

# Mind the Gender Pay Gap

**Zahra Bahrololoumi**, Managing Director of Human Capital and Diversity for the UK&I at Accenture, discusses the draft UK legislation on gender pay gap and the effect it will have on parity in the workplace



### Do you think the recent publication of the UK Government's draft regulation on gender pay gap reporting has brought the issue of gender diversity into the spotlight?

The reporting requirements provide greater transparency on the root cause, rather than just fixating on the gap itself. It means that organisations are going to have to start conversations that aren't currently happening, so we're likely to see companies put a lot more emphasis on things like recruitment and development of their female workforce.

It's really forcing people to act upon their findings and it's the right lever to trigger a broader diversity discussion. We saw that with shared parental leave; the legislation last year had a great knock-on effect.

Some organisations might be threatened by the legislation, but it gives us the opportunity to drive change.

### What concerns do you think companies have?

Small companies may struggle to understand what the legislation means if they don't have a strong HR or legal function. While a large Plc will have a legal team, it may take longer to affect change.

When it comes to reporting, reputation is a concern. If you're publishing a gender pay that isn't favourable there could be a knock on affect when it comes to clients and customers.

Also, how are you going to attract female talent? Many would be reluctant to apply to a company that is not articulate about its diversity ambitions and pay gap.

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It could cause a morale issue for the current workforce as well.

Companies need to be clear and confident about how they are addressing their pay gap.

### What is the first step for boards when addressing the new reporting standards?

They need to understand their data – and the trends, patterns and opportunities within that data quickly. They underestimate

the analysis required at their peril because it will be an undertaking.

At Accenture, we've taken a holistic approach to diversity and underpinning this is the extensive use of data analytics. We focus on four pillars: recruitment, development, progression and retention.

The worst thing that could happen is that boards take a knee-jerk reaction and they target an intervention at the senior levels only, without thinking about their pipeline of future talent.

Boards should also acknowledge that they can't change overnight.

### How can companies go about contextualising differences in pay?

In consultation, we advocated that you definitely need the ability to comment alongside the data – data on its own isn't going to enough.

However, we shouldn't be using commentary to excuse poor >

## GENDER PAY GAP LEGISLATION MYTHS

### IT'S ABOUT EQUAL PAY

The gender pay gap law focuses on the differences between the average earnings of a man and the average earnings of a woman; the factors that drive that gap are essentially related to how the sexes progress through the organisation. It's about workforce composition, headcount diversity and progression.

### THE DATA ANALYSIS WILL BE SIMPLE

The draft regulation requires employers to report on their gender employee pay gap by making five different calculations on an annual basis. Each employee's details must be calculated individually.

### IT'S ALL SET IN STONE

Within five years of 1 October 2016 the Government is to review how effective the reporting has been and could make amendments to the legislation.



performance. Commitment should be made where the gap is prevalent, and it will be across many industries.

Companies should use commentary to describe how they are going to close that gap. There will be ways they can do this, from statements in annual reports to press releases.

### Is there a worry that data could be manipulated?

Without complete transparency and consistency of the data there is a risk of not getting to the heart of some of those issues.

Different workforces within an organisation represent different stages of life or skillsets; therefore you could argue the context of a workforce means that you'd expect less women in senior positions, but I don't think that can stand credibly.

When we first heard about the gender pay gap legislation, and through the consultations, it was interesting to hear that the initial focus could have been around base pay; then the conversation led to bonuses being included.

When you incorporate bonuses you could start prompting conversation about how bonuses are awarded and whether there is a performance bias against women.

### Should companies collaborate on this issue?

This is the perfect topic for organisations to collaborate on. The issue is bigger than any company. If a company is experiencing industry-related challenges

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to its talent pipeline, what better way to crack that than by doing it together?

The Government has a role to play here – as the recipients of this data, they are in a unique position to play it back by industry. Companies might not know the benchmark for their industry; the Government can help with that.

### Do you think other countries will follow this legislation?

I would welcome that level of transparency globally as I expect all global companies should. But it's hard to predict if other countries will follow.

From Accenture's point of view, by 2017 we want to ensure 40 per cent of our workforce is female and that 20 per cent of those are at the leadership position. That is in anticipation for future legislation.

### The World Economic Forum (WEF) says gender parity will take 100 years. What can leaders do to decrease this number?

Our recent [report](#) found that digital fluency has and will continue to

dramatically close the gap between women and men in both education and work.

We are very positive that digital technology removes traditional barriers – giving greater flexibility to everyone; improving the balance between work and personal life and can encourage entrepreneurs from all backgrounds. We're surrounded by digital in every aspect of our lives and harnessing it at work and in order to manage our careers is becoming second nature.

We counter the WEF's findings and say if governments and businesses can double the pace at which women become digitally fluent, we could reach gender equality in the workplace by 2040 in developed nations and by 2060 in developing nations. ■



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Zahra has been with the organisation for approximately 16 years and leads Accenture's Fuels Retail Business globally. She has deep business transformation and delivery experience spanning multiple industries, including energy, health, banking, grocery and UK Government.

Zahra is on the board of Accenture UK, and is the executive sponsor for human capital and diversity initiatives across the UK and Ireland.

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