

# UK PAY GAP INFORMATION

INCLUDING EQUAL PAY STATEMENT

Midpoint Report  
APRIL 2023

# Heriot-Watt University Pay Gap Information *including Equal Pay Statement* 2021-25: Update April 2023

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## Section 1: Pay Gap Information Update

### 1. Introduction

- 1.1** The Heriot-Watt University Equal Pay Statement and Pay Gap Information 2021-25 is a live and working document. This document provides a mid-point update on progress since April 2021 focusing on UK pay gap and associated actions.
- 1.2** Over 2021-23 the University updated our people management system to support better information gathering and reporting. The new system is in place though there have been some operational challenges. Work has also been underway to develop new information dashboards to help us with clearer and more consistent information. We anticipate that teething issues arising from new ways of working will be resolved over 2023-4.
- 1.3** Over the last two years the University has established a new oversight committee, the Global Equality, Diversity and Inclusion (GEDI) Committee. The GEDI Committee is chaired by the Vice-Principal and Provost, Prof. Mark Biggs and reports to the University Executive. These new structures support visibility and regular updates on development and progress. The Equal Pay Working Group, which oversees pay gap activities, reports into the GEDI Committee creating a clear link to the University's governance and oversight structures.
- 1.4** We have made some specific progress in creating awareness and understanding of the issues affecting pay gaps. We have also acknowledged that there are structural barriers to progress including the existing pay structure. As a result our original action plan has developed since publication in April 2021 with actions designed to these tackle challenges. A full update is contained in Section 3: Action Plan Update.
- 1.5** We are keen to make progress toward closing any exiting pay gaps. We are aware that our biggest challenge remains the gender pay gap. Alongside the actions outlined in Section 3, in 2021 we set an overarching target of reducing the median gender pay gap by between 5-10% by 2025 as an Equality Outcome<sup>1</sup>, explored in more detail in Section 2.
- 1.6** We publish mean and median pay gap information. The figures tell us slightly different things about the pay gaps as expressed by Close the Gap in Figure 1. We are using the information we have to make tangible changes, though we do not underestimate the challenges in meeting that objective.

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<sup>1</sup> Further information about our Equality Outcomes can be found on our [webpages](#)

## What is the difference between the mean and median pay gaps? ▲

The **median pay gap** is calculated by finding the midpoint in all employees' hourly pay and discarding the lowest and highest rates of pay or 'outliers.' Therefore, half of the employees' earnings will be above the midpoint and half will be below the midpoint. Often, a median pay gap will be lower than its corresponding mean pay gap.

The **mean pay gap** is calculated by adding all employees' rates of pay together and dividing by the total number of employees. The mean includes all of the lowest and highest rates of pay, and therefore reflects the impact of the higher proportion of women working in lower paid roles, and the higher proportion of men in higher paid roles. International measures also use the mean when calculating the pay gap, which enables comparisons to be made with other countries.

Figure 1: Close the Gap explaining mean and median pay gaps.

## 2 The Equal Pay Working Group

**2.1** Our Equal Pay Working Group (EPWG) oversees all activity relating to our published pay gap information. Chaired by the Global Director of HR the group includes representation from the academic community, professional services, trades unions, Reward and Wellbeing (including the equality, diversity and inclusion function) alongside Strategy and Planning. The membership of the EPWG was refreshed and reviewed with Terms of Reference updated and approved by the GEDI Committee in June 2022.

**2.2** The EPWG meets quarterly providing a forum to:

- oversee delivery of the previous action plan,
- better understand pay gap issues as they relate to Heriot-Watt, and,
- support onward governance to relevant boards and committees.

**2.3** The EPWG looks across the University's operating jurisdictions applying the same principles of like work for like pay and addressing pay gaps where they occur.

**2.4** The EPWG has taken a particular focus on the following areas over 2022. Highlights and actions from the action log of the meetings in 2022 are outlined in the table below.

Table 1: EPWG Discussion and follow-on action summary

<b>What we discussed</b>	<b>What actions we plan to take</b>
Improving EDI data quality and reports with protected characteristics	<ul style="list-style-type: none"> <li>• The need to specifically improve disability declaration Reviewing leaving reasons and trends</li> <li>• Produce timelines of career trajectory across all protected characteristic groups prioritising sex, disability and ethnicity.</li> </ul>
Low declaration of disability makes it difficult to obtain meaningful disability pay gap information (the same issue presents for work on the ethnicity pay gap)	<ul style="list-style-type: none"> <li>• Disability awareness training has been delivered to research futures hiring managers and further sessions are scheduled to take place including for HR</li> <li>• Communication around declaring disability agreed with TUs and sent early 2023</li> <li>• Reviewing wording of questions when gathering sensitive data; including more specific questions – e.g. around. Some specific challenges around disclosure must be addressed before more targeted work to encourage more granular disclosures such as disability type (e.g. neurodiversity)</li> <li>• Celebrating disability rather than focussing on - reasonable adjustments</li> </ul>
There is clear occupational segregation in some areas of professional services.	<ul style="list-style-type: none"> <li>• Project plan being developed with Recruitment team to attract more diverse applicant pool</li> <li>• Completed a review of job titles to ensure these are gender neutral</li> <li>• Highlighting flexibility through connected hybrid working supporting materials and wider communications</li> <li>• Reviewing alternative platforms to reach a wider audience across all recruitment activities</li> </ul>
Strategic EDI Resourcing Plan for recruitment initiated in December 2022.	<ul style="list-style-type: none"> <li>• Data being gathered to identify if individuals appointed externally are appointed at a higher spine point and if this is gendered</li> <li>• Developed guidance around hiring salaries to support the Recruitment Team and hiring managers including requesting evidence and documenting reasons for appointments higher up the salary scale</li> </ul>

**2.5** The actions outlined above build on existing activity and support further embedding EDI into areas of recruitment, progression and promotion as highlighted in our initial 2021 documentation.

### 3 Gender, Ethnicity and Disability Pay Gap Updates

**3.1** We published our last pay gap information cover in 2021 based on 31 March 2020 data. The data for this pay gap information is for 31 March 2022 and shown in the table below along with the already published data from 2020, outlined in table 2 below. As our new system beds in, we will be seeking annual reporting.

*Table 2: Gender, disability and ethnicity pay gaps at 2020 and 2022*

	2020		2022	
	Mean	Median	Mean	Median
<b>Gender</b>	19%	21%	17%	19%
<b>Disability</b>	14%	34%	7%	19%
<b>Ethnicity</b>	-2%	0%	0%	0%

\*figures have been rounded

**3.2** The figures show some progress toward reducing the gender pay gap, explored in more detail in Section 2, and significant reduction in the disability pay gap. The ethnicity pay gap is shown as negligible.

**3.3** We know that we still have significant challenges around disclosure across employee groups. Low disclosure rates means that our pay gap data for both disability and ethnicity remains unreliable.

**3.4** As a result of unreliable baseline pay gap information we continue to have challenges in fully understanding how pay gaps affect the different groups that make up or staff population. While it is encouraging to see the reduction in the disability pay gap it remains a cautious figure due to low disclosure.

## Section 2: EO1: Reduce the Median Gender Pay Gap

### 1. Gender Pay Gap All UK Staff including Senior Management Team

**1.1** We know our gender pay gap is a result of both vertical occupational segregation (distribution across salary grades with less women in higher grades) and horizontal occupational segregation (role type, with less women in professorial/senior leadership roles), outlined in figure 2.

#### What are the causes of the gender pay gap?

The gender pay gap is caused by a range of factors. These include:

- occupational segregation, which is the clustering of women and men into different types or work (horizontal segregation) and different levels of work (vertical segregation, often known as ‘the glass ceiling’);
- a lack of quality part-time and flexible working;
- the economic undervaluation of stereotypical female work such as care, retail, admin and cleaning;
- women’s disproportionate responsibility for unpaid care;
- biased and untransparent recruitment, development and progression practices;
- male-oriented workplace cultures; and
- discrimination in pay and grading systems.

Figure 2: What are the causes of gender pay gap - from Close the Gap<sup>2</sup>

**1.2** This recognition that our most pressing pay gap is between female and male staff was the rationale for Equality Outcome 1: Reduced the Median Gender Pay Gap. This EO supports prioritising addressing the pay gap strengthened by a target reduction of between 5-10%.

**1.3** In our work we have further characterised this as a persistent gender pay gap. Table 1 and Figure 3 show our mean and median gender pay gap over 2017-22, demonstrating that persistence.

Table 3: Gender Pay Gap Mean and Median 2017-22

Year	Mean%	Median%
2017	<b>24</b>	<b>23</b>
2018	22	21
2019	20	19
2020*	19	21
2021	21	21
2022	<b>17</b>	<b>19</b>

*\*last published and the baseline for the 5-10% reduction*

<sup>2</sup> [www.closesthegap.org.uk/content/faq/#rslider\\_4](http://www.closesthegap.org.uk/content/faq/#rslider_4)

- 1.4** Table 1 above shows that we are on our way to achieving our aim to reduce the median gender pay gap by 5-10%. There has been a reduction in the mean from a high of 24% in 2017 to 17% in 2022 and a smaller reduction in the median figure. Overall that's a 7% reduction in the mean and a 4% reduction in the median.

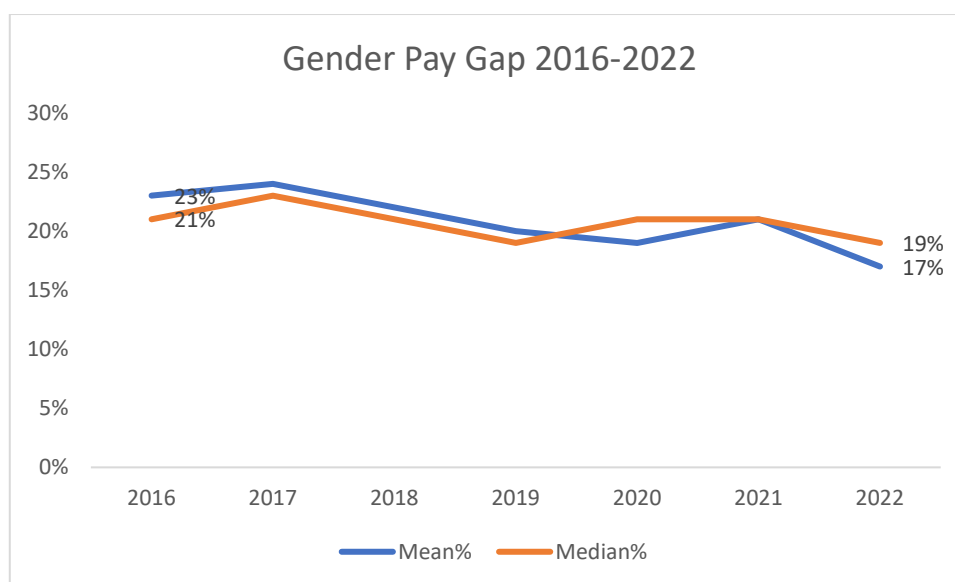


Figure 3: Gender Pay Gap Mean and Median 2017-2022

- 1.5** The reason behind a focus on the median figure was based on an understanding that the median would provide a more stable measure of change. Figure 2 (above) shows gender pay gap as a trend line.
- 1.6** Viewing the figures in this way helps to illustrate the persistence of the gender pay gap and the slow progress over time. The data suggest we need to ask the question **'what can we do to accelerate progress?'**

## 2. Next Steps

- 2.1** We are in a position where we can see some change across our pay gaps. It remains challenging to show direct cause and effect to reduce the pay gap. This means we are unable to say why change is happening which means we cannot build on good practice or effectively mitigate challenges.
- 2.2** It is important that we continue to take forward activity that support reducing the pay gap such as, increasing focus on starting salary, promotion workshops, review



of language used in adverts. We know that we have work to do on building in the full remuneration package to the pay data too.

**2.3** To support making tangible and sustainable change there are specific areas requiring further attention that will be taken forward as part of business as usual outlined below:

- Disclosure drive: build confidence to disclose
- Annual pay pap reporting to support change and good practice
- Measuring intervention impact – is our work making a difference and if so what?

**2.4** A key focus for the remaining period of the action plan will be to address how we can accelerate progress.

## Section 3: Action Plan Update

Area	Existing/ new	Rationale	Objective	Identified challenge	Action	Start End	Status	Update March 2023	
0	All pay gap areas	New	* ERP is new the People Management system in place from 2021 *Designed to improve management information *Requires 'bedding in'	Formalise Data Run from ERP	New PMS may have teething issues. Ongoing issues re Disclosure	Test run and then align with June report running for previous March	Q1 2022 Q1 2024	Underway	*ERP now in place. * Challenges with data quality and integrity identified and remedy actions on track for 2023-2024.
1	Recruitment	Existing	Original Pay Gap Action Plan	Diversify appointments	Recruitment supports changing staff composition	Review of where we advertise and language used.	Q4 2021 Q1 2025	Underway	* Standard statement in use <sup>3</sup>  * Gender decoder used as routine <a href="https://www.katmatfield.com">Gender Decoder: find subtle bias in job ads (katmatfield.com)</a> * Collectively set targets at different grades and occupations

<sup>3</sup> EDI Statement for Job Adverts:

*Heriot-Watt University is committed to securing equality of opportunity in employment and to the creation of an environment in which individuals are selected, trained, promoted, appraised and otherwise treated on the sole basis of their relevant merits and abilities. Equality and diversity are all about maximising potential and creating a culture of inclusion for all.*

*Heriot-Watt University values diversity across our University community and welcomes applications from all sectors of society, particularly from underrepresented groups. For more information, please see our website <https://www.hw.ac.uk/uk/services/equality-diversity.htm> and also our award-winning work in Disability Inclusive Science Careers <https://disc.hw.ac.uk/>.*

*We welcome and will consider flexible working patterns e.g. part-time working and job share options.*

*Use our total rewards calculator: <https://www.hw.ac.uk/about/work/total-rewards-calculator.htm> to see the value of benefits provided by Heriot-Watt University.*

Area	Existing/ new	Rationale	Objective	Identified challenge	Action	Start End	Status	Update March 2023
2 Recruitment	New	Recognition of gender imbalance in Estates and Facilities.	Diversity appointments	Occupational Segregation	Identify key roles for consideration of increasing diversification in Professional Services	Q4 2021 Q1 2025	Underway	Estates and Facilities are pilot for targeted interventions to address gender imbalance. In particular role titles are under review. Impact to be assessed and rolled out to other areas as identified.
3 Recruitment	New	Address diversity as early as possible in recruitment process.	Diversity appointments	Work with Appointed external suppliers to promote diverse applicant pools and longlists. Adopt similar approach for direct hires.	Review of applicant pools and shortlists prior to "approving" for interview.	Q4 2021 Q1 2025	Underway	All Agency/Head-hunters in early stages of providing data in order to address EDI aspects of process to support more diverse pools and shortlists.
4 Recruitment	Existing	Original Pay Gap Action Plan	Diversify appointments	Recruitment supports changing staff composition	Increase visibility of our offer, in particular family friendly/carer/support groups policies and support.	Q4 2021 Q1 2025	Underway	*Research on Employer Brand commissioned and reporting Sept 22. EDI is embedded. Further work to develop information and branding will follow in late 22 and into 2023.  * Monitoring of starting salaries by gender underway. Recording beyond baseline with a view to future activity.

Area	Existing/ new	Rationale	Objective	Identified challenge	Action	Start End	Status	Update March 2023	
5	Recruitment	Existing	Original Pay Gap Action Plan	Diversify appointments	Recruitment supports changing staff composition	Improve training and guidance for Recruiting Managers.	Q4 2021 Q1 2025	Underway	Enhanced area on HR Hub (intranet) added for interviewing and recruitment skills, including EDI dimension. <a href="https://heriotwatt.sharepoint.com/sites/hr-equalitydiversityandinclusion">https://heriotwatt.sharepoint.com/sites/hr-equalitydiversityandinclusion</a>  Interview skills training module being developed with external developers. Pilot planned for Q1 23 and embeds EDI.
6	Recruitment	Existing	Original Pay Gap Action Plan	Diversify appointments	Recruitment supports changing staff composition	Increase diversity on shortlist/selection panels.	Q4 2021 Q1 2025	Complete	Actively developing pilot for anonymised shortlisting.
7	Appointment	New	Need to standardise starting salaries.	Monitor Pay levels	Recruitment supports fair salary on appointment	Update Appointment Salary Guidelines. Regularly report and monitor appointment salaries by protected characteristics	Q4 2021 Q1 2025	Complete	Salary guidance document now in use for all recruitment activity.  Starting salaries being monitored. Reporting schedule to be determined.
8	Promotion	Existing	Original Pay Gap Action Plan	Diversify promotion applicants and successful cases	Promotion and Progression	Internal/External Review of promotion salaries for Grade 10 staff	Q4 2021 Q1 2025	Complete	Guidance for Grade 10 in place.
9	Promotion	Existing	Original Pay Gap Action Plan	Diversify promotion applicants and successful cases	Promotion and Progression	Maintain and Develop promotion roadshows and monitor attendance	Q4 2021 Q1 2025	Complete and ongoing	Roadshows now part of Business as Usual. Now looking to align with other protected characteristics. Next phase is to align with Equality Outcome 5: Support Progression of Disabled Academics.

Area	Existing/ new	Rationale	Objective	Identified challenge	Action	Start End	Status	Update March 2023	
10	Promotion	New	Support internal progression.	Diversify promotion applicants and successful cases	Promotion and Progression	Talent reviews across all schools to discuss talent pipeline & promotion applications/nominations	Q4 2021 Q1 2025	Underway	Talent Reviews are in place at G10 level. A roadmap for rolling talent reviews out to other grades is currently being worked on.
11	Promotion	New	Support internal progression.	Diversify promotion applicants and successful cases	Promotion and Progression	Develop and Communicate career pathways and succession planning guidance.	Q4 2021 Q1 2025	Underway	Work ongoing as part of annual cycle.  Meetings occurred looking at Learning & Teaching pathways and knowledge exchange  A number of strands being brought together with a revised timeline for introduction of end 2023
12	Promotion	New	Support internal progression.	Diversify promotion applicants and successful cases	Promotion and Progression	Increase opportunities for internal secondments and secondary appointments.	Q4 2021 Q1 2025	Underway	Secondary appointment process has been drafted and is at early stages of consultation in line with Equality Impact Assessment processes.
13	Progression	Existing	Original Pay Gap Action Plan	Pay is driven by size of the role and performance not personal characteristics	Implementation of Reward Policies and Processes Reward impact on Staff composition and pay	Audit of Total Remuneration (include all additional allowance and benefits)	Q4 2021 Q1 2025	Underway	Data has gone to Planning team.

Area	Existing/ new	Rationale	Objective	Identified challenge	Action	Start End	Status	Update March 2023	
14	Progression	Existing	Original Pay Gap Action Plan	Pay is driven by size of the role and performance not personal characteristics	Implementation of Reward Policies and Processes Reward impact on Staff composition and pay	Develop clear statements and guidance for starting salary, exceptional pay increase, secondary appointments and market pay	Q4 2021 Q1 2025	Underway	Salary guidance document now in use for all recruitment activity.  Starting salaries being monitored. Reporting schedule to be determined.
15	Grading/Pay banding	New	Address gender pay gap within Grade 10	G10 pay level is managed and transparent. Based on performance and esteem and not personal characteristics	Grade 10 pay structure transparent and fair - broad band requires additional Consideration and Calibration.	Initiate project to develop proposal for Professorial Zoning. Similarly explore potential for equivalent approach within PS.	Q4 2021 Q1 2025	Underway	Recruitment process underway and related backfill aiming for a July 2023 start for one year. The project will provide: <ul style="list-style-type: none"> <li>• a framework which reflects equality of opportunity with respect to development and career progression.</li> <li>• a consistent, fair and transparent framework that recognises individual contributions and provides a clear career pathway for Professorial staff</li> <li>• a framework that can identify and differentiate performance with a focus on behaviours and contributions/outcomes</li> </ul>
16	Pay	New	Remove gender bias in retention action.	Ensure retention payments are not gendered		Monitor, regularly report to Remuneration Committee and periodically assess effectiveness at retention	Q4 2021 Q1 2025	Underway	Reporting on retention payments began May 2022 as part of annual cycle. The 2022 reporting only included gender information, but future reporting will include other PCs. The analysis showed no specific gender bias but this will be monitored going forward.