

## RCS: Gender Pay Gap Report

#### CEO's introduction

#### **Our commitment**

The RCS is committed to ensure equality of opportunity and to promote diversity for all existing and potential staff, affiliates, fellows, members, Council Members, contractors and visitors. This is enshrined in our values.

Our aim is that our recruitment and employment practices promote and support equal opportunities and do not discriminate unlawfully in any way.

Andrew Reed

Chief Executive RCS

## UK gender pay reporting requirements

In 2017 gender pay reporting legislation was introduced. This requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

We are required to calculate the following information:

- 1. **The mean gender pay gap:** the difference between mean hourly rate of pay that male and female employees receive.
- 2. **The median gender pay gap:** the difference between the median hourly rate of pay that male and female employees receive.
- 3. **The mean bonus gender pay gap:** the difference between the mean bonus pay that male and female employees receive.
- 4. **The median bonus gender pay gap:** the difference between the median bonus pay that male and female employees receive.
- The proportion of male and female employees receiving a bonus payment: the proportion of male and female employees who were paid an amount of bonus pay.
- The proportion of male and female employees in each quartile band: the
  proportion of male and female employees in four quartile pay bands, which is
  calculated by dividing the workforce into four equal parts.

## Gender pay and equal pay

The gender pay gap differs from equal pay. Equal pay deals with pay differences for men and women who carry out the same jobs. Unequal pay is unlawful.

The gender pay gap shows the disparity in the average pay between men and women. It does not relate to equal work and there are many variables that can influence these data, such as: part-time working; taking time out of work for family and caring responsibilities; and returning to work in lower paid roles.

#### Method of calculation

The gender pay gap data were calculated in accordance with the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

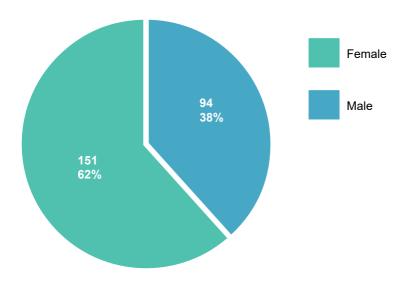
The pay calculations were based on the average earnings of male and female employees employed by the RCS on 5 April 2018.

The pay calculations were based on ordinary pay of which includes: basic pay, allowances, pay for leave but excludes; overtime pay, repayment of expenses and interest-free loans.

## Staff demographics

The gender split at the RCS is shown below.

Across the RCS there is a higher proportion of female employees than male employees.



Total employees: 245

## Our gender pay gap calculations

Gender pay calculations are based on hourly rates of pay.

Table 1 shows the mean and median gender pay gap between females and males based on hourly rates of pay.

The mean pay gap between male and females employees is 13.2% and the median pay gap between male and female employees is 17.2%. Both measures favour male employees.

The RCS's mean and median gender pay gaps are smaller than the national averages.

Table 1

Hourly Fixed Pay	RCS Figure	National Figure
Mean	13.2%	17.4%
Median	17.2%	18.4%

## Bonus gender gap

In the 12 months preceding 5 April 2018 a small number of one-off payment awards were made in relation to exceptional performance and for special recognition of performance; these were linked to the annual performance review process.

#### Our mean bonus gap is 7.9%

#### Our median bonus pay gap is 50%

Table 2 below shows the proportion of females and males receiving a bonus payment in the 12 months preceding 5 April 2018. More female than male employees received a bonus payment.

However, relative to the total number of female and male employees receiving an award, a larger proportion of male employees received the higher exceptional performance award.

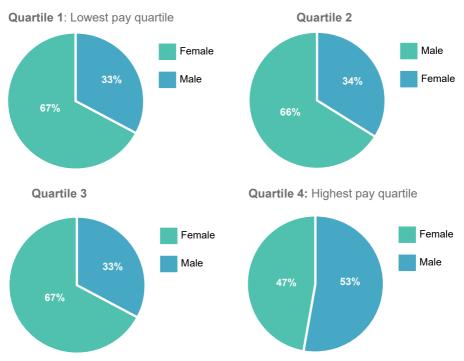
The median bonus pay gap percentage is influenced by the small sample size.

Table 2

Gender	Bonus received	Bonus not received	% received
Female	19	136	12.3%
Male	10	84	10.6%

## Pay quartiles

The graphs below show the distribution of gender across four quartiles of pay with the first quartile representing the lowest pay bracket within the organisation and the fourth quartile representing the highest pay bracket.



The proportion of female staff in the pay quartiles 1–3 broadly reflects the overall staff demographics of the RCS. However, in the highest pay quartile there is a higher proportion of males, 53%, than the 38% of males employed by the RCS.

The proportion of males and females in each quartile is based on 245 staff who were employed as at 5 April 2018 – 61 staff in quartiles 1 to 3 and 62 staff in quartile 4.

#### What do our data tell us?

Our gender pay gap figures are below the Office of National Statistics' figures.

The critical factor influencing the figures is the distribution of men and women within the hierarchy as there is a higher proportion of female employees in the lower banded roles within our structure.

The organisation is 62% female. However, 53% of employees in the highest pay quartile are males.

The salary quartiles demonstrate that the lower levels are disproportionately female. There is a higher proportion of males in the highest pay quartile than in the RCS as a whole.

Our mean gender pay gap in comparison with 2017 has decreased by 1%, however, our median gender pay gap has increased by 1.8%. The key factor influencing the increase in the median gender pay gap is that a higher number of female staff placed at the top end of their respective pay bands versus males in the same position left between April 2017 and April 2018.

#### Actions we have taken

#### Our pay policy

Since April 2017, we have reviewed and developed our existing pay policy.

Two of the key aims of our pay and performance framework are set out below:

- A fair and consistent approach to the management of salary ranges for all roles within the RCS.
- Aim to be consistent with equal pay best practice and a commitment to regularly assess our performance against this.

Our policy places an emphasis on the highest level of pay awards being focused on employees at the lowest end of the pay quartiles thereby over time reducing pay gaps at all levels.

Our pay policy and pay award system was implemented in July 2018 and we will review and evaluate the impact of our pay model approach on gender pay during the next four years.

#### Our job evaluation process

We have a standard approach to job grading using the Hay job evaluation methodology, which ensures a consistent approach is applied across the RCS.

#### **Enabling flexible working options**

We offer a wide range of flexible working options in support of working families. We are committed to enhancing flexible working arrangements for all employees wherever possible.

#### Support for women returning to work

We support female employees returning to work through shared parental leave, job sharing, compressed hours and part-time working wherever possible. We keep staff on leave up to date on development and promotion opportunities.

## Action planning – Closing the Gap

Our gender pay gap results highlight that there is a need to focus on achieving a higher representation of female employees in roles in our higher levels.

As part of our long-term commitment to reducing our gender pay gap, we will continue to identify and mitigate factors that are preventing women from progressing into more senior positions.

Outlined below are a number of proactive measures that we are taking to address our gender pay imbalance.

- Continuous improvement of our recruitment process including increased use of skill-based assessment tasks and further Recruitment and Selection training for recruiting managers to remove unconscious bias.
- Increased transparency of performance review approach, pay award process and policy to ensure objective and evidence-based decision making. We will continue to ensure that performance is calibrated fairly and equally irrespective of gender.
- Exploring how we can attract more female employees into senior positions to create a more even gender pay balance. As an equal opportunity employer, we believe in appointing the best candidate, regardless of their gender or any other characteristic.
- Relaunch of our Mentoring Programme to build cross-functional relationships and create new growth opportunities for all staff.
- Development of further maternity leave guidance for managers to support female employees better before and throughout their maternity leave and to facilitate a successful return to work.

We intend to produce and analyse our data using the same calculation methods on an annual basis to assess the impact of these changes.

We will conduct further analysis to understand the factors influencing our gender pay gap to determine further steps that can be taken to address it.

#### **Declaration**

I confirm that our data have been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Andrew Reed** 

Chief Executive RCS

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