40
Female	£	66,894.29
Male	£	65,013.89
350 / 400	£	
Female	£	65,443
Male	£	64,498

Table 4 compares the average full time salary of male and female employees who are in posts that have been evaluated with the same Hay 'know how' points. This enables the comparison of average salaries of employees across academic and support posts which are assessed as being of 'equal value' (i.e. having the same Hay 'know how' score). The data shows that where posts have been evaluated the difference in average salary is negligible (and due to relative position on the progression points).

Table 5 – Element Pay by Gender

	Gender	
	Female	Male
Elements	Count	Count
Market Supplement	0	2
Market Supplement (10%)	10	44
Market Supplement (20%)	0	22
Programme Leader Responsibility Allowance	95	91
Grand Total	105	159

Table 5 examines the two aspects of element pay – Market Supplement and Programme Leader Responsibility Allowance (PLRA). Both elements are attached to roles (rather than individuals). Market Supplement is calculated as a percentage of basic salary and PLRA is a flat rate amount. PLRA is broadly equally distributed between male and female employees. A significantly higher number of male employees receive a market supplement than female employees – the majority of all employees receiving a market supplement work within the IT department.

SUMMARY

Overall the results of this analysis does not show cause for concern, and as long as we adhere to our structured approach we should not introduce inequality.

However, this audit has focused on gender, not other characteristics such as sexuality, ethnicity and disability. It is our intent to conduct a much fuller audit, looking at those factors, as soon as we are in a position to do so. This is likely to be towards the end of 2018/ early 2019 when the Oracle ERP / HCM system is fully implemented which facilitates the complex data analysis that we would wish to undertake.

Key Recommendations:

- Continue to use a robust benchmarking database to enable business cases for market supplements to be tested against an externally validated data source
- Continue to apply the agreed process for salary appointments above the bottom and top of the grade to provide an audit trail with robust business rationale
- Continue to apply the BCU job evaluation principles in order to maintain the integrity of the Hay system

Claire Davis
HR Manager
February 2018