

LSE Gender Pay Gap Report 2023

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 LSE's gender pay gap¹ 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.

In accordance with statutory provisions, LSE, along with all organisations with over 250 employees, is required to report its gender pay gap data on an annual basis. This report details the gender pay gap data and analysis for 2023 (as at a snapshot date of 31 March 2023).

The data included in the report is from the reporting period of 1 April 2022 to 31 March 2023, based on the snapshot date of 31 March 2023. At this point, LSE had 4,212 staff in post, of which 2,316 (55%) were women and 1,896 (45%) were men. This represents a one percentage point increase in the numbers of women compared to the last reporting period (ie, 1 April 2021 to 31 March 2022).

Our previous analyses 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 at a similar level to the previous report in 2022. This 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.

Building on the success of achieving the Athena SWAN Bronze Institution Award² and Bronze and Silver departmental awards respectively in Statistics and Mathematics, we have been continuing to work towards meeting our internal targets for women in the workforce. This has demonstrated positive results, namely an increase in the proportion of women in academic roles at all levels: professors (29%), associate professors (41%) and assistant professors (55%).

The Athena SWAN action plan is aligned to supporting our commitment to reducing the gender pay gap. Work towards achieving the targets set out in the plan is monitored by our EDI team and, in going forward, will be reviewed by the newly formed Inclusion Management Board which will also review the progress on other plans and initiatives discussed later in this report under 'Addressing the Gender Pay at LSE'.

During this reporting period, in response to increased inflation and energy costs resulting in a decline in real disposable incomes, various measures have been taken to support staff with their pay:

- The national pay award that would normally have applied in August 2023, was partially implemented in February 2023 resulting in all staff receiving an uplift of the greater of £1,000 or 2%. As a result of the early implementation, this uplift is captured in the snapshot data.
- At a local level, staff were awarded a one-off payment of £1,000 in September 2022 to support with the cost of living. As this was a one-off, exceptional payment, this has not been included in the calculation of bonus pay so as not to distort the overall picture.

¹ '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, 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.

² Athena SWAN is a Higher Education charter mark for advancing gender equality.

Gender Pay Gap Results and Analysis

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

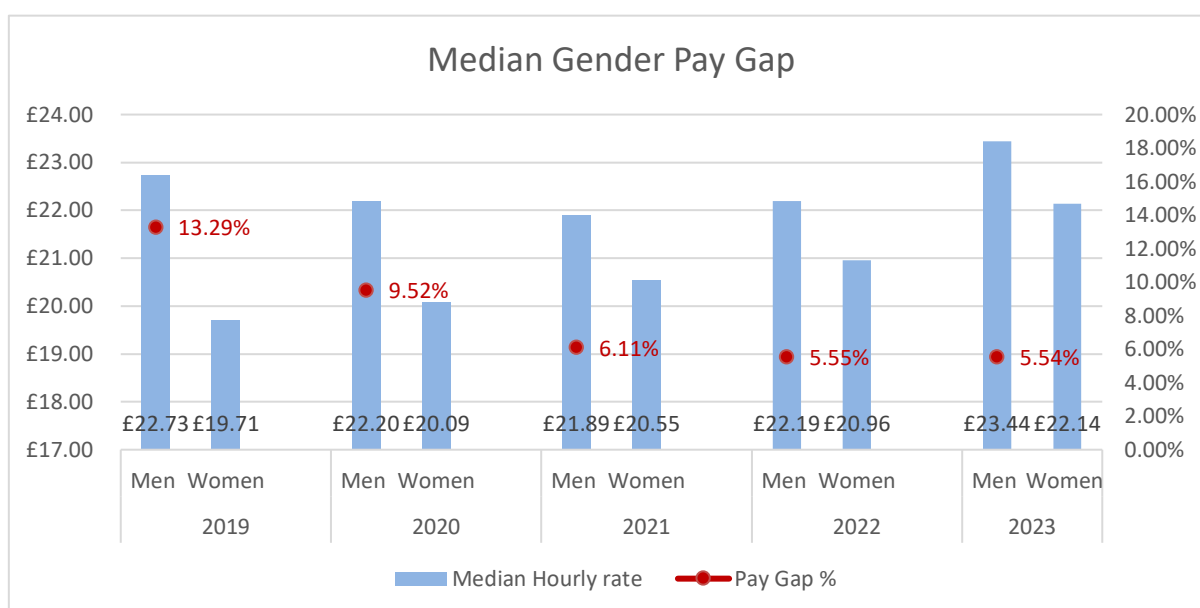
Gender Gap in Ordinary Pay

Our median gender pay gap based on Ordinary Pay is 5.54%³. This has decreased very slightly by 0.01 percentage points since 2022 (5.55%).

Figure 1 shows that the median hourly rate for men increased from £22.19 to £23.44 (5.61%) between 2022 and 2023. For women, the median hourly rate has increased from £20.96 to £22.14 (5.61%).

The median pay gap is the difference between the mid-point of hourly pay rates for men (£23.44) and for women (£22.14) 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 2019 and 2023.

Figure 1: Median Gender Pay Gap – 2019 to 2023



Our median pay gap has improved year on year since 2018 (when it was 14.91%). Between 2018 and 2021, men's hourly rates of pay decreased and women's hourly rates of pay increased. In the last year, we have seen both men and women's hourly rates increase by exactly the same percentage. This, along with a limited impact of starters and leavers, explains why the median pay gap has remained relatively consistent.

When comparing the balance of starters and leavers, although both the numbers of men and women in the workforce have grown, the number of women at LSE increased by 8.78% compared to 4.92% for men. This resulted in the overall percentage of the workforce changing for men to 45% (-1%) and to 55% (+1%) for women.

This higher increase in numbers of women compared to men can be seen in almost all job types (excluding research roles) and salary bands. However, where there have been higher increases in the proportion of men, these have tended to be at the more senior grades (most notably band 10) with the most significant increases for women at bands 2 and 9.

LSE's current mean gender pay gap is 24.61%, a decrease of 0.13 percentage points from last year's figure of 24.74%. The mean gender pay gap looks at the difference between the average of men's (£34.90) and women's (£26.31) hourly rates of pay divided by the mean hourly rates of men; see Figure 2 for the progression of the mean between 2019 and 2023.

³ 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 report shows an increase in both the hourly pay for men and women, as was the case last year. However, in this reporting period, the percentage increases are similar to each other – with a slightly higher rate of increase for women – 5.96% compared to 5.75% for men. This helps to explain the slight reduction in the mean pay gap. Overall, we also saw increases in hourly total sums for both men and women. The total hourly sum for women grew by 15.21% (£60,913.89) compared to 11.04% for men (£66,212.96). As was the case last year, the percentage change in staff numbers has increased more significantly for women than men - 8.78% compared to 4.93% respectively; therefore, the change in total sum has had a greater impact on the mean hourly rate of men. However, this is to a lesser degree than the previous year and, again, helps support the slight reduction in the mean pay gap.

Despite the slight decrease in this year's report, overall, it remains the case that there continue to be 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 2019 and 2023. Table 1 shows the numbers of staff, by gender, employed on the relevant date.

Figure 2: Mean Gender Pay Gap – 2019 to 2023

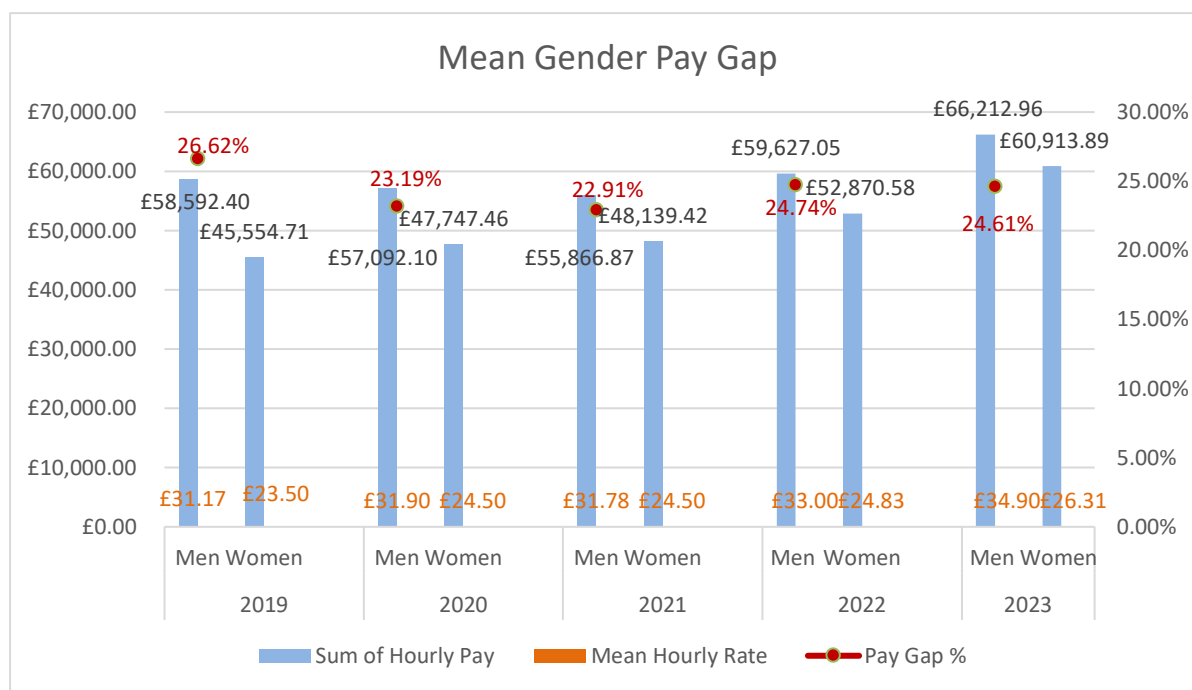


Table 1: Staff Population by Reference Year/Gender

Reference Year	Number of Men	Number of Women
2019	1779	1885
2020	1790	1949
2021	1758	1965
2022	1807	2129
2023	1896	2316

Figure 2 shows that there has been a more significant increase in the sum of hourly pay for women since the previous report when compared to last year (£8,043.31 compared to £4,731.16 in 2022). For men, there has also been a more significant overall increase in total sum of £6,585.91 (compared to 2022 when there was an increase of £3,760.18). The total sum of hourly pay remains largely in favour of men though by a smaller margin than in the previous report (£5,299.07 compared to £6,756.47 in 2022).

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

Figure 3a: Academic staff (Research and Teaching)

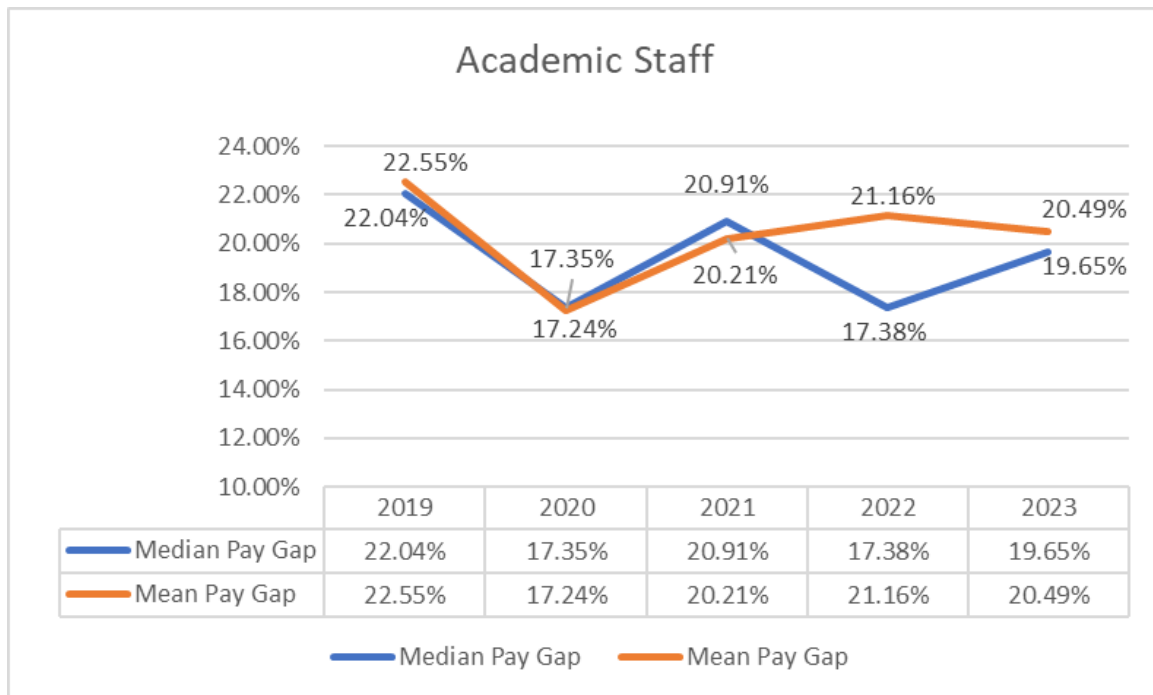


Table 2a: Academic Staff (Research and Teaching) Population by Reference Year

Reference Year	Number of People
2019	622
2020	614
2021	606
2022	641
2023	653

Figure 3b: Professional Services Staff

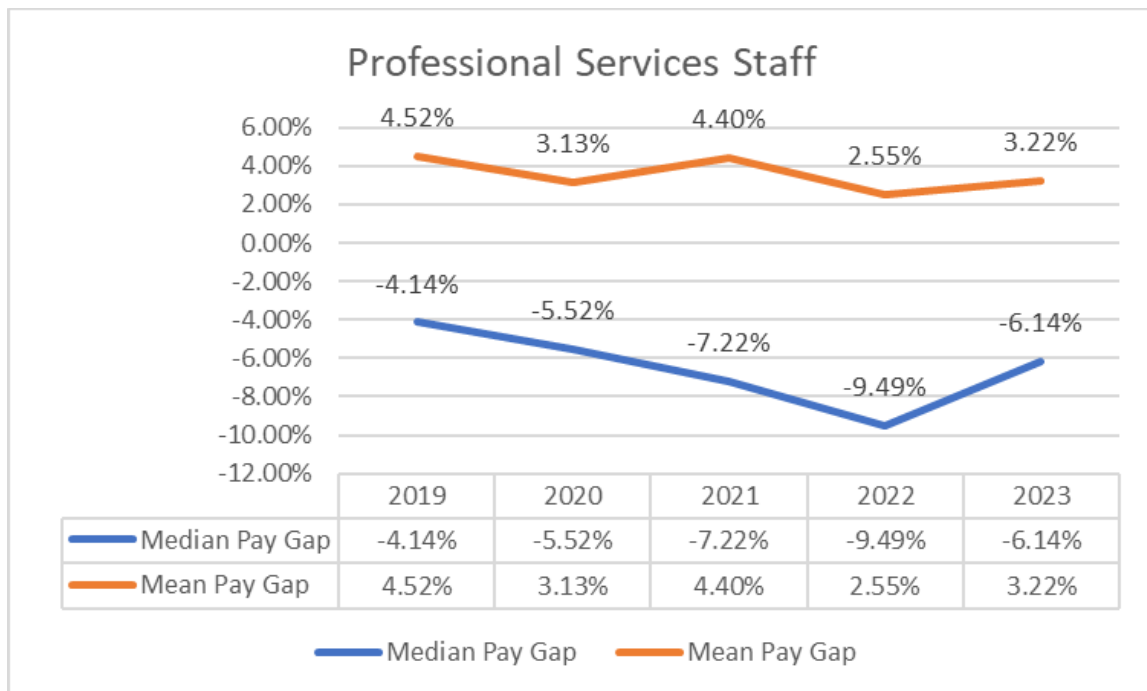


Table 2b: Professional Services Staff Population by Reference Year

Reference Year	Number of People
2019	2090
2020	2082
2021	2004
2022	2166
2023	2362

Figure 3c: Research Focused Staff

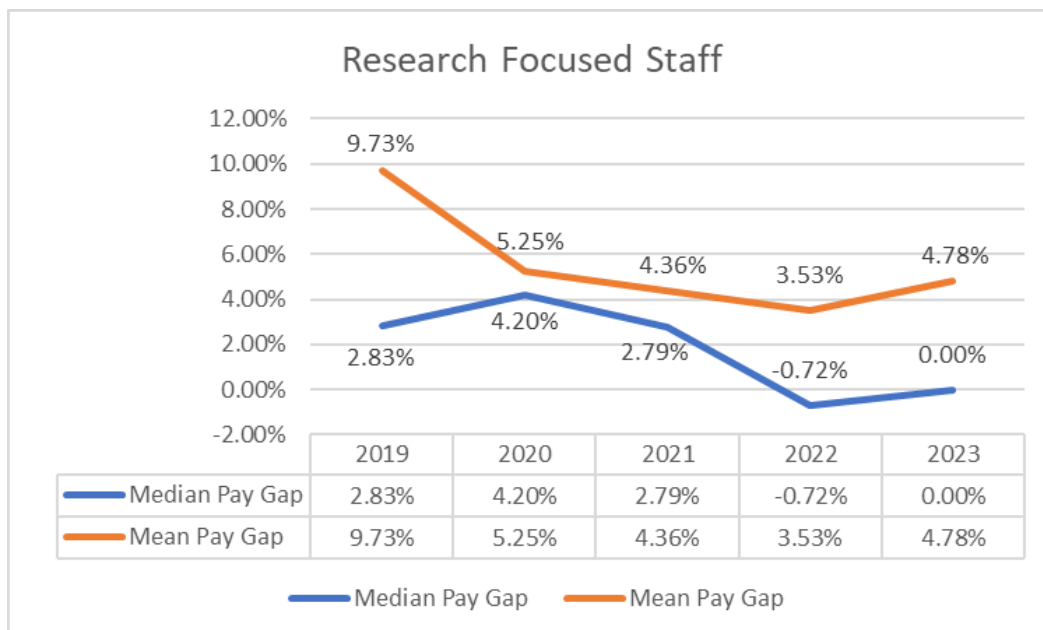


Table 2c: Research Focused Staff Population by Reference Year

Reference Year	Number of People
2019	362
2020	408 ⁴
2021	437
2022	439
2023	455

Figure 3d: Teaching Focused Staff

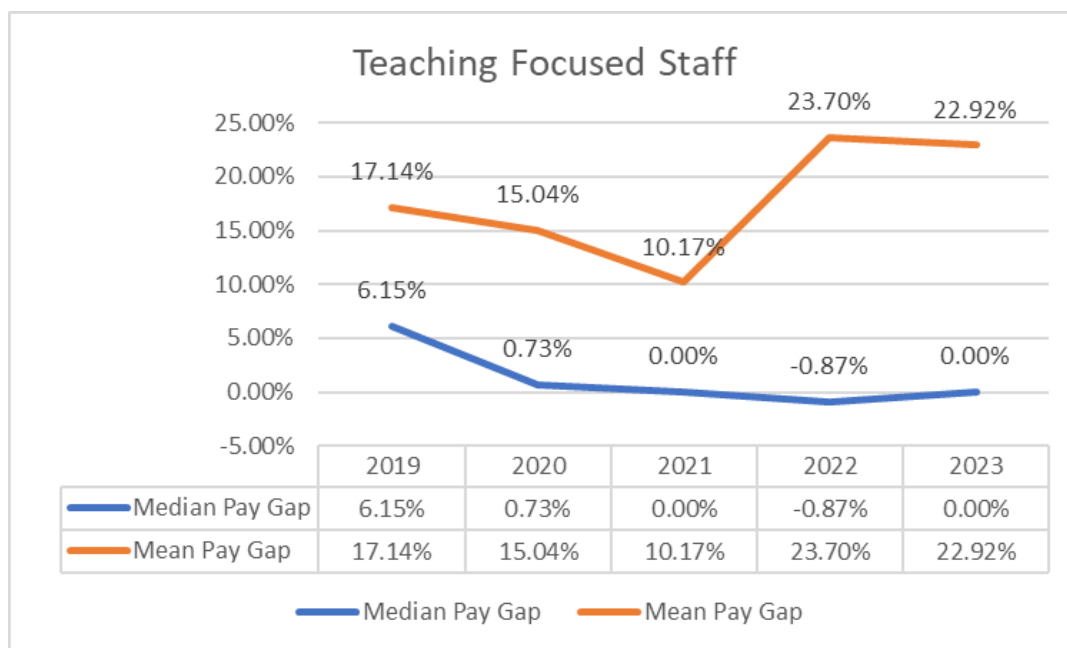


Table 2d: Teaching Focused Staff Population by Reference Year

Reference Year	Number of People
2019	590
2020	635
2021	676
2022	688
2023	742

Median and Mean Analysis across LSE Staff Groups

As detailed in Figures 3a to 3c, the report further breaks down the gender pay gaps by staff categories. These include academic, teaching, research and professional services.

The breakdown shows that there have been increases in the median pay gaps for all categories of staff. The largest increase is for professional services staff; however, this is still currently in favour of women. Whilst teaching and research focused staff have also seen increases in their median pay gaps, these are now at 0%.

Academic staff (research and teaching) and teaching focused staff saw decreases in the mean pay gaps of similar proportions. The most significant change to the mean was an increase in the research focused staff category. This follows a four-year steady decline since 2019.

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.

Teaching Focused Staff

Our previous gender pay gap reports have commented on the high level of fluctuations within our teaching focused staff pay gaps. This is related to the relatively larger number of new starters and leavers in this category due to many of them being students. This results in larger compositional changes every year than in other categories, and thus allowing for movements (leavers/hires) to have a more notable effect on the total.

However, during this reporting period, both the median and mean have remained relatively consistent. Despite this, when looking at the compositional changes, it can be seen that there is a significantly higher number of women (48) than men (5) when compared to last year's data. Whilst this has resulted in increases in proportions of women at the higher grades, the majority of the appointments are at the lower grades – bands 5 and 6. This means that the median hourly rate is now equal for men and women (£22.14) when it was higher for women than men last year. However, overall, the total hourly sum paid to women increased by £2,046.27 (28.24%) and, therefore, the mean hourly pay rate for women grew by 9.68% (to £25.39) compared to 8.5% for men (£32.94). This resulted in a slight decrease of 0.84 percentage points in the mean pay gap for this category of staff.

Academic Staff (Research and Teaching)

The academic staff (research and teaching) mean pay gap has decreased by 0.67 percentage points. There was an increase in the academic staff (research and teaching) median pay gap by 2.27 percentage points. The median hourly pay rate for women (£44.47) has increased by 5.06% compared to 8.04% for men (currently £55.35). The numbers of academic staff have remained reasonably consistent with the previous year; therefore, the reason for the higher increase in men's median hourly pay rate is due to internal salary movement, e.g. such as promotion review outcomes. However, despite this, the average hourly sum for women increased at a rate of 28.24% compared to 8.99% for men, which explains the decrease in the mean pay gap for this category of staff. This can likely be largely explained as a result of a significant increase in performance supplements (see Bonus Pay Gap section).

There was, again, a slight increase in the overall percentage of women in academic roles in 2023 - from 37.42% in 2022 to 37.98% in 2023. Breaking this down further, this is mainly at the assistant professor level, where the proportion of women has grown by 3.28%, but there has also been a slight increase of 0.19% in the proportion of women professors.

Similar to previous years, the higher pay gap amongst academics is a consequence of continuing to recruit academic staff (research and teaching) in a global and highly competitive market in particular disciplines. Salaries for recruiting and retaining academic staff (research and teaching) 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.

Professional Services Staff

For professional services staff, the median and mean have increased by 3.35 percentage points and 0.67 percentage points respectively. This group of staff normally has the lowest pay gaps (with the median being in favour of women) and – despite the increases - this year's report continues that trend. These changes are largely a result of changes at the most senior grade which saw a higher level of turnover than normal during this reporting period and a resulting decrease of 9.82% in the proportion of women at SB10.

Once again, there are more women in PSS roles in this year's reporting period: an increase of 10.23% in the proportion of women compared to 7.13% more men. Additionally, these changes resulted in an increase of 14.84% in the total hourly sum for women compared to 12.04% for men, demonstrating that more women were being hired and moved internally to higher paid jobs than men. The differences in increases, however, are less significant than in the previous year.

As professional services staff are the largest group, the low mean and negative median pay gaps have a positive effect on the overall pay gaps for LSE.

Research Focused Staff

Contrary to previous years, research focused staff have seen an increase in the mean and median pay gaps during this reporting period: the mean pay gap increased by 1.25 percentage points and the median gap increased slightly by 0.72 percentage points. In terms of the overall number of research focused staff compared to last year, there has been an increase of 3.64% in 2023. However, this has been in favour of men who saw a 12.02% increase in numbers compared to a 2.34% decrease for women. Looking across salary bands, it can be seen that the majority of men were appointed at the lowest salary band for research focused staff but there were also increases at SB07 and SBA1. This is compared to decreases or no change in numbers across all grades for women other than one (SB07) which saw a slight increase). This resulted in a growth in the median hourly rate for both men and women, but by a greater extent for men. The median hourly rate for women increased by 5.69% compared to 6.48% for men. Like the median hourly pay rate, the mean hourly pay rates also increased more significantly for men: 5.98% for men compared to 4.65% for women.

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 2022 to 31 March 2023. These payments include non-recurrent contribution payments to reward exceptional performance, research incentive rewards and advance performance supplements.

Table 3 shows that 27.98% of men received bonus pay compared with 23.93% of women. The median gender bonus gap is 10% and the mean bonus gap is 58.25%, which represents a 5.99 percentage point and 6.77 percentage point decrease respectively.

Figure 4: Bonus Pay Gap - Median

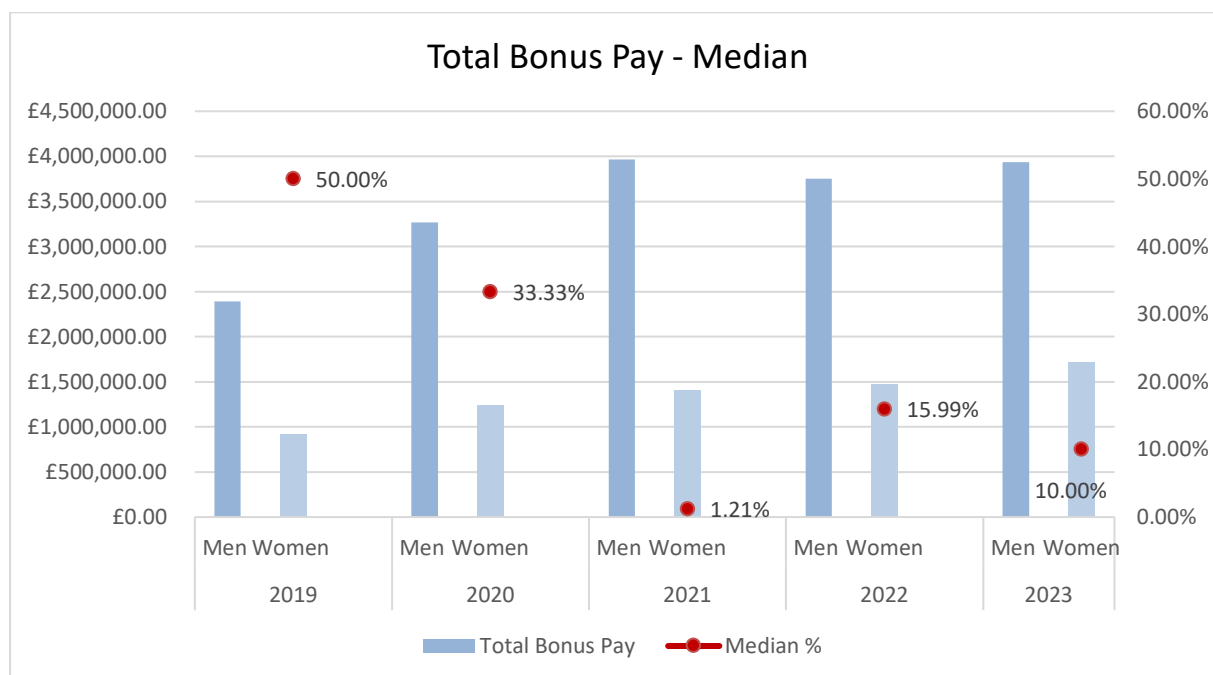


Figure 5: Bonus Pay Gap – Mean

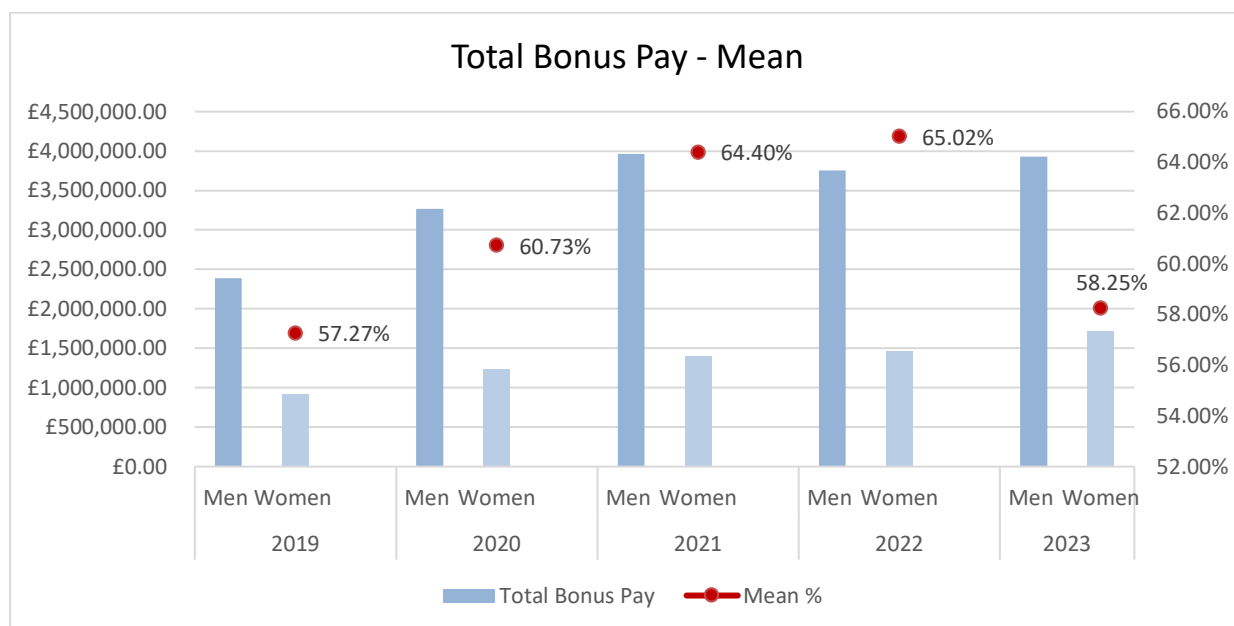


Table 3: Numbers and Proportions of Bonus Payments by Reference Year/Gender

Reference Year	Gender	Number	Proportion %
2018	Men	231	13.82%
	Women	230	13.36%
2019	Men	305	17.14%
	Women	275	14.59%
2020	Men	355	19.83%
	Women	343	17.60%
2021	Men	678	38.57%
	Women	675	34.35%
2022	Men	564	31.19%
	Women	630	29.59%
2023	Men	531	27.98%
	Women	554	23.93%

During this reporting period, the bonus total increased for men by £179,702.91 compared to £246,774.90 for women. The key reason for this is due to a 31.91% increase in the amount paid to women in performance supplements compared to 4.71% for men. In addition, the proportions of women receiving a performance supplement increased by 11.76% hence, increasing the average payment. These increases are largely due to recruitment and retention cases.

The proportions and numbers of staff receiving bonuses decreased for both men and women in 2023 and 2022 due to the return to more recurrent contribution pay rises following the pandemic. The proportion of men receiving bonus payments remains higher than women – 27.98% compared to 23.93%. The difference has increased from 1.60 percentage points to 4.05 percentage points in 2023 which is similar to the position in 2021. As anticipated in last year’s report, this is likely to be mainly due to the numbers of men receiving research incentive rewards reverting to their previous levels following a temporary adjustment in 2022 due to delays in payment agreements being set up.

In addition to the above, an exceptional one-off payment of £1,000 (pro-rated according to FTE) was made to all staff during the reporting period to support with the cost of living. This has not been included in this year’s figures so as not to distort the overall picture in terms of progress. Had this been included, the proportions of staff receiving a bonus would have been significantly higher and the median would have been 0%.

The principal reason for the bonus pay gap as well as the increase in total bonus pay is largely due to the steady increase in the amount paid in performance supplements. These now make up 58% of the total bonus amount (an increase of two percentage points since last year). Men represent 71% of all recipients (a decrease of two percentage points from last year) and currently receive 71% of the total amount for this award; this is a decrease of five percentage points when compared to last year's figures.

Performance supplements replace market supplements, which have been paid due to salary pressures in particular academic disciplines, 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 rewards, makes up 23% of the total (as was the case last year). Like performance supplements, male staff represent the larger proportion of all recipients (80%) and receive 84% of the total amount paid. The reason for research incentive rewards being awarded predominantly to men is due to two factors. Firstly, there are currently fewer women professors (29%), and professors are normally more successful in winning external research grants (62% of all research incentive reward 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 last bonus category, non-recurrent contribution payments, are what can be considered as 'traditional' bonus payments. During this reporting period, these make up around 19% of total bonus payments (a three-percentage point decrease compared to last year) even though they are awarded to the highest number of staff members (74% of all bonus recipients). Non-recurrent contribution payments also represent the bonus category where the share of awards is more in favour of women (53% women / 47% men) as well as the total amounts paid (53% women / 47% men).

As performance supplements represent the largest amount of bonus payments, the significant increase in the amount paid to women in this reporting year will have contributed to the overall decrease in the mean pay gap from 65.02% to 58.25%. There have also been overall reductions in the average amounts of research incentive rewards made to men – a decrease of 18.61% in the average payment, compared to a 10.45% increase for women. Finally, the decreases in the amounts of one-off recurrent payments have also largely impacted men and, therefore, this has also contributed to the reduction in the mean. The decrease in the median bonus pay gap reflects the fact that the majority of bonus awards are non-recurrent contribution payments. These are paid at lower amounts compared to performance supplements and research incentive rewards 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 rewards 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 female talent in male-dominated disciplines continues to be a key focus for us in the immediate future but also represents a significant challenge for the university sector as a whole. This year's results demonstrate some positive progress with respect to performance supplements with this year being the first to show a significant increase in the amounts awarded to women when compared to men. This is likely to be a result of retention and recruitment cases as well as the contribution pay process.

Pay Quartiles

The table below show the proportion for men and women in each pay quartile throughout 2020 to 2023. This year, as in the past four years, both the upper and upper middle quartiles have shown an increase in the percentages of women; the lower quartile has seen a slight decrease in the percentage of men.

Quartile	Pay Quartiles 2023		Pay Quartiles 2022		Pay Quartiles 2021		Pay Quartiles 2020	
	Women %	Men %	Women %	Men %	Women %	Men %	Women %	Men %
Upper: 75-100% of full- pay relevant employees	42%	58%	40%	60%	39%	61%	38%	62%
Upper middle: 50-75% of full- pay relevant employees	63%	37%	62%	38%	59%	41%	58%	42%
Lower middle: 25-50% of full- pay relevant employees	55%	45%	55%	45%	56%	44%	56%	44%
Lower: 0-25% of full-pay relevant employees	59%	41%	58%	42%	57%	43%	56%	44%

Despite a further continued increase in the representation of women in the upper quartile, there is a 16-percentage point gap between men and women on the highest pay. In turn, men continue to be less represented in each other quartile when compared to women. As in previous years, this reporting period has seen an increase of women in the upper quartile (42% compared to 40%) as a result of an increase in the number of women in higher paid salary bands but also more representation of women in the lower quartile (now at 59% compared to 58%) which is as a result of more women in the lowest salary band. When considering the data by job category, professional services staff continue to have more women in roles in all quartiles. Teaching focused staff continue to have a stronger representation of men in every quartile other than the upper middle quartile, in which women now represent 52% of staff. The breakdown of research focused staff shows that they continue to have a higher representation of women in all quartiles, as was the case in the 2022, 2021 and 2020 reports. Finally, academic staff (research and teaching) continue to have more men in every quartile, with considerable margins in the upper (76% to 24%) and upper middle quartiles (64% to 36%). However, there has been an increase in numbers of women in the upper quartile (by 2%).

As in previous reports, the main factor contributing to the gender pay gap has been related to academic staff (research and teaching) employed in higher paid male-dominated disciplines and reducing this continues to be the major challenge for us in addressing the overall pay gap. Previous reports have highlighted that our commitment to improving the gender pay gap for academic staff (research and teaching) will take time as 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 and intersectional 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 professional services staff at the most senior levels and contribute towards closing our gender pay gap. The Athena Swan action plan provides an overall framework for progress against our gender equity and inclusion objectives. It is regularly monitored and updated to ensure that progress is being made and that it responds to current circumstances and challenges.

LSE's Race Equity Framework (REF) has been revised and updated and includes three key areas: people, education and research. Work is underway to deliver on the relevant actions, as set out in the accompanying Race Equality Action Plan. It focuses on six key priorities which include supporting BAME professional services staff and ensuring diversity of professional services staff at higher grades and helping to build a more diverse pipeline of future social scientists. The Race Equality Action Plan breaks these down into key objectives. 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 (research and teaching) (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 which 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. Proportions of female assistant professors are now at 55% and have surpassed our Athena SWAN target of 50%.
- Where appropriate, positive action is used to address shortfalls in the proportions of women academics in the male-dominated academic disciplines, such as allowing additional candidate offers where women are appointable at interview. Available benchmarking shows that we are making progress in at least one of the higher paid academic disciplines in terms of numbers of women when compared to other peer institutions.
- The mentoring scheme for academics considers 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.
- Contributions to citizenship is a criteria for promotion of academic staff (research and teaching) (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. Current analysis demonstrates that both men and women involved in review and promotions processes are promoted in equal proportions from the eligible pool. This, combined with higher numbers of women being appointed at Assistant Professor level, provides a positive indication for a higher representation of women, certainly at Associate Professor level, in the medium term.
- 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. Guidelines and monitoring have been strengthened, following work carried out

with regards to equal pay within the professional services staff job group, to encourage line managers to address any equity considerations when making cases.

- 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.
- 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.
- Specific contribution pay budgets for staff groups who are required to work onsite on a full-time basis, which are targeted towards the lower salary pay bands, have been incorporated into the annual contribution procedures.
- The 'Future Ways of Working' Programme has been embedded into working practices and culture, ensuring that hybrid ways of working can support all staff groups. A recent review of this confirms that the opportunity to be able to work both remotely and on campus continues to be well-received with feedback indicating an increase in flexibility, work-life balance and the ability to recruit.
- Following discussions with both the local trade unions and the internal Parents and Carers Network, a number of entitlements and provisions to the maternity and paternity policies have been improved. These include:
 - Removal of the qualifying period for maternity and paternity leave and pay
 - Increase in maternity pay from 18 to 22 weeks at full pay
 - Increase in paternity pay from 2 to 4 weeks at full pay
 - Introduction of neonatal leave provisions for both maternity and paternity

Training was provided to managers to embed the changes to policy.

- We have undertaken a number of measures to promote flexible working. These include updating the policy to remove the qualifying period for making formal flexible working requests, organising training for managers on flexible working as part of the LSE Manager: Bringing Policy to Life programme; promoting flexible working regularly via Staff News and other channels as well as promotion to new starters during their induction.
- In recognition of the potential intersectional implications of the gender pay gap, a number of measures have been put in place to improve support for disabled staff, including updated career development guidance for academic, research, teaching and policy staff to provide additional opportunities to share information about a disability and discuss potential reasonable adjustments so that an individual is appropriately supported in their career development, or provide an opportunity to evaluate existing adjustments in place.

Current Actions

In addition, actions currently being taken include the following:

On pay

- A recurrent financial reward package for all staff has recently been announced to take effect with effect from August 2024. This seeks to support staff with the high cost of living within the UK, the cost of living and working in London, whilst ensuring that we are able to remain competitive as an international academic recruiter. Equality Impact Assessments (EIA) have been undertaken for the package, which include the identification of suitable monitoring mechanisms and timescales for relevant actions. We will monitor pay and make appropriate adjustments where any pay equity issues are identified among staff groups. Any trends or issues identified in this monitoring will also inform future reviews of LSE pay policies.
- Contribution pay budgets to reward outstanding performance were doubled in the previous year and will be sustained in 2023/24. This also provides managers with an opportunity of rectifying any equity issues and enables contribution pay to be distributed more widely.
- Adjustments have been made to increase contribution payments specifically designed to encourage more instant recognition for the achievements of employees and to reward staff groups who are required to work onsite on a full-time basis.
- Following the updating of the contribution pay guidelines, further work will be carried out to monitor the impact of this and understand whether any additional actions are required if this has not succeeded in addressing the pay equity issues identified.
- Benchmarking surveys and exercises continue to be carried out into specific areas such as

remuneration and benefits. These are crucial to the reviews and updating of our pay policies and reviewing benefits. It is intended to increase the remit and frequency of such exercises to ensure that this is being carried out on a proactive and regular basis.

- Our Employee Assistance Programme (EAP) provision has been expanded to cover financial and legal advice support to employees.

On recruitment and retention

- A review of the Recruitment and Selection Policy has recently been carried out with a particular focus on supporting diversity. This has led to recommendations in terms of changes to policy and updates to the Recruitment Toolkit to include practical examples and guidance to managers on embedding inclusive practices.
- To create more stability for non-permanent staff groups, work is ongoing to review contract types and contractual terms. This includes consideration of resource planning and workforce requirements.
- We have recently carried out a full staff survey and are awaiting the results. This will enable us to 'interrogate' the data according to different protected characteristics to understand where improvements can be made to further support an inclusive employee experience.
- Following the recruitment of a Staff Disability and Mental Health Adviser, further work is being undertaken to provide disabled staff with individual support packages from the point of appointment as well as ensuring that appropriate financial provision and processes are in place to provide proactive support on an ongoing basis.
- Analysis of the Fair Recruitment Adviser scheme has been evaluated demonstrating that this has had some impact on increasing offers made to BAME candidates.

On career progression

- Significant work has been carried out in the past year on improving and promoting our Career Development Review (CDR) process for professional services staff; this is with a view to making it more accessible to all. In particular, a separate process has been introduced for roles where standards vary little year on year to make this more relevant and monitoring is taking place with targeted communications from senior leaders to promote consistent and widespread use across all areas of LSE.
- Focused work has been carried out to support LSE Fellows (early career academics) in their role and ensure that this provides them with a meaningful career development opportunity. This includes improving their contractual terms to provide them with a minimum of two years, introducing an annual CDR and amending the job description. To complement this, a proposal is underway to provide them with a research allowance to support them in developing their research profile.
- A proposal is currently being scoped out to put in place a coaching provision for women returning from maternity leave – particularly for those staff groups who we have identified as being less likely to return. The coaching will be aimed at with supporting them with the transition to life as a working parent.
- The Race Equity Action Plan's priorities and objectives to improve career development are in the process of being taken forward. As a result of this, the BAME mentoring scheme has been formally launched, the mentoring scheme for all professional services staff has been amended to include all bands and the Mentoring Guidance Toolkit updated.
- Following a review of the Future Ways of Working programme, improvements to induction as well as reviews and communication of related policies will be undertaken to ensure that this are fully aligned to supporting career development in the context of blended working.

Summary and Conclusion

LSE remains committed to reducing the gender pay gap significantly over the medium term. We are pleased to note that this year's report demonstrates improvements in terms of bonus pay and that the median pay gap has remained low. As previously identified actions that are having a positive impact become embedded into normal processes, we continue to monitor and analyse additional initiatives and mechanisms to support us in further reducing the gap. As set out in previous reports, whilst progress has been made overall, increasing the pipeline for women in the higher-paid academic disciplines continues to be our predominant challenge and will take time. However, we are ensuring that through our attraction and retention strategies for academic (teaching and research) staff, both at a School level

and in specific disciplines, we can maximise our potential to improve this situation where possible.

Appendix 1

Background information and Terminology

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 rewards and advance performance supplements. Research incentive rewards provide financial rewards for academic staff (research and teaching) 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 rewards only apply to academic staff (research and teaching) and academic staff (research and teaching) hold the vast majority of advance performance supplements⁶.

'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 (research and teaching), 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.

⁶ It should be noted that any bonus payments made in March will also form part of the calculation for Ordinary Pay.