

4th Annual Gender Pay Gap Reporting

Updated – April 2021

Hanover (Scotland) publicly reported its first gender pay gap figures in January 2018 (based on pay data of 5 April 2017). The Association is now ready to post its fourth set of figures.

The data and calculations have been approved by our Director of Strategic Finance.

Employers are required to publish publicly six calculations showing:

1. Mean gender pay gap in hourly pay
2. Median gender pay gap in hourly pay
3. Mean bonus gender pay gap
4. Median bonus gender pay gap
5. Proportion of males and females receiving a bonus payment
6. Proportion of males and females in each pay quartile

(Mean is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees. Median is the middle hourly pay rate, when pay rates are ordered from lowest to highest.)

Of the above list, points 3, 4 and 5 do not apply to Hanover as bonuses are not part of the pay policy.

The information, below, shows the published figures for 2017, 2018, 2019 and the calculated figures for 2020:

	2017	2018	2019	2020
Mean Pay Gap	23.2	25.3	26.3	23.0
Median Pay Gap	26.5	25.6	15.6	15.6

	2017	2018	2019	2020
Median hourly pay for women	10.52	10.73	10.56	10.88
Median hourly pay for men	14.31	14.42	12.51	12.89
Mean hourly pay for women	11.76	11.71	11.81	12.03
Mean hourly pay for men	15.31	15.67	16.02	15.62

Proportion of males and females in each pay quartile

(Quartile 1 contains the lowest hourly rates and 4 the highest)

Q	2017				2018				2019				2020			
	No. of male	No. of female	% male	% female	No. of male	No. of female	% male	% female	No. of male	No. of female	% male	% female	No. of male	No. of female	% male	% female
1	12	131	8.4	91.6	11	137	7.4	92.6	9	145	94.2	5.8	13	163	7.4	92.6
2	21	122	14.7	85.3	21	128	14.1	85.9	21	132	86.3	13.6	24	152	13.6	86.4
3	17	126	11.9	88.1	16	133	10.7	89.3	21	133	86.4	13.6	27	149	15.3	84.7
4	50	90	35.7	62.9	53	98	35.1	64.9	52	102	66.2	33.8	59	117	33.5	66.5

In summary, the mean or average figure, 'the' gender pay gap figure, has decreased to 23%, 0.02% less than the first figure, four years ago. The median figure has remained the same as last year at 15.6%.

1. Understanding the Decreased Gender Pay Gap Figure (Mean)

- 1.1 In order to establish the reasons for the decrease in the mean gender pay gap figure, analysis of the pay data was undertaken.
- 1.2 The reason for the drop in the mean gender pay gap is due to the fact that the percentage of men in the organisation has dropped to 17% from 20% last year. The additional staff numbers are proportionately more female than male.
- 1.3 Data from the first gender pay gap figure in 2017, which had a figure of 23.2%, shows that in this year the proportion of men was also 17%. Therefore, the pay gap has returned to 2017's figure because the number of new starts included more women than men.
- 1.4 The distribution of roles filled by females in the upper quartiles has also contributed to the reduction, because it has contributed to the increase in the average hourly rate of pay for women and the decrease in the average hourly rate of men. 2020 data shows that there are increases in quartiles 3 and 4 of 20 and 18 females, respectively, and males only 7 and 6 respectively.

2.2 Recommendations

Hanover did not meet the recommendations from 2019 due to Covid-19 interruption of our development activities and it is suggested that they remain the recommendations for 2020.

Recommendations from 2019

- 2.1 Continue to monitor the frequency and quality of developmental conversations between managers and their staff, including in quartiles three and four, to ensure they meet the standards required. Ensure managers discuss career next steps.
- 2.2. Extend the training programme so that staff who are not yet managers may receive training in line management.
- 2.3 Case studies of women's progression from one role to another role in the Association should be compiled and shared. These will help inform developmental discussions.
- 2.4 Continue to work towards increasing the diversity of the workforce.
- 2.5 Undertake workforce planning to understand succession challenges and steps that can be taken to address these.

Conclusion

The legislation was designed so that companies take positive steps towards understanding and addressing the barriers in their own workplace. A valuable part of the exercise has been the analysis of our pay data, which has led to a deeper understanding of our workforce. This element of the legislation has been of the greatest benefit to Hanover.

The Association embraced the spirit and intent of the legislation, recognising it as a small but important step towards breaking down the barriers to gender parity. It is well known that the inequality that women experience in the labour market is a significant and persistent barrier and that it damages both the prospects and health of women, as well as limiting the potential of economic prosperity. Following reporting of the first year's figures the CIPD estimated that gender pay disparity cost the economy £8 billion per year. We at Hanover are particularly sensitive about gender parity because more than 80% of our workforce is female.

Hanover will continue to work hard over the next year to ensure that it is doing as much as possible to break down any barriers to reducing the gender pay gap in the Association, ensuring that every woman has the possibility of progressing.