

LSE Gender Pay Gap Report 2021

Introduction

Within its overarching LSE 2030 strategy, LSE has committed to a number of steps related to equity, diversity and inclusion. We recognise the benefits of having a diverse staff and student population and aim to ensure that all staff and students are treated fairly and equitably. This report, which focuses specifically on the question of the LSE's gender pay gap is published in accordance with the reporting regulations introduced by the UK Government in 2017 under the Equality Act 2010 and forms part of our wider commitment to equity, diversity and inclusion.

The report sets out the required data from the reporting period of 1 April 2020 to 31 March 2021 based on the snapshot date of 31 March 2021. At this point, LSE had 3,723 staff in post, of which 1,965 (53%) were women and 1,758 (47%) were men. This represents a one percentage point increase in favour of women compared to the last reporting period.

Our previous reports have explained the key reasons why a gender pay gap exists at LSE, namely a higher representation of men in senior positions and in the higher-paid academic disciplines. This year's data shows that a gender pay gap continues to exist at LSE but with an overall reduction in both the median and the mean since the report in 2020. The report explains our understanding of this year's data and the continued work that we are undertaking as part of our commitment to reducing the gender pay gap as well as advancing gender equity more generally within LSE.

Since the last report was published, we have built on success in achieving the Athena SWAN Bronze Institution Award¹ with a further two awards - Bronze and Silver - being awarded to the Department of Statistics and the Department of Mathematics respectively. To support academic departments further in their application process, a dedicated Athena SWAN hub of resources has been created which includes guidance on setting up a Self-Assessment Team, action planning and completing a submission.

Work towards achieving the targets set out in the plan is overseen by the Gender Equality Steering Group, chaired by the School Secretary – our senior champion for gender – and the group is focusing on key areas around recruitment, career development and promotion of women staff.

The Athena SWAN action plan is aligned to supporting our commitment to reducing the gender pay gap and some of the actions are included in the final section of this report 'Addressing the gender pay gap at LSE'.

Impact of Coronavirus Pandemic at LSE

It should be noted that this report is the first gender pay gap report that covers the period of the pandemic and relates to a year when it was necessary to place certain restrictions and measures on pay and recruitment. It can be seen that there has been less movement in terms of pay and staff mobility as a result of the pandemic than has been seen in previous years and reference is made to these in the body of the report, where relevant. The measures put in place include the following:

1. Zero percent national pay award to all staff – (normally paid in August of each year)
2. Zero percent increase on all remaining percentage-based market supplements
3. Conditional recruitment freeze
4. Significantly lower levels of recurrent contribution-based pay increases
5. Voluntary Leavers' Scheme resulting in a number of staff leaving the organisation – December 2020

During this period of uncertainty, LSE has focused on providing job security for our staff and has sought, through discussions with relevant staff networks, unions and consideration of pulse survey results, to understand and mitigate any negative consequences in relation to gender as well as other protected characteristics.

¹ Athena SWAN is a Higher Education charter mark for advancing gender equality.

Since the start of the pandemic, staff with childcare or other caring responsibilities have continued to be offered increased flexibility in their roles. Senior leaders have championed proactive discussions with affected staff demonstrating that support was available to them during school and nursery closures. We ensured no staff suffered any pay detriment as a result of being placed on furlough and key workers were supported through additional daily allowances and travel and accommodation support during government enforced national lockdowns. Pre-pandemic levels of contribution pay budgets for staff were maintained focusing on non-recurrent pay awards.

Over the last year, LSE has also introduced a number of non-pay initiatives to support work pressures, staff wellbeing and flexibility as well as modernising ways of working. This is with the aim of ensuring that working practices can benefit all staff, whether working in a hybrid/remote environment or working full-time on campus.

Gender Pay Gap Results and Analysis

Background information into how the gender pay is calculated and terminology definitions can be found in Appendix 1.

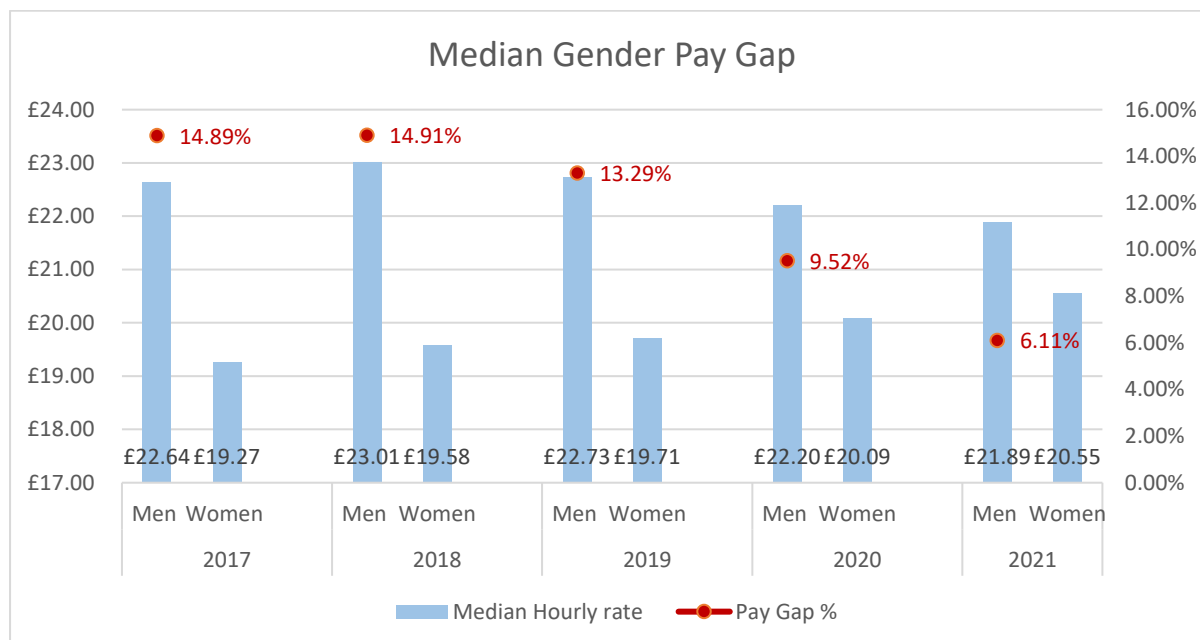
Gender Gap in Ordinary Pay

Our median gender pay gap based on Ordinary Pay is 6.11%². This has decreased by 3.41 percentage points since 2020 (9.52%).

Figure 1 shows that the median hourly rate for men reduced from £22.20 to £21.89 between 2020 and 2021. For women, the median hourly rate has increased from £20.09 to £20.55.

The median pay gap is the difference between the mid-point of hourly pay rates for men (£21.89) and for women (£20.55) divided by the hourly pay rates for men. Figure 1 demonstrates the progression of the median pay gap and median hourly rates of pay between 2017 and 2021.

Figure 1: Median Gender Pay Gap – 2017 to 2021



Our median pay gap has improved year on year since 2018 (when it was 14.91%), with men’s hourly rates of pay having decreased and women’s hourly rates of pay having increased. When comparing

² Includes all salaried and hourly paid staff (excludes casual workers where this is the only role held and there are no set hours). Hourly paid staff include Graduate Teaching Assistants (GTAs), Guest Teachers (GTs), and Occasional Research Assistants (ORAs).

this year's results to last year's, this can be attributed to a number of specific factors within our professional services staff category.

Firstly, the balance of staff joining, leaving and moving internally within LSE has resulted in increased numbers of women in higher paid roles than in the previous year. For example, there are 72 more women than men in salary band 6 than was the case in the previous reporting period. The previous year, the headcount was 419 for women and 317 for men.

Secondly, we have also seen higher numbers of women leaving in salary bands 1-3 (201) compared to men (143). This has resulted in 50 less women in salary band 1 roles compared to 25 less men. This corresponds with a slight decrease (four percentage points) of women in the lower pay quartile for professional services staff.

Some analysis has been carried out into the possible impact of the Voluntary Leavers' Scheme on the median pay gap. This showed that there was a higher proportion of men who left under the scheme (65%) compared to women (35%) and that the total salary savings were 1.8 times that of women. As such, it is possible that this scheme may have positively impacted the pay gap as well as the movement in pay quartiles for professional services staff (see below) though numbers of leavers were relatively low.

LSE's current mean gender pay gap is 22.91%, a very slight 0.28 percentage point decrease from last year's figure of 23.19%. The mean gender pay gap looks at the difference between the average of men's (£31.78) and women's (£24.50) hourly rates of pay divided by the mean hourly rates of men; see Figure 2 for the progression of the mean between 2017 and 2021.

As was the case in 2020, this year's report shows a decrease in the total sum paid as ordinary pay to men coupled with an increase in the total amount paid to women. This has resulted in a slight decrease in the mean, which continues the trend from 2019 and 2020. It still remains the case, however, that there are more men paid higher salaries compared to women as is demonstrated in the pay quartiles below. The mean is influenced by the larger proportion of male staff on a higher rate of pay overall.

Figure 2 shows the progression of the mean pay gap and mean hourly rates of pay between 2017 and 2021. Table 1 shows the numbers of staff, by gender, employed on the relevant date.

Figure 2: Mean Gender Pay Gap – 2017 to 2021

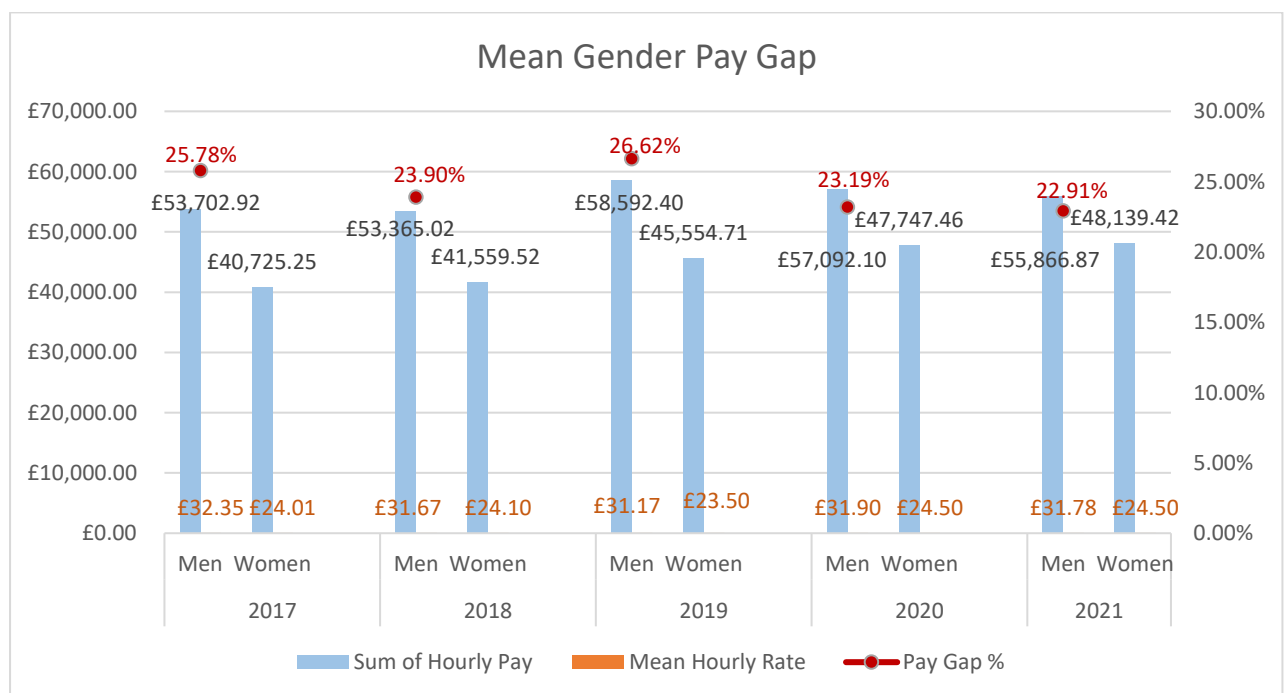


Table 1: Staff Population by Reference Year/Gender

Reference Year	Number of Men	Number of Women
2017	1660	1696
2018	1672	1721
2019	1779	1885
2020	1790	1949
2021	1758	1965

Figure 2 shows that there has been a minor increase in the sum of hourly pay for women since the previous report, (£391.96 compared to £2,193 in 2019) and that their mean hourly rate has remained static. As was the case in the previous report, for men there has been an overall decrease of £1,225.23 (similar to 2020 when there was a decrease of £1,500). The total sum of hourly pay remains largely in favour of men though by a lower margin than the previous report (£7,727.45 compared to £9,345 in 2020).

The median and mean gender pay gaps further break down as follows according to staff category:

Figure 3a: Academic Staff (Teaching and Research)

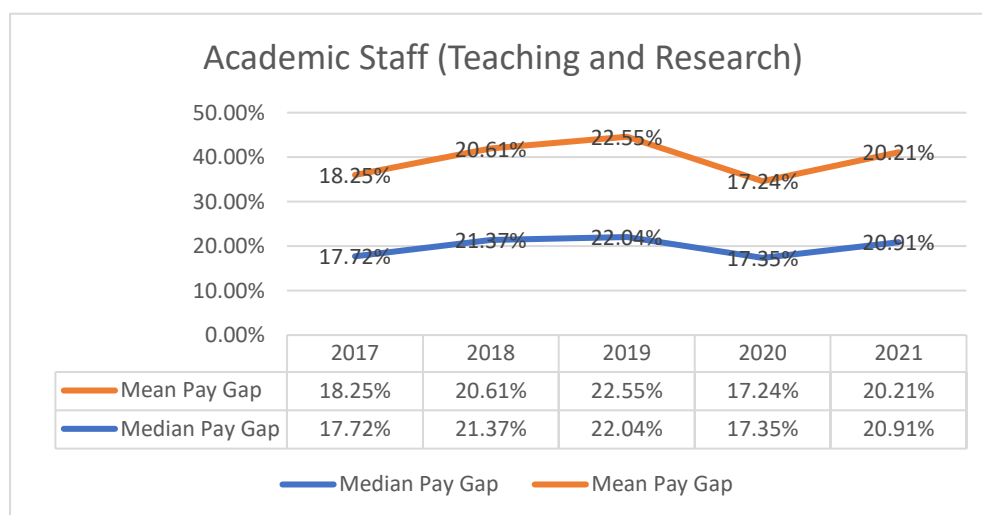


Table 2a: Academic Staff (Teaching and Research) Population by Reference Year

Reference Year	Number of People
2017	Not reported ³
2018	626
2019	622
2020	614
2021	606

³ The number of staff per category was not included in the report published 2017 but has been included from 2018 onwards to provide a comparison through time.

Figure 3b: Professional Services Staff

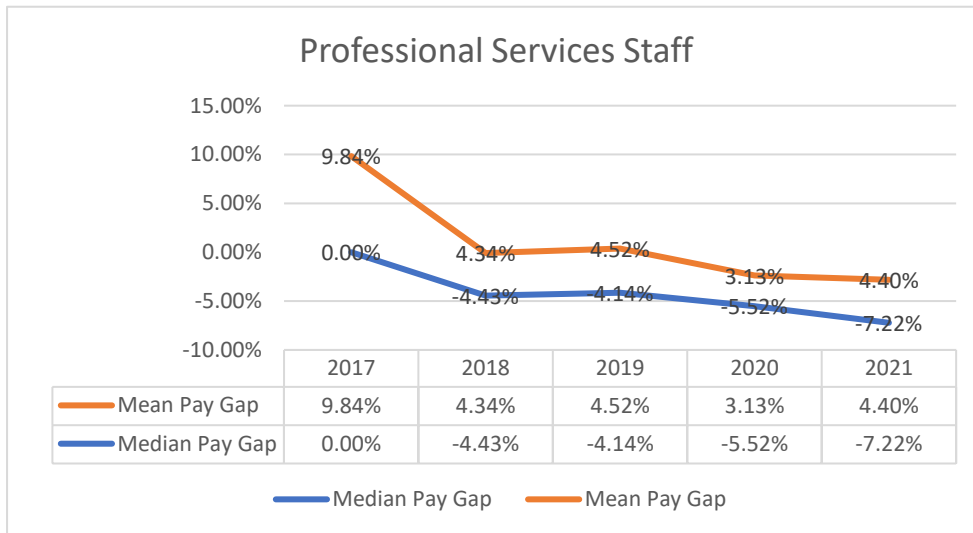


Table 2b: Professional Services Staff Population by Reference Year

Reference Year	Number of People
2017	Not reported ³
2018	1812
2019	2090
2020	2082
2021	2004

Figure 3c: Research Focused Staff

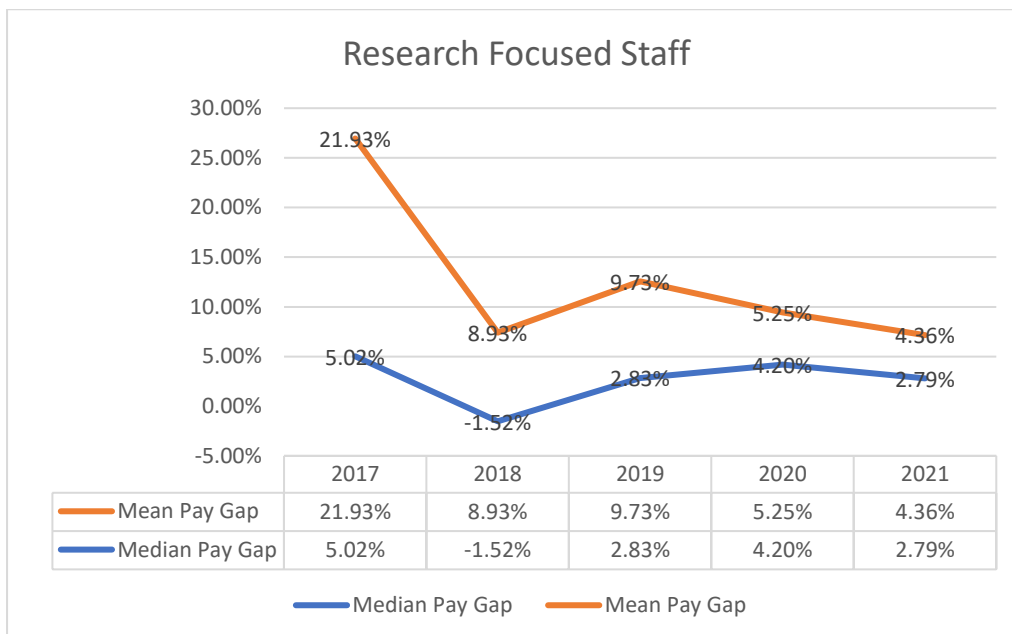


Table 2c: Research Focused Staff Population by Reference Year

Reference Year	Number of People
2017	Not reported ³
2018	375
2019	362
2020	408 ⁴
2021	437

Figure 3d: Teaching Focused Staff

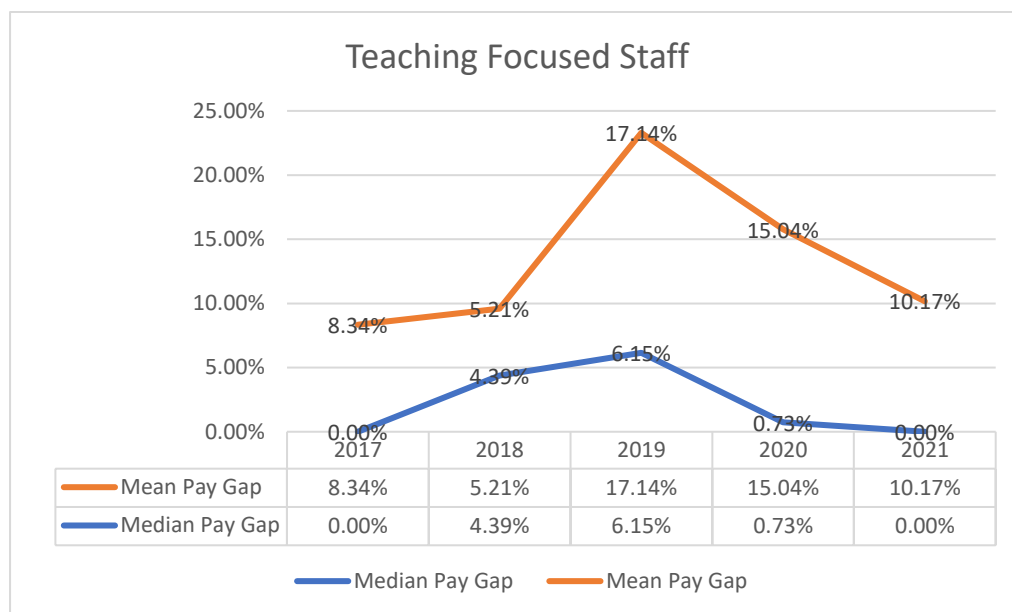


Table 2d: Teaching Focused Staff Population by Reference Year

Reference Year	Number of People
2017	Not reported ³
2018	580
2019	590
2020	635
2021	676

The breakdown shows that there have been decreases in the mean pay gaps for all categories of staff other than academics with research and teaching focused staff categories showing a decrease in both their median and mean pay gaps. Both professional services staff and academics have shown an increase in their mean pay gap. In the previous year's report all staff categories showed a decrease in both the median and mean pay gaps other than the median pay gap for research focused staff.

We see the most significant changes in the teaching (mean) and academic (median and mean) staff categories. The most significant improvement is in the mean pay gap for teaching focused staff (a reduction of 4.87 percentage points). Similar to last year, this fluctuation is related to the relatively larger number of new starters and leavers in these staff categories due to many of them being students, which results in larger compositional changes every year than in others, and thus allowing for movements (leavers/hires) having a more notable effect on the total.

⁴ The increase in numbers from 2019 is largely accounted for by the inclusion of Policy Fellows (34 in total). These were introduced in 2019 and previously included in the Professional Services Staff category but are considered to be more appropriately placed with Research focused Staff.

Academic staff (teaching and research) remain the category with the highest pay gap, and, unlike the previous year, there has been an increase in both their median (3.56 percentage points) and mean (by 2.97 percentage points).

An analysis of the changes in pay shows that the sum of hourly pay has slightly decreased both for men and women. Whilst the amounts in themselves are comparable (-£466.03 for men and -£465.77 for women), this has had a more pronounced impact for women in terms of percentage reduction (4.17% compared to 1.90%), thereby negatively affecting the overall gap.

When looking at the reasons for the decrease in the sum of hourly pay, it can be seen that since the last report, as a result of the net balance of those leaving and joining LSE, there are less academics in total (606 compared to 614). In addition, when analysing the pay data for March 2020, it can be seen that less supplements were paid in that month compared to the previous year. This is partly a result of staff being able to choose how to receive their payments (either in regularly monthly payments over the year or in a one-off fixed payment), which can lead to fluctuations throughout the year.

Similar to last year, the higher pay gap amongst academics is a consequence of LSE continuing to recruit academic staff (teaching and research) in a global and highly competitive market in particular disciplines. Salaries for recruiting and retaining academic staff (teaching and research) in male-dominated quantitative disciplines have experienced, and continue to experience, very significant upward pressure. This is due to increased competition for scarce world-leading academic talent from both our global competitors and from the non-university sector. We will continue working on a number of measures on recruitment, career progression and pay equity to help tackle this gap. It should also be noted that the ratio of women to male academic staff (teaching and research) has improved in recent years. This will, over time, render our population of academic staff (teaching and research) more equal.

For professional services staff, the median has decreased by 1.7 percentage points and the mean has increased by 1.27 percentage points. This group of staff normally has the lowest pay gaps (with the median being in favour of women) and has shown minimal movement from year to year. The increase in mean this year, however, takes it slightly above that for research focused staff.

Gender Bonus Gap & Proportion of Men and Women Receiving Bonuses

Bonus pay (for the purposes of calculating bonus mean, median and proportions) is calculated on payments made from 1 April 2020 to 31 March 2021. These payments include lump sum contribution payments to reward exceptional performance, research incentive awards and advance performance supplements.

Figure 4 shows that 38.57% of men received bonus pay compared with 34.35% of women. The median gender bonus gap is 1.21% and the mean bonus gap is 64.4%, which represent a 31.79 percentage point decrease and 3.67 percentage point increase respectively.

Figure 4: Bonus Pay Gap - Median

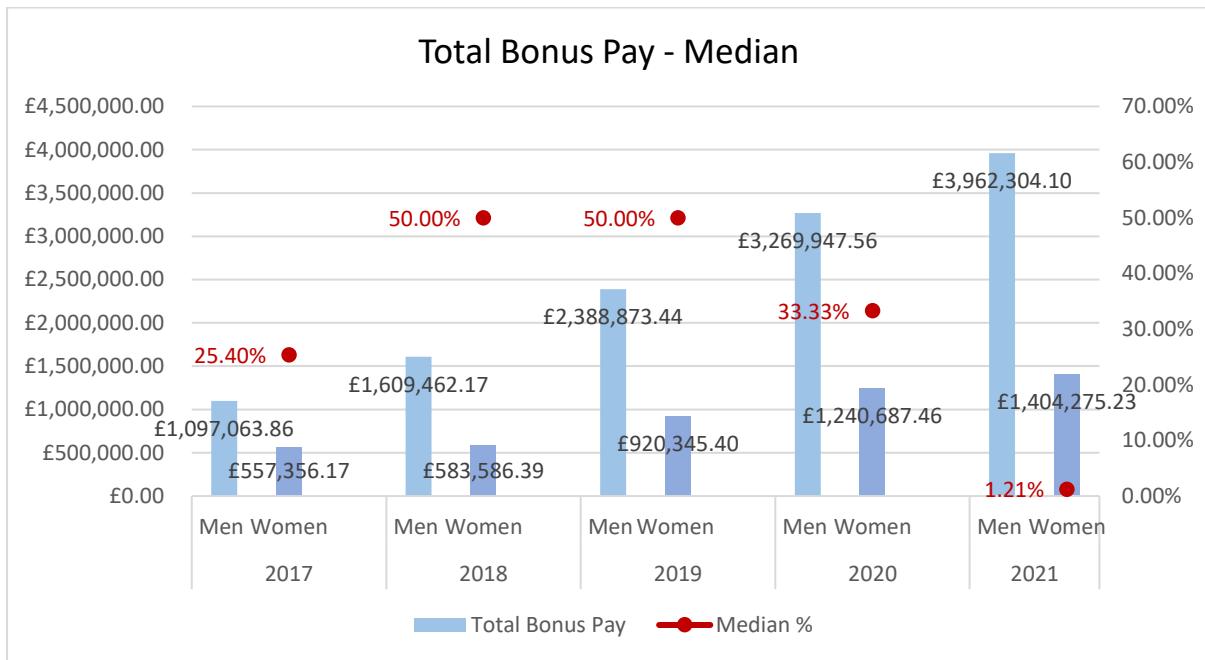


Figure 5: Bonus Pay Gap – Mean

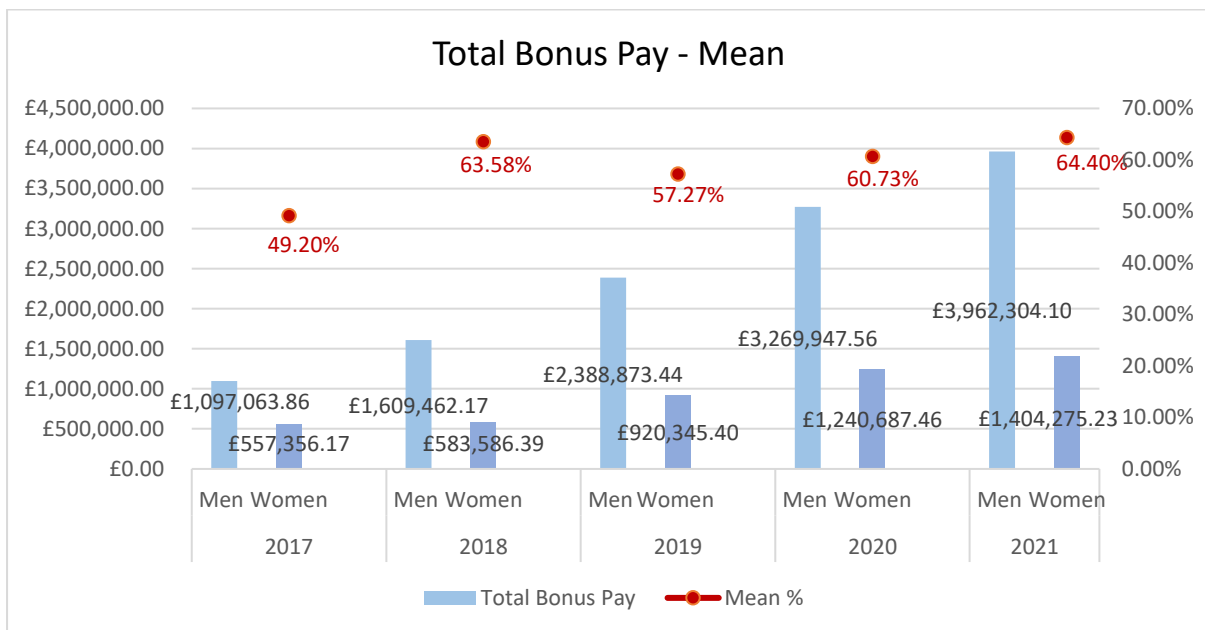


Table 3: Numbers and Proportions of Bonus Payments by Reference Year/Gender

Reference Year	Gender	Number	Proportion %
2017	Male	250	15.06%
	Women	269	15.86%
2018	Male	231	13.82%
	Women	230	13.36%
2019	Male	305	17.14%
	Women	275	14.59%
2020	Male	355	19.83%
	Women	343	17.60%
2021	Male	678	38.57%
	Women	675	34.35%

The bonus total continues to increase for both men and women, with men receiving a higher increase in amount during this reporting period (£692,356.54 compared to £163,587.77 received by women). As a result of the impact of the pandemic, changes were made to this year's contribution pay round with recurrent awards only made in exceptional circumstances. This resulted in a higher number of one-off lump sum payments being made, which is represented in the proportions of staff receiving a bonus compared to previous years. Whilst numbers of staff are relatively similar, the proportion of men receiving an award is 4.22 percentage points higher than women but the increase in the number of women receiving bonus pay compared to men has increased slightly more significantly (332 more women compared to 323 more men from 2020 to 2021).

The principal reason for the bonus pay gap as well as the increase in total bonus pay is due to the steady increase in the amount paid in performance supplements. These make up 51% of the total bonus amount (a decrease of one percentage point since last year). Men represent 75% of all recipients and currently receive 76% of the total amount for this award; this is similar to the previous year's figures. This is because performance supplements are replacing market supplements, which have been paid due to salary pressures in particular academic disciplines, which are mainly dominated by men. These are subject to performance criteria and review periods and can be taken away if the performance is unsatisfactory.

The second largest bonus component, research incentive awards, make up 28% of the total (down by three percentage points since last year). Similar to performance supplements, male staff represent the larger proportion of all recipients (81%) and receive 87% of the total amount paid. The reason for research incentive awards being awarded predominantly to men is due to two factors. Firstly, there are currently fewer women professors (26%) and professors are normally more successful in winning external research grants (72% of all research incentive award payments were made to professors). Secondly, the departments which have been particularly successful in winning research grants are those that contain a majority of men.

The increase in the amount paid in performance supplements coupled with the high proportion of research incentive award payments (79% of total bonus payments) account for the increase in bonus pay and the mean pay gap from the previous year – from 60.73% to 64.4%.

The last bonus category, contribution lump sum payments, are what can be considered as 'traditional' bonus payments. During this reporting period, these make up around 21% of total bonus payments (up four percentage points since last year) even though they are awarded to the highest number of staff members (87% of all bonus recipients). Contribution lump sum payments also represent the bonus category where the share of awards is slightly in favour of women (52% women/48% men) and the total amounts paid are shared equally by men and women (50% of the total paid to each).

The decrease in the median bonus pay gap reflects the fact that the majority of bonus awards are lump sum payments. These are paid at lower amounts compared to performance supplements and research incentive awards and are more equally distributed between men and women. As a result, the median pay gap is affected to a lesser extent by the performance supplements and research incentive awards given that these are smaller in numbers, but the gap will vary from year to year according to numbers and amounts of lump sum payments.

Tackling this bonus gap requires a strong focus on areas such as career progression for, and recruitment of, women, particularly in disciplines which tend to be male dominated. Understanding how

to attract more women talent in male-dominated disciplines continues to be a key focus for LSE in the immediate future but also represents a significant challenge for the university sector as a whole.

Pay Quartiles

The tables below show the proportion for men and women in each pay quartile throughout 2019, 2020 and 2021. This year, both the upper and upper middle quartiles have shown a slight increase in the percentages of women; the lower quartile has seen a slight decrease in the percentage of men.

Table 4: Pay Quartiles from 2019 to 2021

Quartile	Pay Quartiles 2021		Pay Quartiles 2020		Pay Quartiles 2019	
	Women %	Men %	Women %	Men %	Women %	Men %
Upper: 75-100% of full-pay relevant employees	39%	61%	38%	62%	37%	63%
Upper middle: 50-75% of full-pay relevant employees	59%	41%	58%	42%	55%	45%
Lower middle: 25-50% of full-pay relevant employees	56%	44%	56%	44%	56%	44%
Lower: 0-25% of full-pay relevant employees	57%	43%	56%	44%	58%	42%

Despite a further increase in the representation of women in the upper quartile, they still remain considerably less represented when compared to men. In turn, men continue to be less represented in each other quartile when compared to women. When considering the data in more detail, professional services staff continue to have more women in roles in all quartiles. This reporting period has seen a slight decrease of women in the upper quartile (57% compared to 58%) and less representation of women in the lower quartile (now at 54% compared to 58%).

Teaching focused staff continue to have a stronger representation of men in every quartile, but have seen an increase of 7% of women in the upper quartile, now at 41%. The breakdown of research focused staff continues to have a higher representation of women in all quartiles as was the case in the previous report. Finally, academic staff (teaching and research) continue to have more men in every quartile, with considerable margins in the upper (78% to 22%) and upper middle quartiles (67% to 33%). Overall, the trend is broadly comparable to the data profile analysed in 2020 and we do see a slight, but continual, improvement in the percentage of women in the overall upper quartile.

The data continues to show that reducing the gender pay gap amongst academic staff (teaching and research) is our major challenge in addressing the overall pay gap. In recent years, we have appointed a higher share of women to new academic posts than the share of women among existing academic staff (teaching and research). As highlighted in previous reports, due to our practice of normally hiring at Assistant Professor level, it will take time for this to make the corresponding improvements to the current gender pay gap for academic staff (teaching and research), in particular at more senior levels. This is a category with long lag times of career progression (e.g. it normally takes between 10-20 years to move from assistant professor to full professor) and specific recruitment challenges in high-paying and male-dominated disciplines.

Addressing the Gender Pay Gap at LSE

LSE takes a holistic approach to tackling the gender pay gap and addressing the cultural and structural issues that are creating the gap. As mentioned in the introduction, the Athena SWAN action plan is comprehensive and situated in relevant reporting and accountability structures. It includes objectives on increasing the recruitment of women and on their career development which will improve the proportion of women faculty and women PS staff at the most senior levels and contribute towards closing our gender pay gap. Regular progress reports have been made to the Gender Equality Steering Group and SMC which demonstrate a good level of progress. This has resulted in the agreement to develop a new Gender Equity Framework (GEFW), drawing on our experience of developing the Race Equity Framework (REFW) and taking into account the impact and challenges created by the pandemic,

A School-wide mandatory equality impact assessment initiative ensures that all policies and procedures are adequately considering the impact on protected categories when being drafted/implemented. During the reporting year, these focused on the initiatives that were put in place in response to the pandemic to understand how these might impact different parts of our community, e.g. the measures that were taken in respect of pay and recruitment as referred to in the introduction. The Equality Impact Assessment process, including consultation with our relevant networks, has also been particularly crucial in the development of our new 'Blended Working Policy' when assessing the impact of this on staff with protected characteristics including gender and caring responsibilities. This has helped us to understand the benefits and potential disadvantages of such an approach, so that action can be taken to mitigate the latter.

Recent work on preparing our application for the Race Equality Charter mark has expanded the holistic approach for improving pay gaps not just for gender, but also for ethnic staff groups. This work can be seen below in some of our current actions and will be fundamental in moving forward our overall strategic commitment to equity, diversity and inclusion.

LSE is committed to regularly analysing the gender pay gap data and relevant trends to understand what steps can be taken to improve the gap. Such actions – both those that have already been taken and those that are in progress – are included below.

Ongoing Actions

Actions taken to support us in reducing our pay gap, which have now become embedded into normal processes, include the following:

- When recruiting for academic staff (teaching and research), it is our general policy to predominantly hire at the Assistant Professor level, where the opportunity to recruit more diversely is greater and also gives us a pipeline for future senior appointments. We ensure that there is always at least one woman on the selection panel, and the panel is advised to 'pause for thought' at the shortlisting stage if those selected are of only one gender.
- The mentoring scheme for academics considers the promotions-oriented and other more general career support that is provided to junior colleagues to support them in being able to go up for promotion as early as possible.
- Heads of Department provide an account for all associate professors of their future promotions trajectory in their annual meeting with the Pro-Director, Faculty Development.
- Contributions to citizenship is a criteria for promotion of academic staff (teaching and research) in order to highlight the importance of this aspect of work; this is likely to have a positive impact for women in recognising the 'hidden work' that some staff members carry out for their colleagues and students.
- Our Academic Appointments Committee continues to monitor academic appointments, retention, and promotion and review data closely, evaluating diversity data and where appropriate, updating policy and procedures to support the strategic aims to improve the gender pay gaps.
- Starting salaries and contribution pay for both academic and professional services staff is regularly monitored and equality data provided so that possible patterns of under-representation can be considered and analyses undertaken to ensure that new awards/salaries are consistent.
- Women academics are effectively supported by the Research and Innovation Division when applying for research grants, e.g. by promoting events about research opportunities via the Gender Equality Forum.
- Since the pilot introducing anonymised applications process for all professional services roles was launched, data has supported the full implementation of this initiative on an ongoing basis, demonstrating increased representation of ethnic BAME applicants progressing to the interview selection stages.
- Apprenticeship training schemes, secondment opportunities and collaborative joint working projects, which have been successful in encouraging internal movement and career progression, are being continued to drive forward improvements in the retention rates particularly amongst professional services staff.

Current Actions

In addition, actions currently being taken by the School include the following:

On pay

- Additional to our annual gender pay gap reporting, further analysis is being carried out into faculty pay equity with the intention of addressing any issues that have arisen since the last exercise in 2016.
- Following an initial ethnicity pay analysis, further work is in progress in order to ensure that fairness and transparency is being applied with regards to equal pay within the professional services staff job group.
- Work is in progress on evaluating data for starting salaries and additional responsibility allowance payments and the related policies and procedures. This will also evaluate current recruitment and labour market trends on salaries.
- Research has been conducted to understand the financial impact on staff who are unable to work from home and are required to work onsite on a full-time basis. Recommended proposals have been put forward to increase the contribution pay budgets for this group targeted towards the lower salary pay bands.

On recruitment and retention

- We have introduced 'Fair Recruitment Advisers'. These are trained Black Asian and Minority Ethnic (BAME) staff who sit on all professional services recruitment panels at salary band 7 and above with the aim of reducing the impact of unconscious bias and consequently, tackling under-representation of BAME candidates. These Advisers play a key role throughout the recruitment process by acting as a member of the selection and interview panel for senior PSS roles.
- The results from the 2020 and 2021 staff pulse surveys continue to drive positive change, working with all staff groups across the organisation to improve ways of working, support for staff work life balance and our understanding of how to make the environment more inclusive.
- We are working on increasing the range of benefits structures to complement and improve upon the benefits package currently available to staff. This includes expanding partnerships with lifestyle benefits platforms, to help staff to use their pay more effectively, and plans to introduce new schemes as well as a wellbeing platform.
- Support training for academic staff (teaching and research) to better understand retirement planning has created an unintended potential to improve the pipeline for staff to progress to professor level.
- Work is being undertaken to review and update the Academic Recruitment Policy and Procedure to provide greater levels of diversity reflected at all stages of the process.

On career progression

- To ensure that LSE continues to be aligned with good practice, a review is being undertaken of our family leave policies. Part of this review includes the potential removal of a minimum service period to receive occupational (i.e. enhanced) maternity pay and the addition of a specific leave entitlement for parents of premature babies. In addition, we are considering options for enhancing occupational paternity leave and pay, which may consequentially have a positive impact on female staff by providing an extra incentive for their partners to share the leave. These considerations complement the 'Toolkit for Parents and Carers', which was launched in 2021 and provides staff with a detailed guide to family leave and caring options.
- Following consultation with students and staff parents, we partnered with three nursery providers to provide effective childcare support to the LSE community and allow both staff and students to manage work life and study commitments whilst raising a family in London. The partnerships offer discounted nursery fees with the added benefit of enabling staff to use salary

sacrifice schemes. This is currently being reviewed with staff in addition to considering further support that can be put in place to support maternity returners.

- We have regular consultation with all staff network groups and unions on our 'Future Ways of Working Project' ensuring that new hybrid ways of working can support all staff groups including parents and carers.
- In recognition of the potential intersectional implications of the gender pay gap, we have been working on a number of measures to improve support for disabled staff, including a new Disability Policy (launched in December 2021), the development of guidance on reasonable adjustments, enhanced training, and the creation of a new Disability and Mental Health Adviser role which will play a key role in providing comprehensive confidential advice, guidance and specialist support to disabled staff.

Summary and Conclusion

LSE is committed to reducing the gender pay gap significantly over the medium term. We are pleased to note that there have been improvements during this and previous reporting periods; in particular, we have seen a steady decline in the median since 2018. We are conscious that, in the short-term, as with the national statistics, there are likely to be fluctuations in both directions. However, we are confident that we are on a positive trajectory and will continue to see overall improvements as the identified actions continue to become embedded into our processes and practices that are in place continue to improve diversity as a whole.

Appendix 1

Background Information and Terminology Definitions

To support understanding of our gender pay gap, we need to distinguish between ordinary pay and bonus pay:

- Ordinary Pay includes basic pay, shift premium pay, pay for piecework, supplements and honoraria payments, additional responsibility allowances and any allowances for roles such as first aiders. All ordinary pay is calculated on gross amounts. Ordinary pay does not include overtime, redundancy or termination payments or pay in lieu of annual leave.
- Bonus pay includes lump sum contribution payments to reward exceptional performance, research incentive awards and advance performance supplements. Research incentive awards provide financial rewards for academic staff (teaching and research) who win research funding. The amounts are calculated on the basis of the income recovered from funders to cover the costs of the salaries of principal investigators (PIs) and co-investigators (Co-Is), Advance performance supplements are made in order to recruit or retain staff in recognition that an individual may be on a career trajectory which makes them highly attractive to other employees. They are subject to a review period and review criteria. Whilst contribution payments are open to all staff categories, research incentive awards only apply to academic staff (teaching and research) and academic staff (teaching and research) hold the vast majority of advance performance supplements⁵.

'Gender pay gap' is not the same as 'equal pay', which relates to the pay that people receive when doing the same or a similar role. It is also not the same as 'pay equity', which, for example, with academic staff (teaching and research), relates to the pay that faculty coming from the same discipline receive at the same pay band (e.g. at the associate professor level) within the same department.

When considering equal pay and pay equity, we have policies and procedures in place for setting pay levels across the organisation and use a job evaluation system to ensure that jobs of equal value are paid consistently. Relevant annual contribution pay policies include provision for equity-related pay increases should it be necessary for an ad hoc case for adjustments to be made on an exceptional basis.

We report two measures of the gender pay gap, one based on median pay and one based on mean pay. The median pay gap is the difference between the mid-point of pay rates for men and the mid-point of pay rates for women divided by the mid-point of pay rates for men. The mean pay gap is the difference between the average pay rates for men and the average pay rates for women divided by the average pay rates for men.

⁵ It should be noted that any bonus payments made in March will also form part of the calculation for Ordinary Pay.