

## Understanding the Gender Pay Gap

### Video Transcript

Welcome to this short video on the Gender Pay Gap.

This video will provide you with an overview of the basic concepts of the Gender Pay Gap; how it is calculated some of the causes of the gender pay gap, and what activity is taking place address it.

#### **What is the gender pay gap?**

The gender pay gap is a calculation of the difference between the average incomes of all male members of staff compared to all female staff.

It compares the average income of all staff across the University's 10 pay grades and working across all job categories.

To demonstrate how this might work for a specific group of staff, let's look at an example:

At the University we employ Post-Doctoral Researchers on a grade 7, but there are different increment points within each grade so average hourly earnings can differ from person to person.

Let's imagine that a male post-doctoral research associate has a starting salary of £18.37 per hour, which increases to £21.23 per hour because he has received an increment for each year he has been in his role at the University.

So, if there were 100 male post-docs who on average earn £21 per hour, and there are 50 female post-docs who earn on average £19.50 per hour.

The difference in hourly pay between the male and female post-docs is £1.50, which is 7% of the average hourly rate for the male post docs, which in this example is £21.

This means we get a gender pay gap of 7% in favour of men for this example.

#### **How is the Gender Pay Gap Calculated?**

There are two different ways to calculate the pay gap. The 1<sup>st</sup> method is by using the mean and the 2<sup>nd</sup> method is by using the median.

As seen in the example earlier, the Mean is the average income of all men compared to the average income of all women; and the Median compares the middle values of the salary range for men and the salary range for women.

## **Is the Gender Pay Gap the same as Equal Pay?**

No. Equal Pay means that a woman should be paid the same as a man if they have the same job, or their jobs are similar to each other; their jobs have been rated as equivalent in a role evaluation system, or their jobs are of equal value.

The Gender Pay Gap looks at a comparison of everyone, whereas Equal Pay takes a more in depth look at the comparisons between the pay of men and women at each pay grade, then increment point, then job group, to assess any differences at these levels.

It has been illegal since 1970 to pay a woman less than a man where their jobs are of equal value. For example, a cleaner and a catering assistant may be different roles, but have been assessed as having equal value, and are therefore grouped into the same pay grade.

The data tells us that some types of jobs are still more likely to be held by a woman such as cleaning, Human Resources, and clerical roles; whereas others are more likely to be held by men such as working in finance or security, or as a Professor.

Even though men and women may be doing different roles, an equal pay audit checks that where the value of their work is equal, they are paid equally.

All jobs at the University of Liverpool have been assessed using a role evaluation system – we use HERA and HEY to ensure equal pay.

## **What are the Causes of the Gender Pay Gap?**

There are a number of reasons for the gender pay gap.

Influencing the Gender Pay Gap at the University of Liverpool are two key things that we've already touched upon; the balance of men and women in different types of roles, and the level of pay these roles typically receive, in that there are more women within the lower and lower middle grades, and more men on higher grades.

Other factors might also come into play such as length of service linked to increments and how that might affect hourly pay.

## **What are we doing to address the Gender Pay Gap?**

There is already a lot of activity going on to address the gender pay gap, such as addressing the balance of men and women in senior roles.

A key area of activity has been making the promotion process more transparent and easier to navigate for all eligible staff.

You can find more information about this on our Athena SWAN web pages:

<https://www.liverpool.ac.uk/hr/diversityandequality/athenaswan/>

Further information on the Gender Pay Gap can be found on our Diversity and Equality web pages:

<https://www.liverpool.ac.uk/hr/diversityandequality/genderpaygap/>

We hope this video has been a useful introduction to the gender pay gap.  
Thank you for watching.