

## HIE's Gender pay gap report, October 2021

The gender pay gap is the difference between men's and women's average earnings across the organisation or the labour market. It is expressed as a percentage of men's earnings. In 2019 the gender pay gap in Scotland was 13% (Close the Gap).

HIE's most recent gender pay gap report was based on data as at 31<sup>st</sup> March 2021, showing a mean gender pay gap of 15.86% across the workforce. HIE's Chief Executive has traditionally been excluded from the gender pay review as the salary is not determined by HIE and is not included in this figure. However, when calculating HIE's gender pay gap including the CEO the mean gender pay gap reduces to 14.93%

	Dec 2009	April 2010	Nov 2012	Aug 2014	Aug 2016	Aug 2018	March 2021
Pay Gap	22.54%	21.61%	18.25%	15.94%	14.25%	14.35%	15.86%

It is important to look at both the gender pay gap at an organisational level and also by grade. At grade level our pay gaps have improved as all gaps are now less than 5% differences. In some grades (E and Director) women now earn above 3% more than men.

Grade	Pay Gap	
B	2.02%	Men earn up to 3% more than women
C	N/A	At time of reporting all Grade C employees were women
D	1.03%	Women earn up to 3% more than men
E	3.39%	Women earn above 3% more than men
F	0.03%	Women earn up to 3% more than men
Executive 1	2.63%	Men earn up to 3% more than women
Executive 2	1.18%	Men earn up to 3% more than women
Director	3.39%	Women earn above 3% more than men

HIE have a progression-based pay model which allows employees to move to the top of their salary grade over a defined period. This means that employees who have been in their grade longer will be paid nearer the top of their salary band, and employees new to their grade or with a short time in their grade will be paid nearer the bottom of their grade.

Guidance from the Equality and Human Rights Commission recommends exploring any differences in pay of 5% or over at grade level between men and women.

In 2018 we highlighted a gender pay gap of over 3% (3.18% in 2018, and over 5% in 2016) in the Executive 2 grade whereby men earned on average more than 3% more than women. In 2021 the gap has continued to reduce to 1.18%. These figures reflect the appointment of female employees at the lower end of the grade while most male employees are closer to the grade maximum. We expect this figure to continue to decrease as women increase through the salary scale points.

At the Executive 1 grade the gap reflects the appointment of female employees at the lower end of the grade while most male employees are closer to the grade maximum. We expect this figure to decrease as women increase through the salary scale points.

At Grade B all male employees are at the grade maximum whereas a small number of female employees are at the grade minimum which increases the gap. These females have recently been promoted from Grade A (modern apprentice rate). This gap is expected to reduce in the same way as Executive 1 and 2 grades.

At the time of reporting all Grade C employees were female. We are going to undertake further research to understand the impact of this on the overall organisational pay gap and consider any actions which may improve the gaps at the lower end of our grading structure. We continue to have low numbers of male employees at Grades B and C and will review whether there are any processes or procedures in place that unconsciously bias the recruitment of females to the lower grades.

This year we have moved our reporting to March in line with other year end organisational reporting (previously August biannually). However, to monitor our pay gap more closely and consider any actions required we are going to report the figures to our leadership team on a 6-monthly basis. The next report will be undertaken with data as of 30<sup>th</sup> September 2021.