

Communicating Your Gender Pay Gap

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So you've calculated your gender pay gap? What next?



With just a few months to go before the gender pay gap reporting deadline, organisations are (slowly but surely) beginning to publish their pay gaps on the government portal and the majority are including links to their accompanying narrative on their own websites. You do not have to spend too long browsing these documents for it to become clear that some have chosen to invest more time and thought in their narrative than others and this distinction raises some important questions. One such question would be whether those who choose not to invest time and effort are selling their business short?

Why your gender pay gap report says more than you might imagine



Only a small minority of organisations have published their gender pay report on the government website, which leaves somewhere in the region of 7000+ organisations still to do so in the next four to five months. The majority of those organisations who have already published have included a link to the contextual narrative on their own website. The quality of the narrative documents falls broadly into one of three categories:

- The most positive and balanced documents realise that the purpose of the narrative is not about communicating your gender pay gap (that is simply an ingredient that has to be there) but rather it is about describing an action plan and demonstrating a real commitment to act. These organisations define clear, specific and realistic actions which they expect to be held to account on, and link back into their organisation's DNA and aspirations. They seem to realise that the report gives them an opportunity to demonstrate and to really bring to life their values and culture. As a result, these are clearly brand affirming documents and represent the organisations which will see the most benefit from the regulations. Employees (and potential employees) who read these documents can only feel reassured about the nature of their employer and their employer's intentions, even when their current gap might be significant.

- The middle tier still describe their action plan, but the commitment seems driven by the regulations and as a result feels a little shallow. They might not make the direct link with their values and aspirations. Their narrative may explain their calculations in great detail but their action plans are often fairly transactional in nature and fail to demonstrate a longer-term commitment and focus.
- The lower tier simply use the narrative to share their gender pay gap statistics and maybe provide a short paragraph in which they emphasise their commitment to equality and diversity. These documents are often analysis-rich but action-poor, with minimal focus on planning for the coming 12 months and beyond. Narratives in this category have the most powerful impact of all, as they communicate more about an employer than any other content on their website – certainly more of an insight than their career or job pages where they try to sell the firm to potential employees. These reports are very short-sighted and potentially damaging to an organisation’s reputation and ability to attract talent in future. These documents might at best underwhelm employees and potential employees, with the worst case scenario seeing them may actually disengage existing employees and deter potential recruits.

The easiest way of illustrating this point is to spend a few moments looking at the government portal and exploring some of the links to the narratives. When you do so, ask yourself two really simple questions; your responses will be highly informative and in answering them you will place any report into one of the three categories above.

1. Do I believe that this business is committed to addressing any issues or are they going through a regulatory tick-box exercise?
2. How would I feel on reading this document if I was an employee of the organisation? Or a potential employee?

Traps to avoid in communicating your gender pay gap



- **With clear challenges and variety around the**
- **quality of gender pay gap narratives, it forces us to**
- **ask ourselves: what can I do if I want to produce a**
- **statement which sits in the higher tier and acts a**
- **positive reinforcement of our brand and values?**

Quantity does not mean quality

One thing is clear, it is not about the length of the document and we should ensure that we do not fall into the trap of confusing quantity with quality. Overly-long narratives might well be a sign that insufficient thought has really been given to the focus of the core message. As Mark Twain once stated, “I didn’t have time to write a short letter, so I wrote a long one instead”.

Do not lose focus on the purpose of the document

The longest narrative documents often fall into the second trap of focussing too much on the analysis and the numbers, losing sight of the need to actually address the issues raised. They provide page after page of analysis but still seem to say very little. Clearly, additional analysis to understand the underlying causes of and influences on any gender pay gap is a necessity. It is great when organisations have conducted this ‘deeper dive’ into the data; however, that does not mean it all needs to be shared. It is important to really think through the specific needs of your audience; what will they really want to know and understand? If there is a particularly relevant set of analysis which can add value then this should be shared (e.g. group-wide statistics or additional pay gap numbers, excluding an exceptional pay item, etc) but the focus needs to be on value-add and not simply on sharing output because it has been produced.

Help those writing your narrative to succeed

Another trap that some organisations seem to have fallen into is simply to hand responsibility for producing the narrative to their communications team once HR has conducted the calculations. Clearly, communications specialists can add significant value to the process, but they need to be properly briefed on the regulations, their underlying intent and the way in which the pay gap has been calculated. In addition, they need to understand the organisation’s intent to act and to have been a part of the action planning process so they can produce effective, focussed communications. Simply handing them the spreadsheet with some potential actions and asking for a narrative from them is not going to help them do a good job for you.

Avoid action-plan cherry-picking

One other pitfall which really needs to be avoided is that of developing your action plan by ‘cherry-picking’ those of others. Unfortunately, this is becoming increasingly common as more organisations publish. Many organisations have been surprised at how long it has taken to calculate their pay gaps in line with the regulations and as a result, time for action planning and internal discussion has been limited. This can encourage the cherry-picking approach. It is important to invest time in thinking through what steps your own organisation could and should take to address your specific pay gap and context. If looking at other reports helps to provide inspiration and a source of ideas, then that is fine, but all too often organisations seem to be presenting a list of actions described by others, with no real evaluation of their specific impact or opportunity in their own business. This is particularly dangerous as:

1. They might not actually address the situation in your own business and at best could be nothing more than a distraction of minimal benefit.
2. They might create ‘ripple-effects’ elsewhere in the business that need to be fully considered and understood before making a public statement of an intent to implement them.
3. The narrative is required to be visible on your website for at least three years, so any actions which are promised and not followed through will be highly visible to employees and potential employees. As a result, any actions you define need to be realistic and achievable for your business.

Effective pay gap communications



- **Having identified some of the common traps**
- **and pitfalls, it is then possible to think more**
- **clearly about the things we should all be doing**
- **in producing our gender pay gap narratives.**
- **The first point to note is that there is no secret**
- **or mystery to these stages – they are logical**
- **and fundamental to producing effective**
- **communications on any number of different**
- **topics – but it is surprising that they seem to have**
- **been forgotten by a number of organisations.**

Take your time

Ensure that an appropriate amount of time is given to considering the size and nature of your pay gap and to developing an action plan relevant to your own business. Many organisations have been surprised at how long it has taken to calculate their pay gaps in line with the regulations and as a result have been limited on time for action planning and internal discussion.

Think about your audience

Some organisations have demonstrated clear best practice behaviours in this area and have run separate communication processes for their internal and external audiences. They have thought through the needs of the different groups and developed focused documentation aimed at providing answers to the different questions each group might ask. Employees in particular have valued this approach: it helps them to really understand the issues in their business and prevents them from being surprised when the report is subsequently published externally.

Be action oriented

There is a clear regulatory requirement to include the core pay gap numbers in the accompanying narrative but, as interesting as the numbers might be, remember to keep the focus on what will be done to improve the situation in future. Defining and implementing the action plan and understanding the impact it will have on employees and the business has to be of primary importance.

Be realistic and transparent

The fact that reports need to be held on the website for three years makes it easy to hold organisations to account for any commitments they make in the narrative document. As a result, it is important to be realistic on what can be achieved and over what time frame. As with all communications, it is important to be credible; there is no point sharing a long shopping list of activities or talking about an equality ethos if it does not align with the experiences and expectations of your employees.

Gender pay gap reporting as a self-fulfilling prophecy



While not everyone will agree with the way in which organisations have to report their gender pay gap, it is nonetheless a good opportunity for an organisation to demonstrate its culture and values. However, care and time must be invested if this opportunity is to be fully realised and in this respect there is a very real risk that organisations might create a self-fulfilling prophecy. If they go through the process with an expectation that it will not add value and is just a regulatory hurdle to be overcome, it is likely that they will not invest time in the process and as a result will not see any benefits emerge. Those who treat the regulations as an opportunity to improve will be more likely to invest time and will therefore be more likely to achieve a benefit-laden outcome.

The potential benefits of active engagement in the exercise are significant across employee engagement, performance, retention and talent attraction (as well as for the organisation's brand and reputation). This is particularly true at a time when organisations are looking to identify any possible source of competitive advantage in highly challenging market and economic situations. These benefits will not be achieved by accident but will require time and effort; organisations need to go looking for them. Doing so requires an investment of time and effort that not all organisations are able (or prepared) to make. In this context it is difficult to see the regulations having the desired impact on the gender divide in a meaningful way.

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