

# ORR gender pay gap and diversity report 2018

The Office of Rail and Road (ORR) is committed to enhancing the diversity of its people and the inclusiveness of its working arrangements, practices and policies. We aim to reflect the people and communities we serve.

It is essential that ORR has the best people to undertake the important work that we do, and we believe that diverse teams deliver the best outcomes. We are committed to having a strong, diverse and inclusive organisation that provides all our employees with equal opportunity to deliver, develop and progress.

The diversity challenge we face is similar to those in the rail and engineering sectors. This report identifies a mean gender pay gap of 18.3%, whilst the median gender pay gap is 25.1%.

These figures are disappointing. A primary driver is most of employees in our middle management grades are male, and that these grades represent nearly half of the organisation. Average pay is therefore higher for males than for females.

We are committed to reducing this gap. Policies we are implementing include embedding our flexible working approach; refreshing our internal values; making recruitment more open and inclusive; maintaining and enhancing our inclusive culture; and providing appropriate training for our managers (such as unconscious bias and managing inclusive teams).

I am confident that, over time, these strategies will address the current disparity at middle management levels in ORR and that this will improve our gender pay gap.

John Larkinson Chief Executive December 2018



# **Introduction and summary**

This report sets out ORR's gender pay gap and diversity profile, calculated at 31 March 2018.

ORR has 312 employees, 60.3% of whom are male and 39.7% female (compared to 46.1% and 53.2% respectively in the whole Civil Service).

Our mean gender pay gap is 18.3%, whilst the median gender pay gap is 25.1%.

The mean gender pay gap shows the difference between the average salaries for male and female employees. This reflects that, in ORR, 72% (109) of our middle management grades (C, B and A, equivalent to Civil Service grades 7 and 6) are male employees, and that these grades represent over 49% (152) of the organisation. Average pay is therefore higher for males than for females.

Conversely, at grades G, F and E, there is a higher proportion of female than male colleagues.

The proportion of female employees in ORR has increased by 7 percentage points over the last five years. This improvement coincides with ORR's implementation of 'smarter working', with flexible working supported by mobile technology available to all employees. 19% (58) of employees work part-time hours or a non-standard working pattern. Many staff take advantage of the ability to work from home, to help optimise their work-life balance.

Just under 20.5% (64) of employees declared a minority ethnic background, compared to 12% in the Civil Service as a whole.6% (18) of employees have reported a disability, which is lower than the Civil Service average of 10%.

We are working to increase the proportion of women at middle and senior management grades (C, B and A) and we have achieved a 6 percentage point increase in the number of women at grades C, B and A since March 2017. This has been assisted by a number of action, including

- A commitment to 50/50 gender split outcome for feeder grades recruitment exercise (i.e Trainee roles)
- Increase in the number of vacancies advertised as available on flexible working, part-time, job share basis and the option to be based in any of ORR's six office locations across the country;
- A flexible employment offer for all employees allowing remote working supported by mobile technology;
- Requiring all people involved in recruitment to undertake unconscious bias training; and
- Making our recruitment adverts more generic and inclusive.

As part of our Diversity and Inclusion plan for 2018/19, we will continue to promote ORR as an inclusive employer, and ensure diversity is a key objective in all recruitment activities.

# **Annex 1: Gender pay gap**

# ORR's gender pay gap

In 2017, the government introduced legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. Non-ministerial departments are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require the relevant organisations to publish their gender pay gap data by 30 March 2018 and then annually, including the:

- · mean and median gender pay gaps
- mean and median gender bonus gaps
- proportion of men and women who received bonuses
- proportions of male and female employees in each pay quartile

The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

A pay gap does not indicate that men and women are being paid differently for equal work, but our data analysis shows there is a higher proportion of women in junior and middle grades, and lower representation at senior levels. This has a greater impact on median pay which explains the difference between the mean and median pay gaps.

The gender pay gap is different to 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.

The mean gender pay gap in ORR is 18.3%. The median gender pay gap is 25.1%. The following report provides further detail and analysis.

# **Hourly pay report**

We are confident that people at ORR are paid equally for doing equivalent roles, taking into account skills, experience, performance and competence. However, our gender pay gap reflects the fact that we have more male employees in middle and senior positions, and proportionately fewer male employees in junior positions.



### **Bonus pay report**

People at all levels in ORR are eligible for performance related payments. People who have delivered an outstanding performance across the whole of a reporting year may receive a one off payment, whilst people who have made a special one-off contribution during the year may receive an in year award. The proportion of men and women in receipt of bonus payment has remained the same over the last 2 years: 37% female - 63% male. However, in 2018, more women received higher payments than men, resulting in mean pay gap of -22.9%, whilst the median pay gap is 0%. Out of the 193 male population, 63.2% received a bonus whilst 53.4% of the total female population of 131 received a bonus this year.



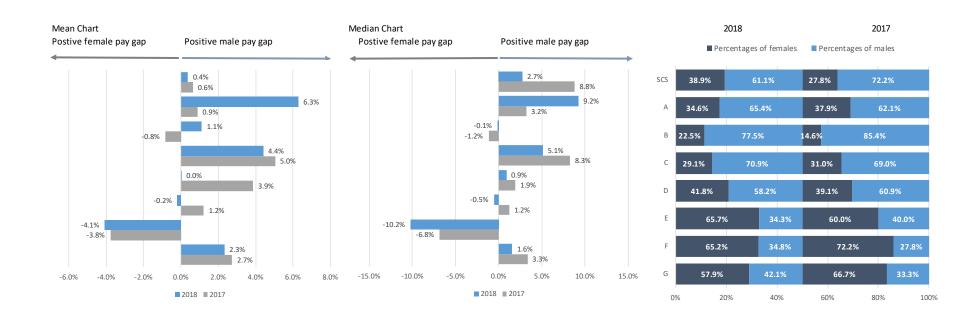
# ORR gender profile by pay quartile

The following chart shows the proportion of male and female colleagues in each pay quartile. This shows the variation in gender diversity at our middle management levels (upper middle quartile).



## ORR gender pay gap by grade

The following chart shows the pay gap between women and men at the same grade. This is calculated using the basic hourly rate of pay. A year on year comparison indicate that the median gender pay gap is closing for all grades except grade A. This is partly due to a number of staff changes at grade A in 2018, the gap should be addressed as we continue to focus more on the diversity analysis for the feeder group recruitment and selection.



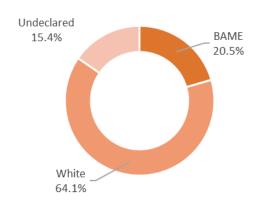
# **Annex 2: Diversity**

# Workforce demographics

Overall, 60% of colleagues at ORR are male, whilst almost 40% are female.

# Employees by gender 80% 60.3% 40% 39.7% Pemale Male

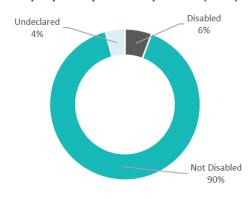
### **Employees by ethnicity (ORR)**



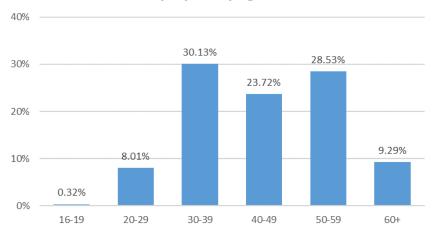
The majority of colleagues are white (64.1%), whilst 20.5% are non-white, an increase of 3% compared to the previous year

# 6% of colleagues have reported a disability.

### Employees by disability status (ORR)

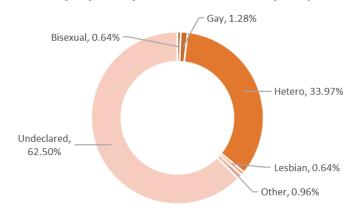


# Employees by age band

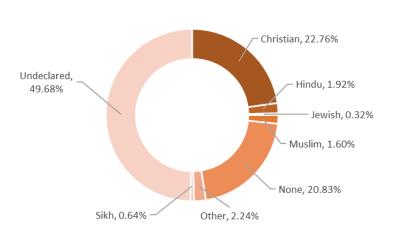


Over 61.5% of colleagues are aged 40 or over

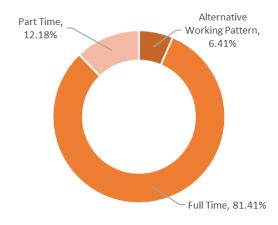
#### **Employees by sexual orientation (ORR)**



### Employees by religion (ORR)



### Employees by working pattern (ORR)



# Annex 3 - Recruitment data

These charts show the protected characteristics for applicants (or those who started the application process) for ORR vacancies, advertised externally between 1 April 2017 and 31 March 2018.



NB: Please note that a change in approach in our recruitment practice between 2016 and 2017 resulted in fewer applicants providing no information on their protected characteristics, but an increase in those who positively 'preferred not to say'.