

Gender Pay Gap Report 2020



Love God
Love Others

Introduction

The Salvation Army is an employer required to undertake a Gender Pay Gap Report under the Equality Act 2010 Gender Pay Gap Information Regulations 2017.

Through every aspect our mission we care for people, and through our priorities of Sharing the good news, Serving others without discrimination, Nurturing disciples of Jesus, Caring for creation and Seeking justice and reconciliation, we endeavour to have a fairness for all.

What is gender pay gap reporting?

Gender pay gap reporting compares the average hourly earnings of male and female employees within an organisation. Since 2017 UK government regulations require all employers with 250 or more employees to publish gender pay gap information based on snapshot data from 5 April each year to cover the following six metrics:

The difference in the mean full-time equivalent pay of men and women, expressed as a percentage	The difference in the median full-time equivalent pay of men and women, expressed as a percentage	The percentage split between male and female employees in each of four pay band quartiles
The proportion of men and women who received bonus pay	The difference in the mean bonus pay of men and women, expressed as a percentage	The difference in the median bonus pay of men and women, expressed as a percentage

Gender pay gap vs equal pay

The gender pay gap is not the same as gender-based pay inequality (usually referred to as 'equal pay').

The gender pay gap measures the differences in average hourly pay in the same organisation, regardless of their job role.

Equal pay is the right of men and women to be paid the same for the same work or work of equal value.

In 2019 we introduced a new pay and grading system that enables all our employees at the same grade to be paid equally for the same or similar work, regardless of gender.

Our gender pay gap metrics 2020

Based upon data from our April 2020 payroll, we are reporting a mean gender pay gap of **11.8%** and a median gender pay gap of **4.8%**

The Salvation Army employees do not have an opportunity to earn bonuses and therefore the mean gender bonus gap is **0%** and the proportion of male and female employees in The Salvation Army receiving a bonus is **0%**

Our workforce has been divided into four equal-sized groups based on hourly pay rates to give the pay quartiles shown below:

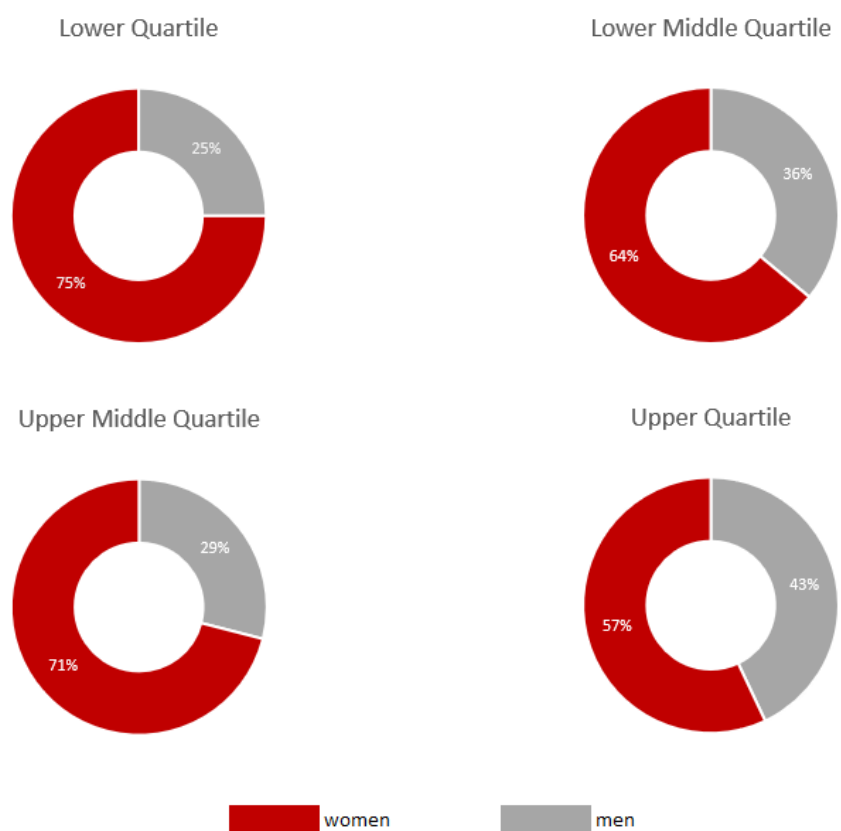
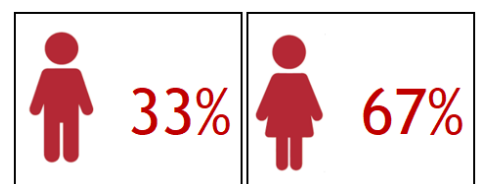


Figure 1.
Our 2020 pay
quartiles

The gender distribution for full-pay relevant employees included in this report is a 33% male 67% female. This differs from our overall organisational split of 31% male/69% female. This reason for this difference was our utilisation of the Coronavirus furlough scheme. In April 2020 we furloughed a higher percentage of women than men. A later Equality Impact Assessment of our furloughed population (summer 2020) showed that overall, the number of our female employees who were furloughed was not disproportionate.



Our gender pay journey - analysis

Both our mean and median pay gaps have improved since our 2019 report, our mean gap has decreased by **1.9%** and our median gap has decreased by **2.8%**.

Metric	April 2020	April 2019	April 2018
Mean (average) gender pay gap	11.8%	13.7%	14.2%
Median (middle) gender pay gap	4.8%	7.6%	6.5%

Figure 2. How our gender pay gap has changed since April 2018

This looks positive and indicates that we are moving in the right direction, which is likely to be as a result of our new pay and grading arrangements, effective 1st July 2019. However, at the snapshot date, around 20% of our employees were furloughed. This means that for the purposes of this report they are classed as not 'full-pay relevant' and have been excluded from the calculations. As such the figures are not a true representation of our position.

Analysis of our pay quartiles reveals an increase in the percentage of males in three of our four quartiles. Nonetheless our mean gender pay figure continues to be affected by the disproportionate number of female employees in both the lower and lower middle pay quartiles.

	April 2020		April 2019		April 2018	
	Male	Female	Male	Female	Male	Female
Lower quartile	25%	75%	22%	78%	21%	79%
Lower middle quartile	36%	64%	32%	68%	32%	68%
Upper middle quartile	29%	71%	30%	70%	30%	70%
Upper quartile	43%	57%	41%	59%	40%	60%

Figure 3. The % gender split of our pay quartiles since April 2018

The reason for the decrease in our median pay gap is that the median pay rate of female employees increased by 7.8% over the year since April 2019. However, the median pay of their male counterparts has only risen by 4.9% over the same period. This is attributable to two factors; firstly, the rates of pay at the lower end of our pay scales increased by over 4% between April 2019 and April 2020. As we employ a greater number of women in our lower pay bands this meant more women than men benefitted from this uplift. Secondly, our female dominated furlough population in April 2020 is having a positive impact on this figure.

Why does The Salvation Army have a gender pay gap?

The underlying cause of The Salvation Army's gender pay gap is because we employ a significantly higher percentage of women in our lower three pay quartiles than in our upper pay quartile. This means that women are not as well represented in our higher paid positions and we continue to employ a higher proportion of female employees in our lower paid, front line services. We continue to see a lack of progression into senior roles by females within The Salvation Army, although this is improving.

These causes continue to underpin gender pay gaps across the UK economy as a whole. Men are more likely than women to be in senior roles, women are more likely than men to be in front-line roles, men are more likely to be in technical roles attracting higher rates of pay, women are more likely than men to have had career breaks and are more likely to work part-time in lower paid roles. The improvement in our gender pay gap figures this year is because it has led to a high percentage of women working in the lower quartiles to be removed from the data. The impact is the equivalent of attracting men to these lower paid roles, i.e. it pushes the male percentage upwards, which brings the mean gap downwards.

The Salvation Army continues to be committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

What is The Salvation Army doing to address its gender pay gap?

The Salvation Army is committed to reducing its gender pay gap.

We have already taken actions which will improve our gender pay position in the future. We operate the policy of paying no less than 2% above the National Living Wage rate. This means, as the NLW continues to rise annually, employees in our lowest pay bands, who are disproportionately females, will be awarded a far greater percentage increase to their hourly rate.

Previously, we reported that we were working towards the introduction of an agile working policy to give greater flexibility to our employees. A positive impact of the Coronavirus pandemic was an acceleration in this work. Our agile, flexible and homeworking policy is now in operation and is enabling our employees to work in a way that best supports their work/life balance, with line management agreement.

We have completed the implementation of a full review of pay structures and strategy across the whole organisation. As 77% of employees receiving a pay increase as part of this review were female, we had expressed confidence in our previous gender pay report of seeing a positive change by April 2020. However, the impact of furlough means that the true impact of the review is not yet clear.

It is expected that our 2021 gender pay report will prove that our gap is improving due to these positive actions.

Further actions we are planning to take to close our gender pay gap are to:

- **Extend our evidence-gathering to include qualitative data**
 - by using approaches such as surveys and focus groups to identify the barriers (and the drivers) to career progression for female employees across all areas and levels of the organisation
- **Keep gender pay gap reporting under closer review**
 - by monitoring through quarterly reports to include; the proportions of men and women applying for our roles, and successfully being recruited; the proportions of men and women leaving the organisation and their reasons for leaving
- **Ensure that we are maximising flexibility at all our pay grades**
 - by working with our line managers to make sure our jobs are available as flexible, agile, part-time or a job share
- **Make our roles appealing to both men and women**
 - by remaining vigilant to spot gender bias within our job profiles and removing it
- **Continue our commitment to diversity and inclusion**
 - by supporting our managers understand and respond to the benefits of diversity. Developing training on equality, diversity and inclusion for all line managers as well as helping all be aware of and respond to unconscious bias.
- **Support our employees and leaders with children**
 - by working towards becoming a Working Families employer, sponsoring an Alumni each year on the Leaders Plus Fellowship programme, and by reviewing our maternity pay provision

This report has been prepared in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and was approved by the Salvation Army Territorial Operations Board in September 2021.

I, Lieut-Colonel Beverley McCombe, Secretary for Personnel, confirm the information in this statement is accurate.

Signed



Date 23 September 2021