



Gender Pay Gap Report

Institution of Civil Engineers

Introduction



This is the fourth year that ICE has collated its Gender Pay Gap data. In a turbulent and difficult year, ICE has much to be proud of and we have learned a lot about how we can operate flexibly and still achieve our business outcomes. We now need to translate what we have learned into opportunities and initiatives to improve our gender pay gap.

This year, we have also learned that addressing the gender pay gap is no simple feat and progress is not always linear. This year, for the first time since reporting, our gender pay gap has increased. Whilst, as always, ICE continues to pay its staff according to their job family and not their gender, there does continue to be a gender imbalance in our most senior roles and in our bonus payments.

With the gender pay gap widening from 11.70% to 17.39%, as well as continuing our recruitment and flexible working initiatives, I will look to engage with our employees to discuss initiatives and support to make us a more attractive employer and work towards greater parity. I have requested that our HR department regularly provide me with snapshots of real time gender pay data. This will allow me a continuous view of how we as an organisation are progressing against our gender pay gap goals.



Nick Baveystock

Director General and Secretary
Institution of Civil Engineers

Background

From 2017 onwards, any UK organisation with 250 or more employees has been required to report their gender pay gap on an annual basis. The *gender pay gap* is different to the issue of *equal pay*. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. ICE has a fair and consistent approach to remuneration and does not have an equal pay issue. We seek to be completely transparent in addressing our gender pay gap.

1. ICE's Gender Pay Gap

The gender pay gap is the difference in the average hourly pay received by men and women. In accordance with the regulations, this is taken as a snapshot in April 2020 and includes any bonuses received in April 2020. The hourly rates are calculated after any salary sacrifice deductions, such as pension contributions, have been made.

Mean gender pay gap

19.77%
(2019: 26.67%)

Median gender pay gap

17.39%
(2019: 11.70%)

What does the mean figure represent?

The mean gender pay gap is the difference in average aggregated hourly pay for men compared to women across ICE's entire workforce. This means that when comparing mean hourly wages, women's mean hourly wage is 19.77% lower than men's. This reflects the fact that, at ICE, there are more men than women in senior positions where salaries are higher. It does not mean that we do not pay equally. We pay the same rates of pay irrespective of gender.

What does the median figure represent?

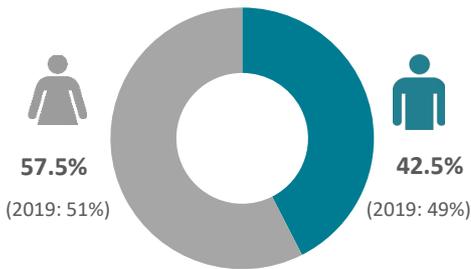
The median pay gap is the percentage difference in average hourly pay for the middle man compared to the middle woman working for ICE. The median gender pay gap is the figure you will normally see reported in the news. Again, this reflects that there are more men in senior positions than women at ICE. So the man who sits in the middle of all the men is paid 17.39% more than the woman who sits in the middle of all the women.

2. Pay quartiles

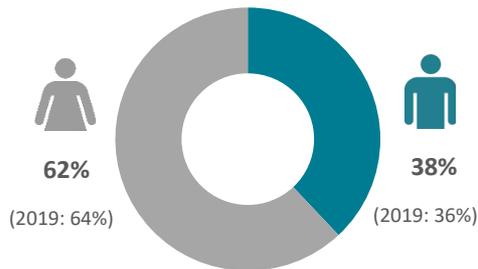
Quartiles divide a list of numbers into four groups. The first group – the lower quartile includes the lowest 25% of earners and the last group – the upper quartile includes the highest 25% of earners.

As shown in the figures below, there has been some positive improvement in the upper middle quartile, with female employees making up a larger percentage than in 2019. However, it is also recognised that the number of female employees in the lower quartile has also increased, the reasons for which are explored in the ‘What contributed towards ICE’s 2020 gender pay gap?’ section of this report.

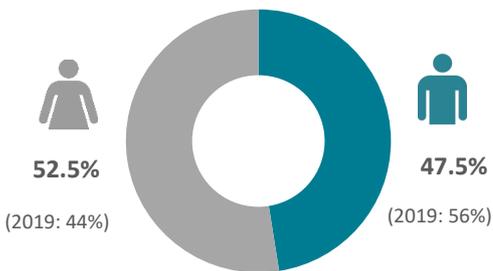
Lower quartile



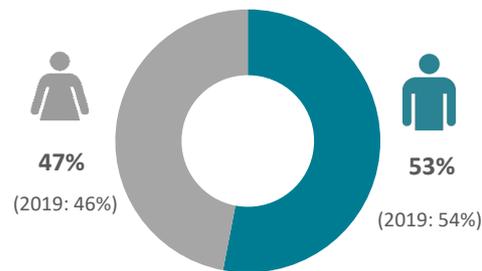
Lower middle quartile



Upper middle quartile



Upper quartile



3. Bonus pay

The bonus pay data shows the difference in bonuses (including commission) received by men and women as recorded in the 12 months up to April 2020. It also shows the proportion of men and women who received bonus payments.

Mean bonus gender pay gap

62.11%
(2019: 59.63%)

Median bonus gender pay gap

70.56%
(2019: 25.83%)

Proportion of women receiving bonus

17%
(2019: 23%)

Proportion of men receiving bonus

15%
(2019: 24%)

The mean bonus pay gap is the difference between the average bonus pay of female employees (taken as a single group) and the average bonus pay of relevant male employees (again taken as a single group), expressed as a percentage. The median bonus pay gap is the percentage difference in the average bonus for the middle man compared to the middle woman working for ICE.

The mean bonus pay gap has increased from last year's figure of 59.63% to 62.11%. The reason for this is that there is a higher number of males compared to female members within the Executive Leadership team and there were more men than women in commission paying roles. The median bonus gender pay gap has increased substantially from 25.83% to 70.56%. In April 2020 more woman within the workforce received a bonus, however these women were working in lower level roles therefore receiving smaller bonuses..

Understanding ICE's Gender Pay Gap data

ICE operates a job family system across the Group, which places roles with a similar job size into groups. Salaries and benefits are linked to these job families. The table below shows the mean and median gender pay gap by job family throughout ICE Group.

Job family	Mean gender pay gap	Median gender pay gap
Essential Support	-22.79% (-17.51%)	-6.12% (-8.21%)
Practitioner & Specialist	28.40% (14.93%)	6.47% (7.21%)
Management	-20.96% (0.71%)	-1.24% (-2.39%)
Leadership	-3.74% (-5.55%)	3.93% (8.80%)
Executive Leadership	56.17% (100%)	1.36% (100%)

(Figures in brackets represent 2019 data)

With the exception of the Essential Support and Leadership job families, there have been significant changes in the mean and median gender pays in the Management, Practitioner & Specialist and Executive Leadership job families.

Our Executive Leadership job family significantly improved in relation to the gender pay gap with a female Group Finance Director recruited into the senior leadership team. As shown in the table above, the median gender pay gap in the Executive Leadership team has improved from 100% to 1.36%. The mean has improved from 100% to 56.17% which shows there is still room for improvement with recruiting more females into this job family.

Looking at the Gender Pay Gap over time

ICE has gathered 4 years of data of which it is important to look at any trends that have arisen and to be transparent with our triumphs and falls, these are shown in the table below.

Gender Pay Gap	2017	2018	2019	2020
Mean	26.21%	26.04%	26.67%	19.56%
Median	16.01%	17.35%	11.70%	17.39%
Bonus Pay Gap	2017	2018	2019	2020
Mean	69.54%	46.01%	59.63%	62.11%
Median	78.53%	72.22%	25.83%	70.56%

Summary of data

- When studying the mean Gender Pay Gap, ICE has closed the gap by 6.65% since 2017, however the median is more widely reported upon and the gap has widened marginally by 1.38%.
- Overall, ICE's median gender pay gap of 17.39% is above the UK National Average of 15.5%¹. This has slipped since last year and ICE are working to address this through various means and learn from this.

What contributed towards ICE's 2020 gender pay gap?

- The distribution of male and female employees in ICE's job families – with 20% of male employees occupying Leadership or Executive Leadership roles compared to 11% of female employees.
- Female employees occupy 61% of Essential Support and Practitioner & Specialist roles compared to 53% of male employees.
- In the 12 months to April 2020, 36% of males in the Executive Leadership and Leadership job families received a bonus in comparison to 7% of females in the same job families which has contributed to the Bonus Pay Gap increasing.
- More highly paid women left ICE than were subsequently recruited and ICE recruited more highly paid men than had left us in 2020. This is a result of a number of long serving female employees retiring and their successors, both male and female, being recruited at a lower salary that was more aligned to the role.

	Number of people	Median hourly salary	Mean hourly salary
Female Leavers	35	£16.18	£18.22
Female Starters	31	£14.96	£17.90
Male Leavers	28	£14.67	£18.21
Male Starters	24	£14.85	£18.46

¹ Source: Office for National Statistics (Gender pay gap for median gross hourly earnings)

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

Closing ICE's gender pay gap

Our data over the last four years shows there is no simple solution to closing the gender pay gap and it is important to not be complacent in years when we see the gap reducing (as in 2019 data). ICE is committed to reducing its gender pay gap in the following ways:

Recruitment

- We will continue to use bias decoders to remove gendered language from our adverts.
- Our HR team will review selection criteria to ensure fairness and inclusion when selecting candidates.
- We will continue to use balanced interview panels wherever feasible.
- When using external agencies, we will instruct them to use their search methodologies to reach a diverse candidate base.

Supporting our existing staff

- The COVID-19 pandemic has shown that ICE employees can complete their jobs flexibly. Going forward, we need to capitalise on this and continue to improve our flexible working provisions, fostering an ongoing flexible working culture.
- We will consult with Our Voice, our employee forum, as to what initiatives we can implement to address the gender pay gap. Such initiatives to explore may include a working parent support group and a re-onboarding programme for those employees returning from parental leave.
- We will also look to engage with Our Voice on initiatives on all elements of Diversity and Inclusion.
- We will introduce a policy on menopause in the workplace to support our staff and managers.

Collating data

- We will provide our senior leadership team with regular gender pay data so that we have a continuous awareness of ICE's pay gap.

