

Gender and Ethnicity Pay Gap Report 2020

Human Resources

Foreword

At Queen Mary we are committed to achieving equality in recruitment, promotion, pay and reward. Since 2017 we have published an annual report on our gender pay gap and since 2018 we have also published our ethnicity pay gap data.





This report details the pay gap data from March 2020, as well as the actions taken and progress made in addressing these issues over the past year. We are pleased to report that our work to ensure greater equality in payments across all of our reward processes has resulted in no disparities based on gender or ethnicity in the level of median bonus payments. We are also pleased at our actions since our last report, including embedding our Values (Inclusive, Proud, Ambitious, Collegial and Ethical) into our rewards processes. However, we recognise that this positive impact has not been seen to the same extent in other areas. This year, our median and mean gender pay gaps have not shown an improvement and while our median and mean ethnicity pay gaps have reduced further this year compared to last year, Black, Asian and Minority Ethnic (BAME) staff continue to be underrepresented in higher-graded and senior managerial roles and overrepresented in lower graded roles. We are committed to reducing

these pay gaps and ensuring more equal numbers of women, men and people of colour across all grades. Our People, Culture and Inclusion Enabling Plan has been designed to support the successful delivery of our 2030 Strategy, which includes Key Performance Indicators on the percentage of women and BAME staff at junior, middle and senior levels. We are determined to be the most inclusive institution of our kind by 2030 and we know that we must be more radical in our thinking and approach if we are to ensure that staff, whatever their gender, ethnicity or background, can thrive and realise their potential at Queen Mary.

Professor Colin Bailey CBE, FREng, BEng, PhD, CEng, FICE, FIStructE, MIFireE President and Principal, and

Sheila Gupta MBE Vice-Principal, People, Culture and Inclusion

"We are pleased to report that we do not have any equal pay disparities based on gender or ethnicity in the level of median bonus payments."

What we have done so far

At Queen Mary, we continue to introduce a wide range of initiatives to support the reduction of our gender and ethnicity pay gaps.

While some of our initiatives have already shown demonstrable impact, e.g. median bonus gaps having reduced to zero, others have been enacted since March 2020 which is the data cut off point for this report.

Since our last report we have developed our ambitious and innovative People, Culture and Inclusion Enabling Plan that has been designed to support the successful delivery of our 2030 Strategy, which aims to make Queen Mary the most inclusive research-intensive university anywhere. Despite the longerterm nature of our plan we have already implemented a number of the associated actions.

We have launched our Values in action framework which sets clear behavioural expectations about what being a good Queen Mary citizen means aligned to our Values: Inclusive, Proud, Ambitious, Collegial and Ethical. We wanted staff to be rewarded for their behaviours and how they work, not just what they deliver. We are now embedding Values in action within our people practices, starting with the academic promotion process and the 2021 Bonus Scheme, which now both include criteria around Citizenship and Inclusion.

We have established a Race Equality Action Group (REAG) whose purpose is to develop and



implement actions to promote race equality. REAG has several working groups focusing on topics including addressing the pay gap and supporting career progression.

We have developed a recruitment and selection e-learning programme and assessment that is bespoke to Queen Mary. For colleagues who have not attended recruitment training before, or want to develop their skills, the e-learning acts as a pre-requisite for a Recruitment and Interview workshop. The e-learning allows us to focus on skills development.

We have also strengthened our provision of equality, diversity and inclusion related training with our mandatory Introducing Inclusion e-learning module and our supplementary Active Bystander Training. We have also continued to promote and sponsor women and BAME staff to attend the Aurora Leadership Programme, the Springboard Development Programme and the B-MEntor Mentoring Schemes, and will review for efficacy and strengthen support accordingly.

At a more local level all Schools, Institutes and Directorates are now required to develop actions on how they intend to work towards our key performance indicator to have 50% of our middle and senior level roles held by women and 40% by BAME staff and provide regular updates on their progress. To support this objective, we have developed specific EDI reporting tools through a PowerBI dashboard.

While we are pleased at our delivery thus far, we recognise the need to take bold, innovative and sustained action to improve our pay gaps as quickly as possible.



Next steps

Queen Mary will continue to deliver and embed the objectives of our People, Culture and Inclusion Enabling Plan

Leadership Development Framework

We will introduce a leadership development framework based on our values, to promote inclusive leadership and management.

Such a framework will facilitate fair and equitable criterionbased succession planning and contribute to our ambitions to improve diversity across our different levels of leadership.

We will launch a new leadership framework which describes the characteristics and expectations of a Queen Mary Leader that we need to deliver Strategy 2030. The framework has inclusion as a key component and it provides greater transparency on what we require of our leaders.

It will inform the overarching design and content of the Leadership and Management Development Programme. This programme consists of 5 Levels. The first 2 levels have been launched, level 3 will be launched in May 2021 and levels 4 and 5 by the end of 2021.

For this appraisal round, we will be providing guidance and training for managers and staff on having meaningful discussions on career development. In addition, we have updated the appraisal documentation to embed our Values in action, prompt discussion on engagement and wellbeing, and support alignment of objectives to the Strategy 2030.

Academic promotions and our values

We have introduced thresholds for academic promotions and are putting in processes to ensure that all academic staff are reviewed and promoted at a point that they are ready for promotion and not overlooked, because they do not put themselves forward.

This has been shown to improve female academic progression in other universities, because research has shown that women often wait until they feel they have fulfilled every criterion and men apply based on potential. This approach has also contributed to improving the success of BAME staff in academic promotion rounds in other universities. Queen Mary will adopt good practice where evidence demonstrates how changes to key processes have a positive impact on career progression for underrepresented groups.

Career and professional development for professional services and technical staff

We have started to consult on a project to support the career development of professional, technical and operational services staff. Our objective is to develop a modern, personcentred approach, where we give agency to the individual to plan and design their own career journey by:

- Providing more transparency on the choices of career paths
- Communicating
 responsibilities of members
 of staff and managers
- Providing skills development for staff and managers on career development
- Emphasising the role of appraisal in facilitating these actions

These strategies will be designed to enhance the representation of women and BAME staff at more senior levels of our University structures and will be launched across the year.

The first part to be launched before the appraisal window in April will be greater guidance for staff and managers on career development.

Recruitment and attraction

We will design tailored attraction and recruitment strategies in collaboration with Schools and Directorates that market our reputation, values and distinctiveness in a highly competitive employment market to achieve greater diversity across the workforce to better reflect our student body.

A new positive action pilot will be launched to help generate shortlists with a higher representation of women and BAME staff in areas where these groups are under-represented.

We will extend opportunities for flexible working to remove unnecessary barriers to progression.

Race Equality Charter

We acknowledge that different factors will contribute to the low number of women and BAME staff in senior roles.

For these reasons, we will use the Race Equality Charter (REC) as a framework within which we can address race equality issues in a broad and inclusive manner. Applying the Charter Principles will also help us to better understand the specific factors that contribute to the Ethnicity Pay Gap and lack of career progression for BAME staff. This will enable the University to take an evidence based approach and identify clear solutions to address these issues directly and in collaboration with our BAME community.



Gender pay gap in context

The data throughout this report is based on March 2020 snapshot data as required by reporting regulations; reference to current or 2020 data refers to this snapshot point.

For this reason, the impact of actions taken in the 12 months prior to publication are not captured in our metrics. Similarly, benchmarking data refers to the most recently published data which was data as at March 2019. Our gender pay gap is calculated using the approach required by the regulations (appendix c).

Like most large employers in the UK there are two main reasons for the gender pay gap: there are more men employed in senior roles than women and there are more women than men in lower-graded and therefore lower-paid roles. The gender pay gap is often confused with equal pay. Equal pay is the right for staff to receive equal pay for work of equal value. At Queen Mary, we do not have an equal pay gap at any level, as determined by an external audit carried out by the Total Reward Group in 2019.



Gender pay gap across all staff

Currently our mean hourly pay rate for men is £26.03 and for women it is £21.61, this represents a 17.0% pay gap (compared to 15.8% in the previous report). The median hourly pay rate for men is £22.02 and for women it is £19.78, this represents a 10.2% pay gap (compared to 9.8% in the previous report).

These are broadly in line with other London Russell Group Universities whose 2019 mean pay gap ranged between 14.5% and 26.6% and median ranged between 7.0% and 13.3%. We have been taking concrete action at both institutional and local levels such as:

- undertaking an extensive review and revision of our bonus award processes;
- ensuring gender pay gap data informs professorial salary review decisions; and
- at school level, developing initiatives to encourage more women to apply for promotion.

However, to make substantially more progress, bolder and more innovative action will be taken over the next few years to continue the actions already taken since the last report, including setting clear behavioural expectations about what being a good Queen Mary citizen means aligned to our Values and building these expectations into our academic promotion and staff bonus schemes.

In the 2019 Pay Gap report, the mean pay gap was 15.8%, a significant reduction from 21.7% in 2017. In 2020, the figure has increased marginally to 17.0% (16.2% excluding Clinical Excellence Awards).

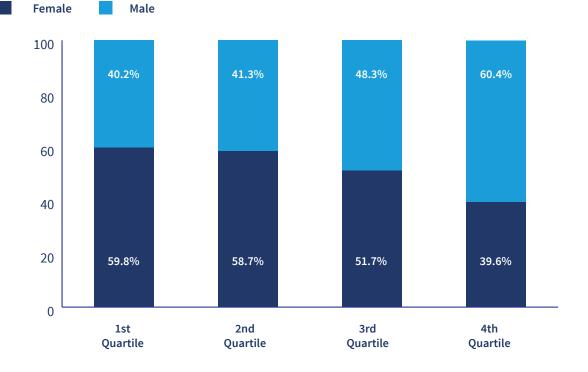
While these results have not shown improvement, our targeted actions outlined in this report will help in ensuring we make progress in closing our gender pay gap over the coming years.

Quartile positioning by gender

There continues to be a greater proportion of men in the highest paid quartile, which is typical of most organisations in the UK and our previous data.

Due to the low staff turnover rate, these quartiles have not changed much from the last pay gap report.

The balance of men and women by quartile demonstrates the challenge we have in addressing the pay gap. The data highlights a higher representation of women in the two lowest paid quartiles with women representing 59.8% and men 40.2% in the lowest quartile; this changes to 58.7% and 41.3% respectively in the lower middle quartile; a more equal gender split in the upper middle quartile and a marked reversal of the position in the upper quartile, with 60.4% men and 39.6% women. It is this disparity of men and women across the quartiles that the University will continue to focus on to rebalance the distribution of male and female staff across the workforce. While there are a combination of factors that result in the disparity between the quartiles, including low staff turnover and differing societal assumptions and pressures on women and men, we will be taking action to rethink our approach and culture around flexibility in role design, parttime work and flexible working, as well as our recruitment and promotion practices. We believe this will help to support and enable more women to progress into senior roles and address the male/female imbalance in the fourth quartile. The pandemic has enabled us to consider fresh approaches to flexible working and develop new ways of working that can enhance opportunities for career development and promotion.



Gender distribution by pay quartile

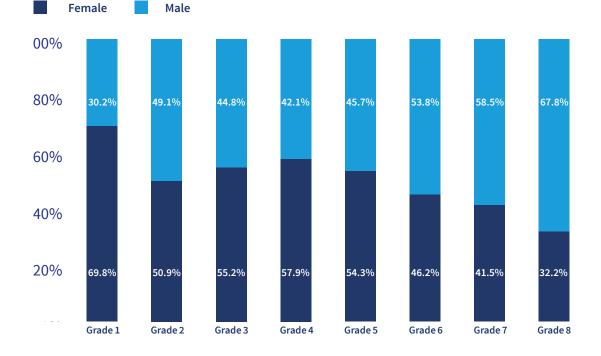
Proportion of men and women staff by grade

This data helps to clarify why there is a disparity of men and women across the quartiles.

In our lower grades we have a higher proportion of women, particularly grade 1 which is 69.8% female, and a lower proportion of women in the higher grades, particularly grade 8 which is just over two-thirds male. As in previous years it is in the more senior levels, from Grade 6 upwards, that there are more men than women at each level.

We recognise that much more needs to be done, particularly to achieve equality at the highest quartile salary level, including increasing the number of women in our highest grade (grade 8) which consists of professors, senior academic staff and senior managers in professional services.

By adopting a variety of targeted strategies, it is possible to achieve a rebalancing of men and women across the different grade levels.



Gender distribution by grade

Bonus pay

Bonuses are awarded to a very small proportion of employees, and because these are paid on an annual basis it is possible to have a large impact on the bonus gap year-on-year. This section highlights therefore that where it is possible to make an impact quickly, we have done so. The changes we have made enable us to report a zero median bonus gap excluding Clinical Excellence Awards (CEAs). CEAs are bonus payments awarded and funded by the NHS in recognition of exceptional performance in the field of clinical work.

Overall including CEAs, 5.94% of men and 5.05% of women received a bonus in the 12-month period up to March 2019.

The majority of clinical consultants who can receive CEAs are men and this is the reason that more men receive bonuses overall; these bonuses are on average higher than any other bonus payment. The mean bonus gap including CEAs are therefore higher than those excluding CEAs.

The 2020 data shows that the median bonus gaps, both including and excluding CEAs, have reduced from 33.3% in 2019 to 0.0% in 2020 including CEAs and from 31.8% to 0.0% excluding CEAs. The mean bonus gap has increased from 68.7% to 72.97% including CEAs, but has reduced from 32.7% to 15.98% excluding CEAs.

In comparison with other London Russell Group Universities the 2019 median bonus gap ranged from 31.3% to 50.0% and the mean from 19.1% to 63.6%.

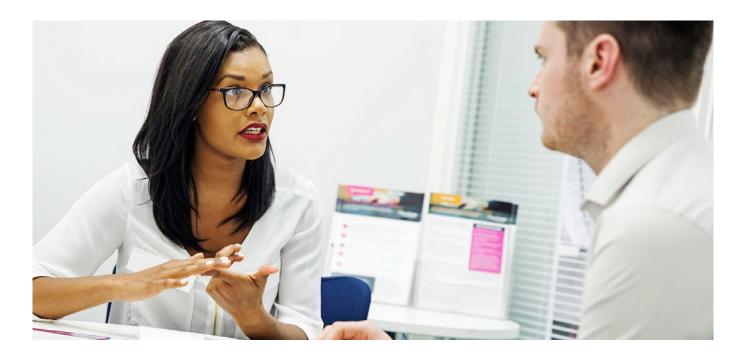
We are pleased to report a zero median bonus gap (both including and excluding CEAs). This reflects significant work carried out during 2019/20 to ensure greater consistency and equality in our internal bonus processes.

If CEAs are excluded from the figures, the percentages receiving a bonus fall to 4.19% of men and

4.45% of women respectively.

We are committed to closing the bonus gap, including CEAs, and have implemented a number of changes to continue our clear downward trajectory in bonus gaps.

For example, we have made further improvements to our bonus schemes this year to ensure greater equality in payments across all of our reward processes, the Staff Bonus Scheme, the annual Professorial Review and the annual Professional Services Grade 8 Pay Review. We have also enhanced our Moderation processes to ensure equity and consistency of practice across the University. Furthermore, all processes will be equality impact assessed and improvements made where processes are identified as having a negative impact. Equally, a positive analysis will contribute to building on the successful changes made thus far, where some gaps have been eliminated.



Ethnicity pay gap in context

As with our gender metrics, the ethnicity data throughout this report is based on March 2020 snapshot data to align with our gender pay gap reporting requirements; reference to current or 2020 data refers to this snapshot point.

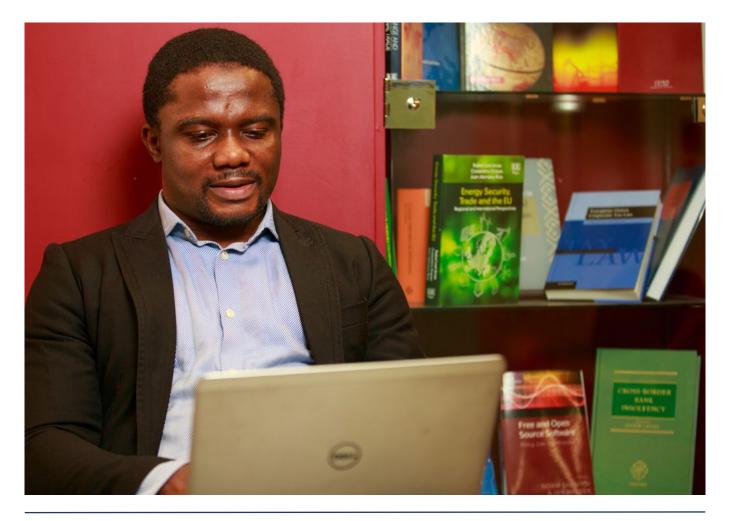
For this reason, the impact of actions taken in the 12 months prior to publication are not captured in our metrics.

In this report, we use the term BAME which stands for Black, Asian and Minority Ethnic and is defined as all ethnic groups except White ethnic groups. This is in line with our currently reporting tools and to ensure consistency with other organisations including other universities and reporting

authorities such as the Office of National Statistics.

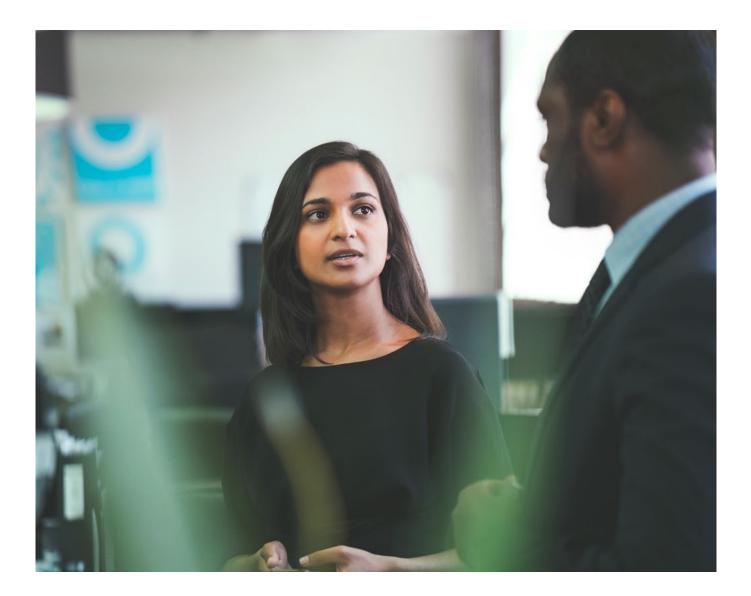
We acknowledge the term BAME is imperfect, problematic and includes diverse communities with different challenges and barriers. We are currently working with our Race Equality Action Group and its sub-groups to develop Race and Ethnicity Language and Terminology Guidance and facilitate discussions on inclusive language which will shape our work in the future.

The Ethnicity pay gap is the difference in pay between the average hourly earnings of BAME and those of White staff. We have used the same calculations as in the gender pay gap analysis. Overall, along similar lines to what we find for men and women, we have a higher proportion of BAME staff in the lowest grades (grades 1 and 2) and a lower proportion of BAME staff in the higher grades.



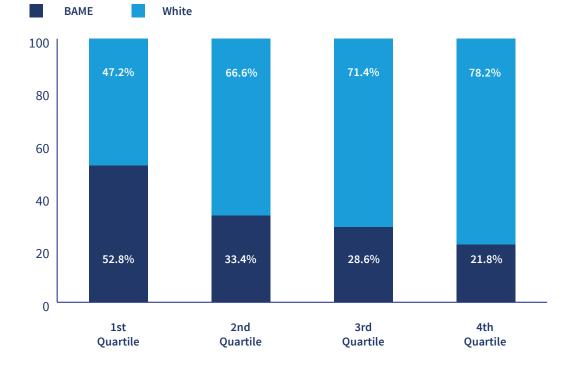
Ethnicity pay gap of all staff

Our report is based on 6155 employees split into 33.1% BAME, 64.3% White and 2.6% undeclared members of staff (national or ethnic origins). Our mean ethnicity pay gap has reduced further in this year's report compared to last year, from 21.9% in 2018 and 20% in 2019 to 19.4% in 2020. The median pay gap has continued to reduce, from 14.9% in 2019 to 14.6% in 2020.



Quartile positioning by ethnicity

The chart shows a higher representation of BAME staff in the lower quartile – nearly 53% BAME compared to 47% White. This includes roles such as cleaning, catering and residential services in grade 1 as Queen Mary does not outsource these roles to external contractors, unlike some other higher education institutions. The lower middle, upper middle and upper quartile show a clear majority of White staff in comparison with BAME staff. In particular, the upper quartile, which is occupied by a significant proportion of academic staff, such as professors (at grade 8), has only just over a fifth of staff who are BAME, with almost 80% White. This is consistent with historical national averages and will take time, investment and positive actions, to change.



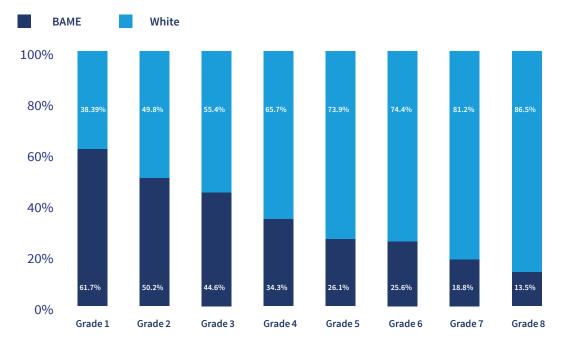
Ethnicity distribution by pay quartile

Proportion of White and BAME staff by grade

We have a higher proportion of BAME staff in the lowest grade (grade 1) and a lower proportion of BAME staff in the higher grades above grade 2.

58.2% of BAME staff at Queen Mary are female. At grade 1, 74.4% of BAME staff are female. The proportions of male and female staff are more balanced within the other grades, though there is a noticeable difference between the lower quartile (65.8% female) and the upper quartile (44.4% female). We also have a higher percentage of BAME staff who work part-time (typically in more junior, lower graded roles) than White staff, 44.5% compared to 35.2%. This is similar to findings for men and women at Queen Mary, where we have 43.7% of women working part-time compared to 32.9% of men.

We recognise that we need to do much more to increase the proportion of BAME staff at senior levels, on both the academic and professional services side. We also recognise that racism and discrimination occurs every day in society, and that affects how people are treated, how appointments are made, how promotions are decided, because of unconscious bias. That is why we need targeted strategies and, like we are doing for gender, we are focused on tackling this issue from a number of different perspectives: recruitment, promotion, role design, flexible working policies, and new ways of working.



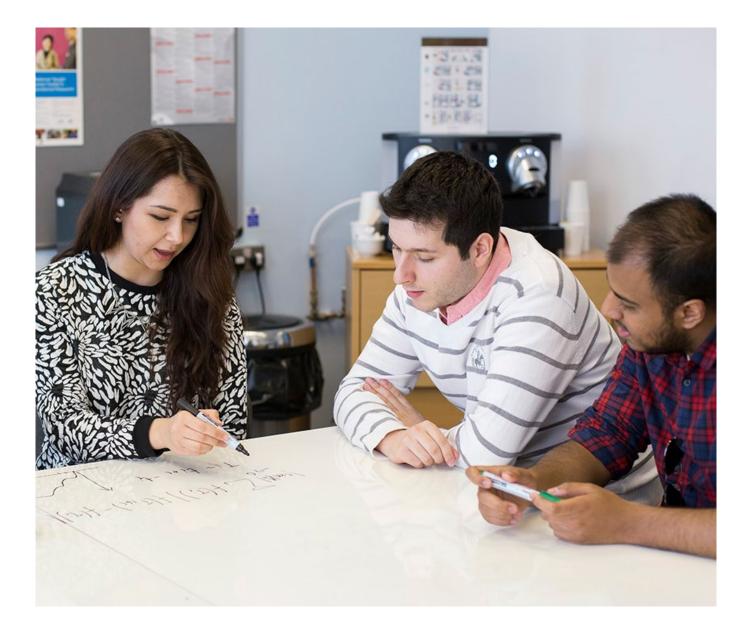
Ethnicity distribution by grade

Bonus pay

Bonuses are awarded to a very small proportion of employees, and as a result relatively small differences in bonus payment amounts can have a large impact on the bonus gap from year to year. In 2020 our mean bonus pay gap (when including our Clinical Excellence Awards (CEA) is 10.0% in favour of BAME colleagues. This is because small numbers of BAME staff received high-value bonuses through our Clinical Excellence Award Scheme. As a consequence, we can report that the overall median bonus gap (including CEAs) is 0.0%.

Excluding CEAs, last year's mean bonus gap was 27.6% in favour of White staff, and this has reduced this year to 10.3% in favour of White staff. Excluding CEAS, last year's median bonus gap was 32.7% in favour of White staff, and the gap has reduced this year to 0.0%.

Despite the positive changes that have resulted from work to ensure greater equality in payments across all of our reward processes our data show that we still have a long way to go to achieve equality for our BAME colleagues.



Appendix

In this Gender and Ethnicity Pay Gap Report we have continued to include the presentation of data relating to those staff undertaking clinical roles (6% of employees) who are entitled to participate in the Clinical Excellence Awards, which are awarded by external bodies on behalf of the NHS.

Clinical Excellence Awards are included in our bonus gap calculations. However, because these payments are made monthly and regularly through the payroll, we also include these in our pay gap calculations, in line with legal advice provided to the Universities and Colleges Employers Association.

To enable a comparison to be made with previous years' data, we have presented the pay data both with and without the Clinical Excellence Awards.

Bonus pay award context

Bonuses are awarded through the following main processes:

- the Staff Bonus Scheme for grades 1-7
- the Professorial Review
- the Grade 8 Professional Services Review

These schemes provide additional rewards to staff who have made an exceptional contribution, either through a one-off bonus payment or an accelerated pay increase.

In all these schemes, the awards made via one-off bonus payments have been included in the bonus gap calculations. Pay increases have been reflected in the pay gap calculations.

Clinical Excellence Awards

In addition, Clinical Excellence Awards are available to staff carrying out 'clinical consultant roles' who deliver over and above the clinical standards expected. Queen Mary has no control over who receives Clinical Excellence Awards because they are awarded by external bodies on behalf of the NHS. Due to the amounts awarded and the lower number of applications from women, Clinical Excellence Awards have an impact on the mean bonus gap figures. Queen Mary continues to encourage more women to apply for Clinical Excellence Awards.

As identified in previous gender pay gap reports, there is ongoing debate across

the university sector as to whether Clinical Excellence Awards should be regarded as bonuses. This debate is due to the nature of the awards; they are not directly related to a clinician's contribution to Queen Mary objectives, they have a disproportionate impact on the gender pay gap figures and are awarded by an external body. Nevertheless, legal advice is that the awards should be included in both the pay gap and the bonus gap calculations.

Senior roles

Grade 8 for academics is a broad pay band covering a range of roles which are not directly comparable for pay purposes; from recently-appointed professors, to more senior professors of long standing and international renown, including in leadership roles such as Head of School. We are therefore considering whether to create separate pay levels for professors within grade 8, similar to the professorial bandings that exist at other universities.

In professional services (non-academic roles), we have recently introduced four levels of role within grade 8. Starting pay and pay increases refer to these levels to ensure fairness in salaries being paid for those in jobs of equivalent value. In future reports, we are aiming to provide further analysis of pay within roles at grade 8 including the professorial population, once we have determined whether to create separate pay levels for professors within grade 8.

Method for calculations: gender

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 requires that we publish the six metrics below, which are based on all 'full pay relevant employees' (defined as employees paid their usual pay in full during the period in which the snapshot date falls).

- Mean pay gap
- Median pay gap
- Mean bonus gap
- Median bonus gap
- Proportion of men/women receiving a bonus
- Proportion of men and women in pay quartiles

The method for the calculations in these reports is in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which means all percentage pay gaps are expressed as the <u>difference</u> between women and men's pay as a percentage of men's pay using the following calculation:

men's average hourly rate - women's average hourly rate men's average hourly rate

A positive percentage indicates that men overall are paid more than women; zero means there is no pay gap; and a negative percentage indicates that women overall are paid more than men.

Due to the way the mean and median are calculated, and because the highest paid employees tend to earn significantly more than the lowest paid, the mean pay can be skewed by a small number of very high (or very low) earning individuals compared to the median pay. Since there are more men in higher-paying roles than women, the mean pay for men tends to be pulled upwards more than mean pay for women, so that the gender pay gap measured by mean earnings tends to be higher than for median earnings.

Method for calculations: Ethnicity

The following analysis of the data has been undertaken (which is aligned with the data analysis used for the gender pay gap):

- Mean pay gap
- Median pay gap
- Mean bonus gap
- Median bonus gap
- Proportion of BAME/White staff in pay quartiles

The method for the calculations in these reports are the same as those used to calculate the gender pay gap which means all percentage pay gaps are expressed as the difference between BAME and White staff's pay as a percentage of White staff's pay using the following calculation:

White staff's hourly rate-BAME staff's hourly rate

White staff's hourly rate

A positive percentage indicates White staff are paid more than BAME staff, zero means there is no pay gap and a negative percentage indicates BAME staff are paid more than White staff.



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