



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Highlands and Islands Enterprise
Equality Mainstreaming April 2013

Equality Mainstreaming Report

The purpose of this, our first equality mainstreaming report, is to outline how we ensure that delivering our day to day activity helps eliminate discrimination, advance equality and foster good relations between groups of people in relation to personal characteristics such as age, gender or race.

It is published on HIE's website, alongside our Operating Plan. We will look further at integrating this into our corporate reporting in future years and we will publish further progress on mainstreaming by 30 April 2015.

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1. Our vision, aims and aspirations

We want the Highlands and Islands to be a highly successful and competitive region in which increasing numbers of people choose to live, work, study and invest. Our ambition is to be :-

- an international centre for marine renewables
- a digital region
- home to more growth businesses operating in international markets
- recognised internationally for digital healthcare and marine science expertise
- characterised by dynamic, sustainable communities, and
- an attractive region for young people

Our organisation-wide priorities provide a focus for our activities through :-

- supporting businesses and social enterprises to share and realise their growth aspirations
- strengthening communities and fragile areas
- developing growth sectors, particularly distinctive regional opportunities
- creating the conditions for a competitive and low carbon region

We do this within an economic context which suggests that the Highlands and Islands has experienced lower unemployment rates than those of the UK and Scotland and has higher levels of economic activity, business start-up and self-employment rates than Scotland as a whole. However we are also aware that youth unemployment has risen more rapidly than other age groups since the start of the global downturn. Female unemployment almost doubled between April 2008 and April 2012 as a direct result of a disproportionate dependence on public sector employment.

Against this backdrop there are distinctive opportunities for the Highlands and Islands to capitalise on areas where we have comparative advantage, such as attracting higher-value employment opportunities in sectors such as renewable energy and life sciences and developing a culture of entrepreneurship and leadership in our businesses and social enterprises.

Maximising the talents inherent in our communities

Increasing the reach and effectiveness of our activities to achieve greater strategic impact also maximises opportunities which realise social, economic and community benefit for specific groups of people. Aligning HIE's equality outcomes e.g. those on young people and women, to our strategic priorities brings a sharper focus to the impact of our activities on the people of the Highlands and Islands.

Tools such as equality impact assessment help us identify ways to overcome barriers people may experience for example in finding or retaining well-paid employment and help us identify ways to maximise our effectiveness which might otherwise be missed.

Eliminating disadvantage, encouraging fairness and promoting positive attitudes and interaction between groups of people in our workforce and our communities helps ensure that our activities reach a diverse range of people who can benefit from what we do - younger and older people, men and women and people of different abilities, races and religious or personal identities.

2. Legislative overview

There are specific legal requirements in relation to how HIE approaches this and how we demonstrate progress in achieving equality.

The Equality Act 2010 places on HIE a requirement (the General Duty) to consider the need to :-

- **eliminate unlawful discrimination, harassment and victimisation** and other conduct prohibited by the Act
- **advance equality of opportunity** between people who share protected characteristics and others who don't. We can do this by :-
 - removing or minimising disadvantage
 - meeting needs which are particular to some groups of people
 - encouraging participation of under-represented groups
- **foster good relations** between people who share protected characteristics and others who don't. We can do this by :-
 - tackling prejudice
 - promoting understanding

The aim of the General Duty is to integrate equality into HIE's day to day activities. It applies across all of HIE's functions, including our employment function and functions carried out by others on our behalf. The Act applies in relation to the "protected characteristics" of age, disability, gender reassignment, marriage and civil partnership (discrimination duty only), pregnancy and maternity, race, religion or belief, sex and sexual orientation.

In addition to the General Duty, the Scottish Government has defined Specific Duties which set out how we must demonstrate progress in achieving the General Duty. One of the Specific Duties requires HIE to report on progress we have made in integrating the General Duty into the exercise of HIE's functions. This mainstreaming report sets out how we comply with this Specific Duty.

HIE's role in delivering the General Duty

As an economic and community development agency HIE primarily provides advice and assistance to businesses, social enterprises and communities and seeks to influence growth sectors at national level. Although we deliver some projects and programmes ourselves, our primary role is not as a direct service provider. Consequently, while ensuring that our own programmes don't discriminate, directly or inadvertently, we can play a greater part in delivering the General Duty by advancing equality, either through our own programmes or through our influencing role and our work with partners. Our equality outcomes demonstrate in particular the role we have in removing disadvantage and encouraging the employment of under-represented groups in Scotland's growth sectors.

This approach relies on HIE having a well-informed workforce which understands how we can do this in a way which supports our relationship with the businesses and communities of the Highlands and Islands. HIE also seeks to act as an exemplar employer, demonstrating the business benefits of an inclusive employment culture and building on a strong tradition of going beyond legislative minimum in our application of the equality duties.

We also recognise that some people face discrimination and victimisation in the workplaces and communities of the Highlands and Islands which impacts negatively not just on individuals but on the effectiveness of our workplaces and the resilience of our communities. We are working with partner agencies in Highland to develop a clearer understanding of the occurrence of hate crimes and incidents. This aims to help eliminate discrimination, improving the lived experiences of people in relation to the full range of protected characteristics and minimising the negative impact such incidents have on our communities.

3. HIE's equality outcomes

Our equality outcomes are set out in full on the HIE website and summarised below:-

- Equality outcome 1 : an increasing number of young people aged 16-24 move into suitable employment in the Highlands and Islands as a result of HIE's influence and involvement
- Equality outcome 2 : there is an increasing number of women in leadership roles in the Highlands and Islands
- Equality outcome 3 : as an employer HIE promotes inclusive working practices which recognise the diverse ways that working in dispersed locations affect employees, particularly in relation to the protected characteristics.
- Equality outcome 4 : Partner outcome within Highland
 - the population of Highland have an increased understanding of hate incidents and of their impact on individuals and communities.
 - people feel more confident in reporting hate incidents that they have experienced or witnessed
 - people who report hate incidents feel satisfied with the response received from public agencies
 - individuals within protected groups feel safe and secure within their local community

Many of the activities we have identified to help us achieve our outcomes focus on baselining information and identifying data gaps. For example monitoring HIE's programme participants by the protected characteristics and gathering feedback will increase our understanding of how we can improve programme delivery. Benchmarking the leadership characteristics of our account managed businesses and social enterprises will help us meet the needs of business leaders and emerging leaders. We also consider how our outcomes can support rural, resilient communities, informing us about the differing needs of people across the Highlands and Islands.

Developing and improving tools such as equality impact assessment and guidance for our account managers and for businesses and identifying ways to advance equality through procurement will increase our influence across the growth sectors.

Developing and promoting positive role models and case studies will encourage under-represented groups to participate and have a voice in their community. Partnership activity in surveying community attitudes and increasing capacity to report hate incidents will help build more welcoming and tolerant communities.

4. Mainstreaming equality across HIE

During 2012 HIE defined a set of principles which underlie our approach to equality, incorporated in "[Equality, Diversity and HIE : a Framework for Action](#)". This has been endorsed by HIE's Leadership Team and HIE Board, providing clear direction for the subsequent development of our equality outcomes and associated action plan. It confirms HIE's commitment to considering equality as a routine part of our structures, behaviours and culture.

"Such leadership provides the vision, commitment and motivation which sanctions day to day delivery of HIE's functions in a way which integrates equality and diversity in our work."

Successful mainstreaming depends on each employee understanding the inter-relationship between HIE's strategic functions and advancing equality. We have delivered a range of internal workshops and a case conference with the aim of increasing employee understanding and capacity:-

- In March 2013 our business improvement team facilitated an equality case conference, a mechanism for encouraging a culture of knowledge sharing and collaboration. This highlighted four key areas in which we can improve our organisational understanding and performance in relation to equality: identifying our strategic opportunity for impact; mainstreaming delivery; clarifying roles; and base-lining information and identifying data gaps. By taking these forward we will further ensure that our equality outcomes around young people and women are increasingly aligned with HIE's strategic priorities and in doing so ensure that opportunities are maximised, both internally and with partners, to realise economic, social and community benefit.
- In 2012 a pilot road-show for HIE employees was delivered to HIE's area team in Argyll and to our Planning and Partnership team, setting out the economic and business case for equality as well as the legislative context. Road-shows will continue to be delivered for all of HIE's teams during 2013 to build HIE's capacity in understanding and contributing to the achievement of our equality outcomes and associated action plan.
- a workshop was delivered for our Human Resources team, enabling us to review our employment function in relation to the Equality and Human Rights Commission guidance on the new employment duty. A similar workshop will be delivered for HIE's procurement team, to ensure that we maximise opportunities to utilise procurement in advancing equality.
- a workshop for all employees on equality impact assessment is planned for delivery from 2013.

A significant tool for HIE in mainstreaming equality is impact assessment. Equality impact assessment has been integrated into our account management function, which represents the main interface between HIE and the business and social enterprise community. A "talking heads" video has been developed which explains how equality impact assessment, by taking into account the differing needs of a range of people, can increase the reach and effectiveness of our projects. Account managers routinely include the conclusions of impact assessment in project papers which are submitted to

our Leadership Team for approval. This ensures that the equality impact of our projects is brought to the attention of the financial decision-makers.

HIE's employment Equality and Diversity Policy complements our strategic framework, setting out our approach to eliminating discrimination in employment and valuing the diversity of our employees. Our approach to equality and diversity both as an employer and in the delivery of our functions features in HIE's induction programme. A workshop for all employees on equality and diversity, including our responsibilities in relation to the Public Sector Equality Duties, is planned for delivery from 2013.

All of these activities aim to equip our staff to recognise and maximise opportunities which will help us deliver the General Duty as an integral part of achieving our strategic objectives. Areas of good practice already exist within HIE and some of these are highlighted as case studies in this report.

5. Gathering and using evidence

Accessing data disaggregated by equality characteristics, particularly for geographical areas with small populations as we have in the Highlands and Islands, is challenging. For example even census data is at times not disaggregated by race at local authority level as this could inadvertently identify individual families. Information disaggregated by characteristics which have more recently been covered by equality legislation, such as sexual orientation, religion or belief and gender re-assignment, is rare.

We have traditionally used a range of information to inform our activities, from statistical data such as unemployment or economic activity rates, to surveys or commissioned research. In addition we have used published research such as "Equality issues in Scotland: a review of research"¹ which provided an overview of population trends, employment and earnings in Scotland across equality groups. We supplemented this in 2010 when HIE and Scottish Enterprise (SE) commissioned research² to identify equality issues facing growth sectors in Scotland. This summarised available data by HIE and SE areas, particularly in relation to gender and age, enabling us to understand a more local picture, including the extent of under-representation of women at leadership levels in growth sectors. It demonstrated the significant data gaps which exist across other protected characteristics.

In recent years HIE has started to gather equality monitoring data to help us understand participation rates of those accessing programmes which we deliver. For example monitoring of our leadership and entrepreneurship programmes confirms that women represent a smaller proportion of programme participants than men. Our equality outcome to increase the number of women in leadership roles in the HIE area proposes actions which will increase our understanding of how to meet the needs of both male and female programme participants, as well as gathering data on other protected characteristics.

This demonstrates the value of gathering and using equality monitoring information to improve the deliver of our functions. We also wish to explore ways of increasing our use

¹ <http://www.hie.co.uk/about-hie/policies-and-publications/equality-and-diversity.html>

² <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/equality-and-diversity.html>

of feedback from programme participants about their experiences which will provide additional, qualitative information to help us improve the programmes.

Using equality monitoring data: Graduate Placement Programme

HIE's Graduate Placement Programme gives recent graduates the opportunity to work with established businesses and social enterprises, leading on dynamic projects and gaining experience to progress their future careers.

In 2012 we introduced equality monitoring for a sample of applicants to understand whether the programme is widely accessible and offers businesses the best range of candidates. Applicants were monitored by age, gender, disability and race. This indicated that, for this sample population :-

- a greater proportion of women than men were appointed
- the vast majority of monitored applicants were in the age range 16 to 34, which is consistent with the graduate population likely to be eligible for the programme
- disabled applicants were shortlisted and interviewed, with the proportion unsuccessful at each stage proportionate to the number of disabled applicants overall. However no disabled applicants were appointed.
- white applicants were significantly more likely to be shortlisted than BME (black minority ethnic) applicants and all offers within the sample group were made to white candidates. BME applicants were more likely to submit ineligible applications - international applicants had to fulfil UK Government eligibility criteria, which changed significantly during the programme

Analysis of monitoring data enabled those delivering the programme to consider actions to ensure that :-

- a) businesses were supported to understand and fulfil Visa requirements for international applicants where appropriate; and
- b) businesses were provided with advice on the business benefits of inclusive recruitment

Advice on inclusive recruitment made available to businesses can be found at :-

<http://www.talentscotland.com/employers/employer-resources/advice-for-employers/Diversity-in-recruitment.aspx>.

Incorporating equality monitoring and equality-related questions in research and surveys has increased the scope of equality information available to us.

For example our research on youth migration³, which has helped inform our equality outcome around addressing under-representation of young people in employment, provided insights into the views of young disabled people, young people who are gay or who come from an ethnic minority background. We are able to consider how these underlying factors can contribute to young people's decisions to remain in or move from the area, supported by evidence from equality-representative groups such as Stonewall,

³ <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/youth-migration.html>

whose research⁴ indicates that workplace culture can be a contributing factor towards young LGBT people leaving rural areas.

As an employer we have traditionally gathered a much richer evidence base across all protected characteristics. We have asked HIE employees to provide equality monitoring data for age, gender, race, disability, religion or belief and sexual orientation since 2007, enabling us to monitor trends in disclosure rates and HIE's demographic profile over time. We have also included equality monitoring in our staff survey since 2008, enabling us to understand staff's views of HIE employment.

Using equality monitoring data: addressing the gender pay gap

HIE has carried out equal pay reviews since 2003 and throughout this time HIE's demographic data has shown a pattern of occupational segregation, the unequal representation of men and women across HIE's grades. Around two thirds of HIE staff are women and there is a greater proportion of women in lower and middle grades. This is consistent with patterns of occupational segregation across the public sector in Scotland.

The pay reviews indicate that this pattern of occupational segregation underlies a gender pay gap - the average pay for women is lower than the average pay for men, who tend to be employed in higher grades. HIE worked with Close the Gap in 2010 to explore reasons underlying the gender pay gap.

Conducting pay reviews, based on monitoring data, has shown that HIE's gender pay gap has reduced year on year. Findings from the 2012 review indicate that the overall pay gap has reduced further. The balance of men and women by grade has changed significantly since the previous review in 2010; in particular there are now more women than men at Leadership Team Director grade, and the under-representation of men at lower grades has reduced.

This demonstrates that HIE is able to offer increasingly equitable pay for women and that the gender pay gap is not due to discrimination in HIE's pay and grading structure. We continue to seek measures to encourage more representation by women at higher grades, particularly those just below Director Grade, and in promotion opportunities through flexible working practices and promoting the benefits of equality. In doing so we aim to continue to reduce the gender pay gap in HIE.

Further information on HIE's gender pay gap is included at Section 8 of this report

6. Involving people who share protected characteristics

HIE is aware of the challenges, both for public bodies and for equality groups, of involving relevant people in developing responsive policies and programmes which meet the needs of the diverse range of people who make up the workforce and communities of the Highlands and Islands.

⁴ http://www.stonewallscotland.org.uk/documents/city_lights__final.pdf

We have drawn in the past on partnership consultation and involvement activity. For example equality groups who attended partnership consultation events in three locations in Highland in 2010 highlighted the importance of the availability and accessibility of transport, particularly in rural communities, for access to employment opportunities and services. People also looked for zero-tolerance of discrimination and hate crime and wanted everyone, regardless of protected characteristics, to have a voice and influence in their communities.

Involving disabled people – establishing EDEN the Employee Disability Equality Network

Since 2010 HIE has worked in partnership with other public sector agencies to consider the need for and subsequently establish a partnership employee disability equality network. The views of employees who have an interest in disability in the workplace were gathered at an information-sharing event in 2010. They confirmed that they would value an employee network, which was subsequently launched in April 2011. The network is run by and for disabled employees, and the first major activity of the steering group was to issue a survey across to all employees of the participating agencies to establish priorities for the network.

Support for the steering group has been provided by partner agencies, including HIE, to build their capacity in taking the network forward. It is anticipated that, while support will always be available, the network will become self-supporting over time. The network is a valuable resource for partners in understanding the views and experiences of disabled people in the workplace.

Our work in developing the disability partnership network, and a new initiative to develop a similar network for LGBT staff, aims to support employees and advance equality for employees who may face disadvantage at work due to protected characteristics. In turn this enables partner agencies to develop inclusive policies informed by employee experiences.

Information about both networks is available on the [Highlandlife website](#)

HIE has also engaged with equality groups on specific topics, such as involving disabled people in a review of our recruitment process in 2009 to ensure that it meets the needs of disabled applicants, who are under-represented in HIE's workforce. The Close the Gap project assisted us in 2010 to conduct employee workshops for both men and women, exploring reasons underlying the pattern of occupational segregation in HIE outlined in the case study above.

Although this engagement has been valuable in each case, we have to date lacked a permanent forum for consultation and involvement on topics of particular relevance to HIE's strategic priorities. Consequently, in developing our equality outcomes, we established an Equality Advisory Panel, comprising members of a range of equality-interest groups. This includes Close the Gap, CEMVO, Stonewall, Capability Scotland and a Project Worker representing the interests of EU migrants, as well as the

Federation of Small Business and Highlands and Islands Social Enterprise Zone, who represent the perspectives of the business and social enterprise sectors. Although in its infancy, the panel has already been valuable in expressing the perspectives of a range of people as well as the placing this in the context of the business environment within which HIE works.

Our preferred format for the advisory panel has focussed on face to face discussion of HIE's proposed equality outcome themes and on the subsequent development of these into specific outcomes. This had the advantage of highlighting issues around intersectionality i.e. considering people's experiences from the point of view of multiple characteristics e.g. young women, who are suitably qualified for but under-represented in employment in the energy sector compared to young men. We will continue to develop the panel and relationships with individual bodies in the implementation of our equality outcomes. We will also widen the scope of the panel to include faith and youth representation as well as ensuring that we also include the views of representatives who have a rural perspective.

7. HIE employee information

HIE employees have been asked since 2007 to disclose personal data on age, disability, gender, gender re-assignment, race, religion or belief and sexual orientation, the characteristics protected by equality legislation. In 2012 HIE introduced self-service arrangements for gathering employee data whereby employees now update their own details online. It is hoped that enabling employees to change data personally, without the need to complete a form, will lead to more accurate, richer data being gathered. At that time HIE took the opportunity to review the response options to reflect those of the Census 2011 (e.g. race now includes Polish as an option) and to include requesting detail about types of disability.

Analysis was carried out of HIE's workforce composition in March 2013 and the breakdown by equality characteristics is attached at Appendix 1. This also provides comment on what gathering employee information tells us.

Staff survey data provided evidence which led to the development of our employment equality outcome, set out in section 3 of this report. This will enable us to ensure that our employment and working practices recognise the diversity of HIE employees and that we advance equality of opportunity by addressing factors related to work location. Analysis has shown that work location impacts more significantly on some groups of employees than other, as identified by protected characteristics such as gender and age.

We have also used employee data in a range of ways, from carrying out equal pay reviews to exploring the factors underlying a pattern of occupational segregation. We did so by involving employees in workshops which identified three areas for consideration: recruitment and selection processes, performance management and development and culture and policy. Our progress in reducing the gender pay gap in HIE suggests that we have achieved some success in this.

However, we are not complacent about our progress. We recognise that there are gaps in our data. For example we are not yet able to interrogate recruitment data as well as we would like. We also recognise that we can make more use of the information we hold.

Consequently we welcome the opportunity to review our employee data for 2013 and we will carry out a further analysis of HIE’s workforce composition in 2014. This will be reported in our mainstreaming report in 2015.

8. Occupational segregation and equal pay

Occupational segregation

Occupational segregation data was analysed in November 2012, the date when employee information was extracted to carry out HIE’s equal pay review 2012.

Vertical occupational segregation describes the clustering of men and women at different levels across HIE, using grade categories. There are proportionately more women than men in HIE’s lower and middle grades, with 87% of women and 67% of men in grades Cleaner to grade E (Figure 1). Vertical occupational segregation has been identified as a significant factor in pay differences between men and women within HIE since 2003 and it continues to be the underlying cause of the gender pay gap in HIE in 2012.

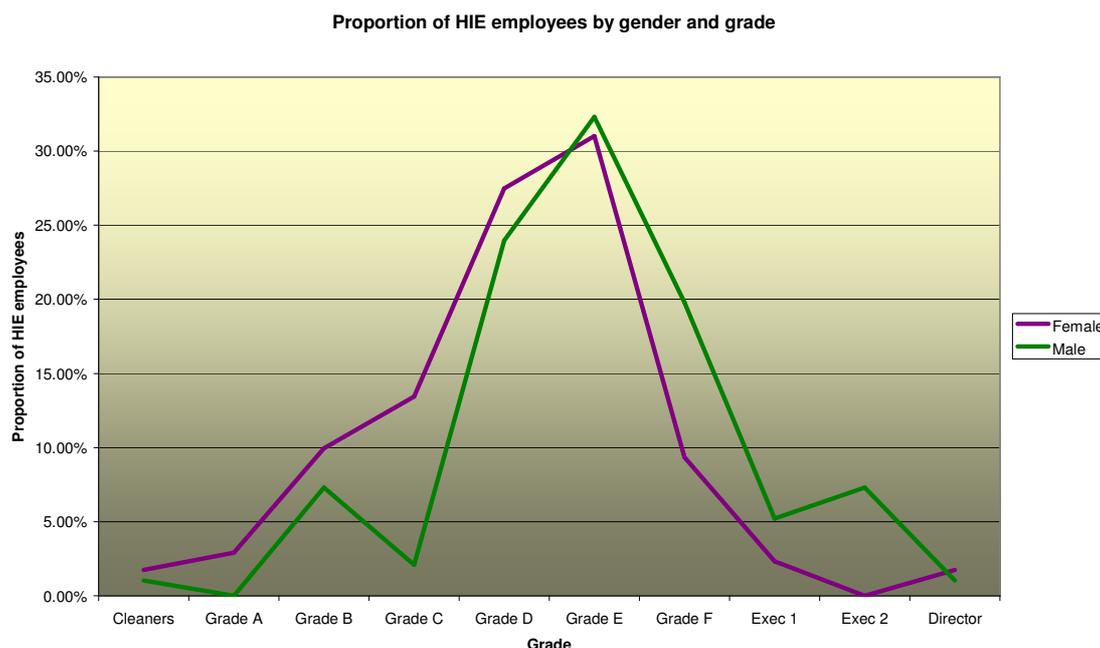


Figure 1 : Vertical occupational segregation

Analysis of horizontal segregation, the clustering of men and women in different types of job role, was carried out across HIE’s functions for the first time using November 2012 data (Figure 2). To avoid identifying individual employees numbers smaller than 10 are represented by *, although the number of employees at Executive 2 and Director grades are included as this information is already made public on HIE’s website.

Analysis indicates that men and women are represented in broadly similar proportions to the gender split in the workforce, where 64% of employees are female in our Area Office function, in Business and Sector Development and in Regional development. The proportion of women is greater in professional support services such as business improvement and human resources, although numbers in these teams are small so this may also be a factor of small sample size. In our Strengthening Communities function the proportion of women is greater than the overall organisational gender split. The proportion of men in the Finance and Corporate Services function is greater than HIE's overall gender split, resulting in broadly similar numbers of men and women in this function (Figure 2).

Grade	Area Office		Business & Sector Development		Business Improvement & Internal Audit		Chief Executive		External Secondment		Finance & Corporate Services		Human Resources		Regional Development		Strengthening Communities		Total		Grand Total
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Cleaners	*	*																	*	*	*
Grade A	*										*				*				*		*
Grade B	*	*	*	*							*	*			*		*		17	*	24
Grade C	*		*					*			*	*	*		*				23	*	25
Grade D	23	15	*	*	*	*					*	*	*	*	*	*	*	*	47	23	70
Grade E	23	14	*	*	*	*				*	*	*	*	*	*	*	*	*	53	31	84
Grade F	*	*	*	*	*	*					*	*	*	*	*	*	*	*	16	19	35
Exec 1			*	*	*	*						*	*		*	*			*	*	*
Exec 2		6													*	*			*	*	*
Director			1								1				1		1		3	1	4
Grand Total	70	41	30	16	*	*	*			*	18	16	*	*	27	15	14	*	171	96	267

Figure 2 : Horizontal occupational segregation

Equal pay - gender pay gap

Calculating average pay for all men and all women (including both fulltime and part time employees) across HIE in 2012 shows that women earn on average (using the mean calculation) 18.25% less than men. This is HIE's gender pay gap and it has narrowed from 21.61% in 2010, continuing the trend of previous reviews. This compares men's and women's average salaries across all grades and can be accounted for by the pattern of vertical occupational segregation identified above. Since 2007 there has been a reduction of 8.25% in HIE's gender pay gap (Figure 3). Pay gap data does not include HIE's Chief Executive, whose pay is determined by the Scottish Government.

When comparing only full time women's average salaries against full time men, HIE's gender pay gap in 2012 is also 18.25%. This has reduced from 21.81% in 2010 and from 23.9% in 2007. Comparing part time women's average salary with full time men's average salary the pay gap is higher at 24.95%, yet a significant reduction from 33.36% in 2007. The higher part time pay gap reflects the fact that the majority of part time work is found at lower to middle grades.

Empl. category	Average	2007	Feb 2009	Dec 2009	Apr 2010	Nov 2012	Comment 2012
a) Full time (FT women / FT men)	Mean	23.9%	24.82%	21.86%	21.81%	18.25%	The mean full time pay gap continues to reduce, reflecting a decrease in occupational segregation
	Median					23.33%	
b) Part time (PT women / PT men)	Mean	n/a	n/a	n/a	n/a	n/a	Small numbers of part time men prevent use of part time male employee salary as a comparator
	Median					n/a	
c) Part time (PT women / FT men)	Mean	33.36 %	30.74%	26.58%	24.41%	24.95%	The mean part time pay gap has remained at a similar level to that of 2010
	Median					23.33%	
d) All (FT & PT women and FT & PT men)	Mean	26.5%	26.02%	22.54%	21.61%	18.25%	The overall mean pay gap has reduced, reflecting a significant increase in women at senior roles
	Median					23.33%	

Figure 3 : Gender pay gap data 2007-2012

In 2012 HIE also calculated the median gender pay gap as this means of calculation is often used nationally and it increases our ability to compare HIE's pay gap with national data.

Calculating the average - mean and median

The mean calculates the average by adding all salary values and dividing them by the number of employees. A few outlying low or high values will not have a significant effect on the average.

The median calculates the average by pinpointing the value which is exactly half way between the highest and lowest values. An outlying low or high value can have a significant effect on the average.

Work of equal value

When comparing work of equal value (i.e. men and women doing similar work in the same grade) the Equality and Human Rights Commission (EHRC) recommends exploring any differences in pay at grade level between men and women of 5% or over. It also recommends monitoring any differences of 3-5%. In the 2012 review there are four HIE grades in which there is a pay gap of 5% or more. In one of these, grade B, women earn on average more than men. Although small in number, the proportion of men has increased significantly in Grade B since 2010 and HIE's practice of appointment at the lower end of the grade results in a reduction since 2010 in average male salary in that grade. This has the effect of increasing the pay gap for men at this grade, with women earning on average more than men.

In three other, higher grades - grades F, Executive 1 and Director - men earn on average more than women. There has been significant demographic change in senior grades

since the 2010 equal pay review. The proportion of women at both Grades F and Executive 1 has increased slightly and appointment at the lower end of the grade has reduced the average female salary in these grades. Three of four Director roles are now held by women, compared to none in 2010. Appointment at the lower end of the grade is reflected in a significant gender pay gap at Director Grade and promotion from the Executive Grades has resulted in no women now on Grade Executive 2.

In the most populated grades C, D and E, there is either no gender pay gap or a gap of less than 3%. Longer average service by women in lower grades suggests that they are more likely to rise to the top of the grade, but not as likely to progress to higher grades.

Equal Pay summary

Consequently, although the increase in female representation at higher grades, where women are traditionally under-represented, is a positive outcome, supported by a reduction in occupational segregation and in the overall gender pay gap, it has the effect of temporarily increasing gender pay differences in certain grades. This is also affected by the small employee numbers at these grades, whereby changes in the salaries of a few men or women can have a significant impact on average pay and consequently the gender pay gap.

Therefore, although the gender pay gap has increased for some individual grades, HIE's gender pay gap continues to reduce.

9. Moving forward

We have identified and will continue to develop appropriate measures so that we know that we are making progress and demonstrate how we are delivering the General Equality Duty as an integral part of our functions. .

In line with the recommendations of the case conference in March 2013 we will ensure that opportunities are maximised, both internally and with partners, to realise economic, social and community benefit for groups of people, by reviewing four key areas :

- identifying our strategic opportunity for impact
- mainstreaming delivery
- clarifying roles
- base-lining information and identifying data gaps.

We will continue to improve our evidence base, including activity such as mapping the leadership characteristics of our account managed businesses and social enterprises, and review and improve our equality impact assessment process so that we make better use of information arising from the assessments.

We also wish to continue to build on relationships with equality groups through our Equality Advisory Panel, whose members are able to provide us with the national and local perspectives of the people whose views they represent.

A further report on progress will be published by 30 April 2015.

Equal Pay Statement and Policy

Highlands and Islands Enterprise (HIE) Equal Pay Statement – April 2013

Highlands and Islands Enterprise (HIE) is committed to ensuring that the principals of equal pay for all employees are fairly and consistently applied. Our equal pay statement in 2013 relates to gender and subsequent statements will also cover disability and race.

For further information on HIE's gender pay gap 2012 and occupational segregation please refer to HIE's Equality Mainstreaming April 2013 report.

Equal Pay Policy

HIE's equal pay review 2012 suggests that pay differences between men and women relate to a pattern of occupational segregation whereby there are proportionately more women than men in HIE's lower and middle grades. Comparison of pay within grades indicates that HIE's pay and grading structure is applied equitably to both men and women. HIE's equal pay policy therefore focuses on addressing occupational segregation.

We aim to do so by:

- Carrying out an equal pay review every two years to identify all differences in pay between men and women. From 2015, HIE will also extend the review to cover disability and race
- Developing and implementing an action plan to address any issues identified in the equal pay review, including actions required to meet our obligations in relation to the Public Sector Equality Duty
- Working with the recognised trade unions, HIE's leadership team and HIE's Equalities Manager, to support good employee relations in relation to pay and to review and monitor the equal pay action plan
- Consulting with and informing employees on pay issues so that they understand how their pay is determined
- Responding to grievances on pay promptly and effectively
- Monitoring and publishing statistical evidence of the impact of the pay and grading structure on employment matters
- Reviewing and developing associated systems, such as job evaluation and performance management, to ensure that they continue to support the pay and grading structure
- Providing commitment by HIE's senior managers that equal pay is a priority
- Conducting impact assessments for employment policies

Policy Owner:	HR	Last reviewed:	April 2013
Review in:	2 years		



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Diversity and Inclusion

Monitoring 2013

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1 Introduction

The information presented in this report, is gathered by the Human Resources team at Highlands and Islands Enterprise (HIE) throughout the course of the year. The information gathered is used to advance equality and eliminate discrimination, and assists HIE in the formulation of any new or the revision of older policies.

Further information is available by referring to the Employment section of the Mainstreaming Equalities report – sections 7 and 8.

2 Representation at a glance

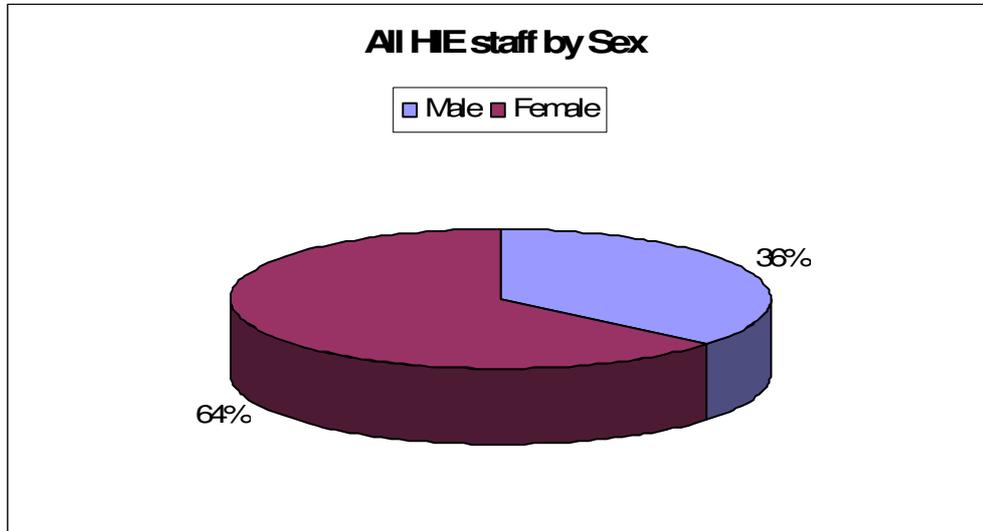
The charts on the following pages provide a visual depiction of Highlands and Islands Enterprise (HIE) as at 31st March 2013 broken down by protected characteristics in relation to HIE's Public Sector Equality Duty in terms of the Equality Act 2010.

The charts include:

Chart 1:	All HIE staff by sex
Chart 2:	All HIE staff by age banding
Chart 3:	All HIE staff by age banding and sex
Chart 4:	All HIE staff by disability
Chart 5:	All HIE staff by race and ethnic origin
Chart 6:	All HIE staff by sexual orientation
Chart 7:	All HIE staff by religion or belief
Chart 8:	All HIE staff by work pattern (full or part time)
Chart 9:	All HIE staff by grade and work pattern (full or part time)
Chart 10:	All HIE staff promoted during the year
Charts 11 and 12:	All HIE staff leavers during the year
Charts 13 and 14:	All HIE new starters during the year

Chart 1: All HIE staff by sex

As at 31st March 2013, HIE directly employed 272 staff. Chart 1, shows the number of staff split between male (98) and female (174).



Trend from previous years - The proportion of men and women has remained broadly similar to that of recent years, with a slight increase in the proportion of female employees since 2009 when women represented 62% of staff.

Chart 2: All HIE staff by age banding

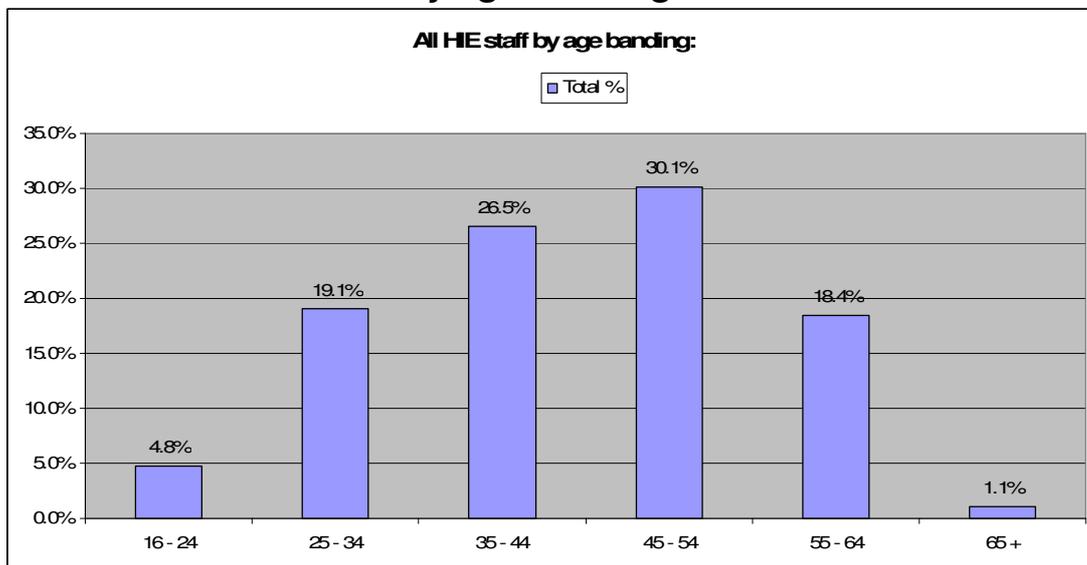


Chart 3: All HIE staff by age banding and sex

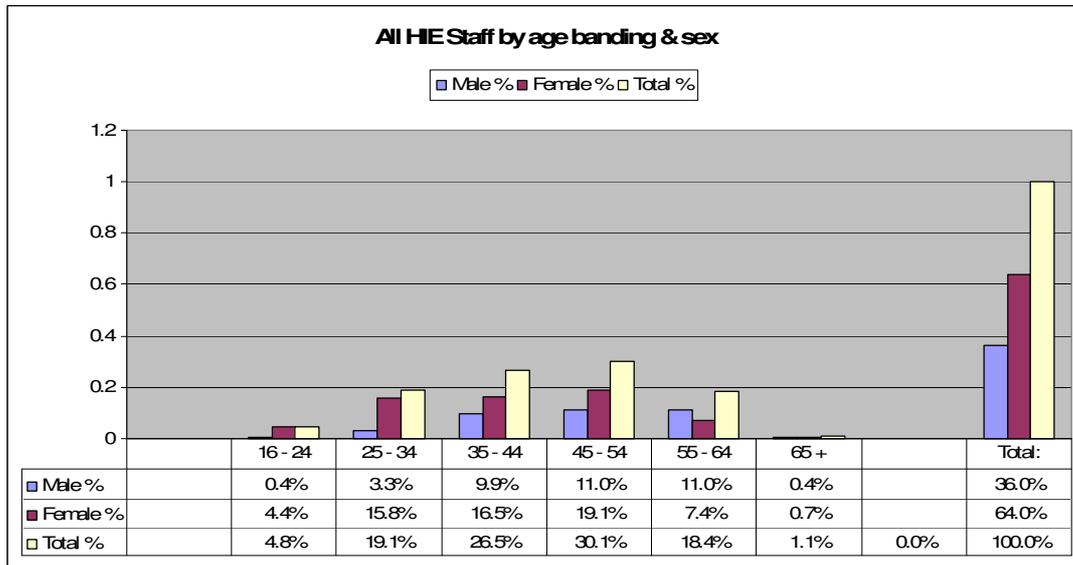
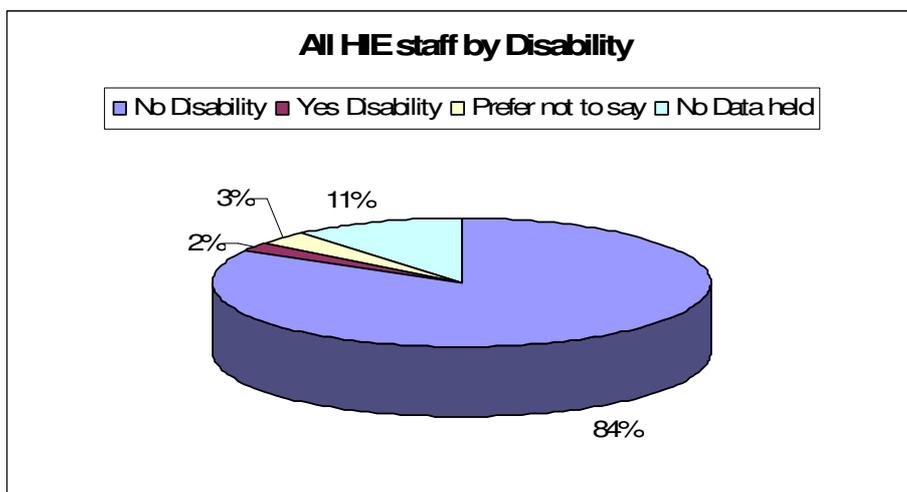


Chart 3 above shows All HIE staff by age banding and further split by sex. The data indicates that there are proportionately fewer men in the younger age range and proportionately fewer women in the older age range. There has been an increase since 2009 in the number of percentage of staff in the 16-24 age range, from 2.59% to 4.8%. This can be attributed to HIE’s action to support youth unemployment and the appointment of Modern Apprentices and graduates placements.

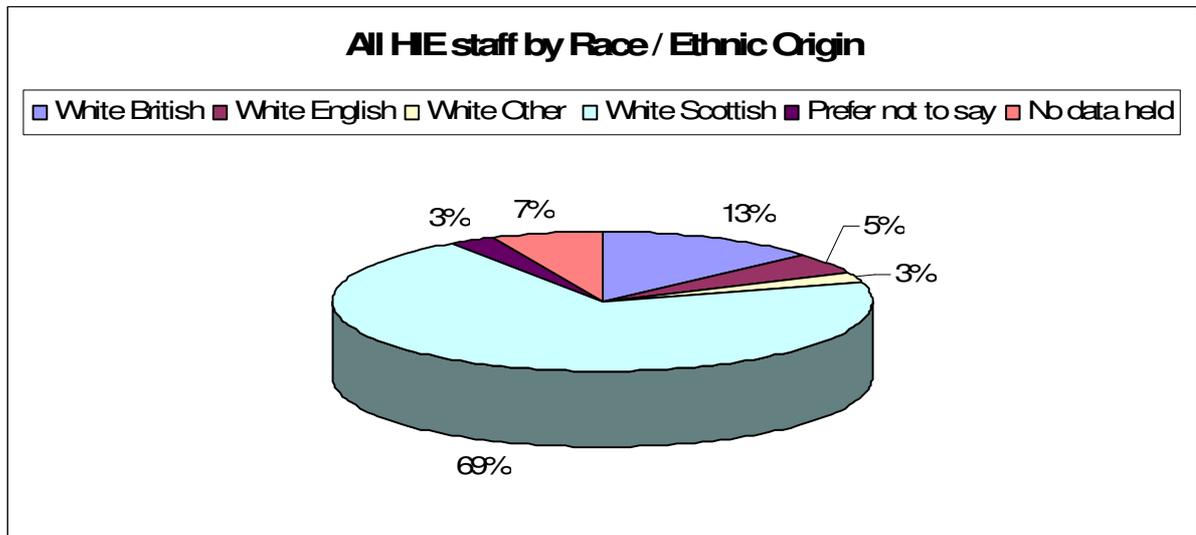
The average age of HIE staff has risen slightly in recent years from 42 in 2006 to 43 in 2009. As at 31st March, the average age of HIE staff is 44 years with an average age of 41 years for female staff and 48 years for male staff.

Chart 4: All HIE staff by disability



It is estimated that about 15% of the working age population has a disability⁵. It is also recognised that self reporting of disability at work is much lower resulting in under-reporting of actual levels of disability in the workforce. From chart 4 above, HIE employee disclosure rate is around 2%, consistent with previous years when between 1% and 2% of HIE employees have self disclosed a disability since 2006.

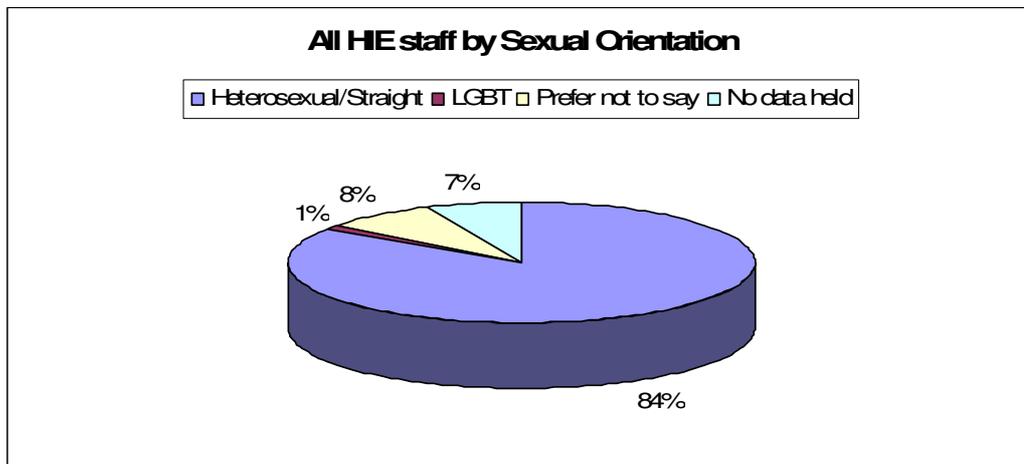
Chart 5: All HIE staff by race and ethnic origin



The majority of HIE employees are White Scottish with a significant proportion also of White British employees. HIE has no black minority ethnic employees, which is not inconsistent with census data which shows that 0.8% of the population in 2001 was non-white. There has been an increase in recent years in the proportion of White non-British candidates applying for HIE vacancies, and in appointments. This is consistent with the increase in EU Accession country workers in the HIE area and the growth of web-based advertising. The 2013 data shows a continuing reduction in the proportion of White Scottish employees in HIE's workforce.

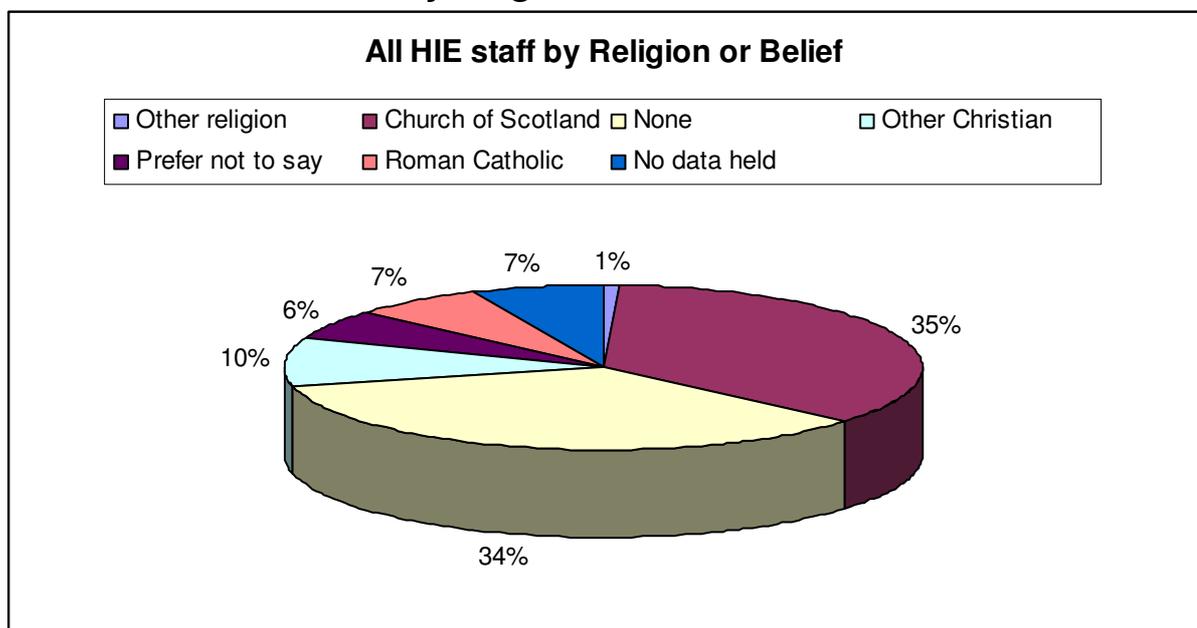
⁵ Dept of Work and Pensions - Source: Family Resources Survey 2010/11;

Chart 6: All HIE staff by sexual orientation



The Government estimates that 5-7% of the population is gay or lesbian, a figure which Stonewall feels is a reasonable estimate⁶. Under-reporting of sexual orientation at work is common. The proportion of HIE staff who identify as gay or lesbian is 1% as reported from Chart 6 above, and this is in line with reporting in previous years in HIE and across public bodies.

Chart 7: All HIE staff by religion or belief



The main change in reporting in recent years around religion or belief is a decrease in employees who identify as Church of Scotland from 45% in 2007 and

⁶ https://www.stonewall.org.uk/at_home/sexual_orientation_faqs/2694.asp

46% in 2009 to 35% in 2013. There is a corresponding increase in employees who identify as having no religion from 16% (2007) to 34% (2013).

Chart 8: All HIE staff by work pattern (full or part time)

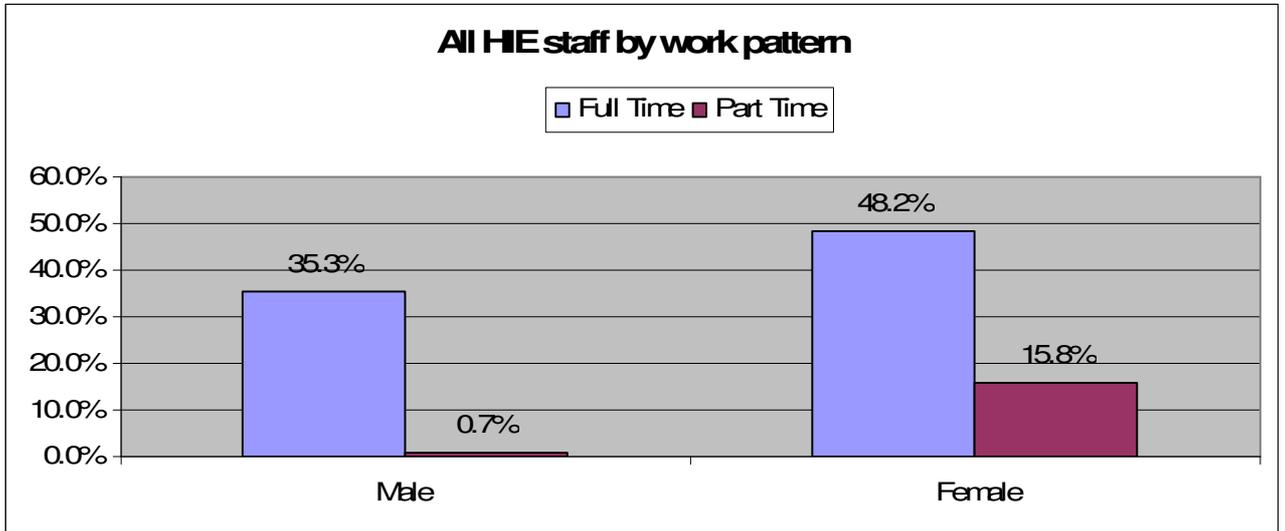


Chart 8 above shows a predominance of part time work by women, which has been a consistent pattern in recent years. Since 2009 the proportion of employees working part time has been consistent at around 16%.

This pattern identifies the likely significance for women of flexible working and carer policies. It is also significant in relation to equal pay as part time roles tend to be in the mid to lower grades – this is illustrated in chart 10 and information on the gender pay gap.

Chart 9: All HIE staff by grade and work pattern (full / part time)

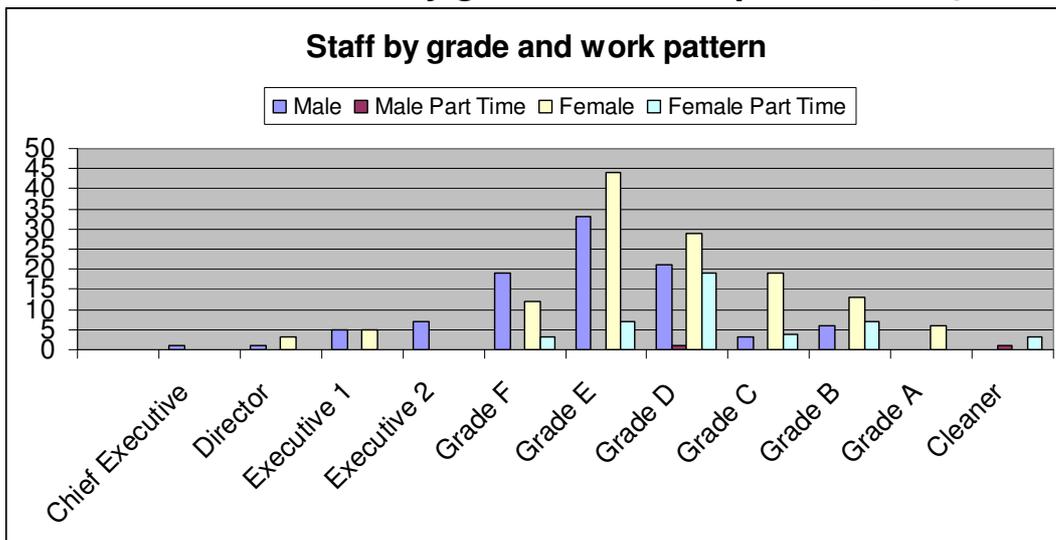
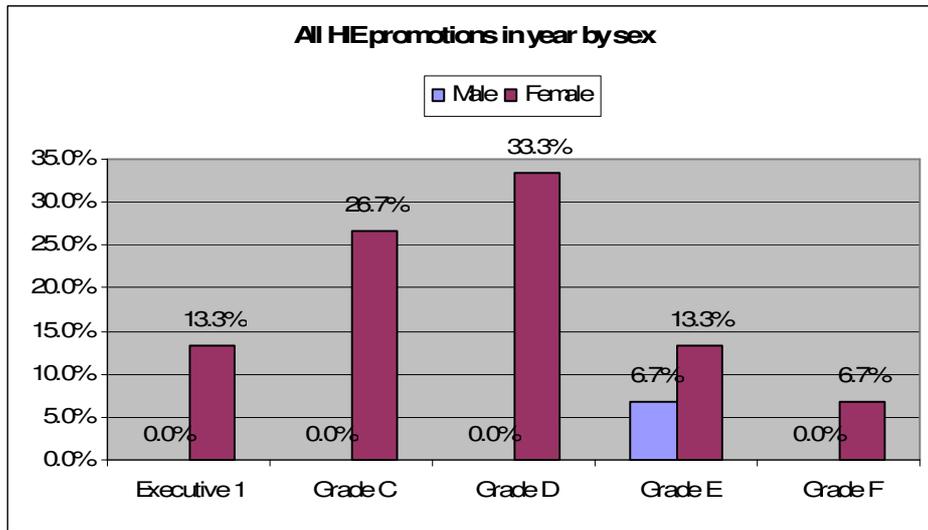


Chart 10: All HIE staff promoted in year

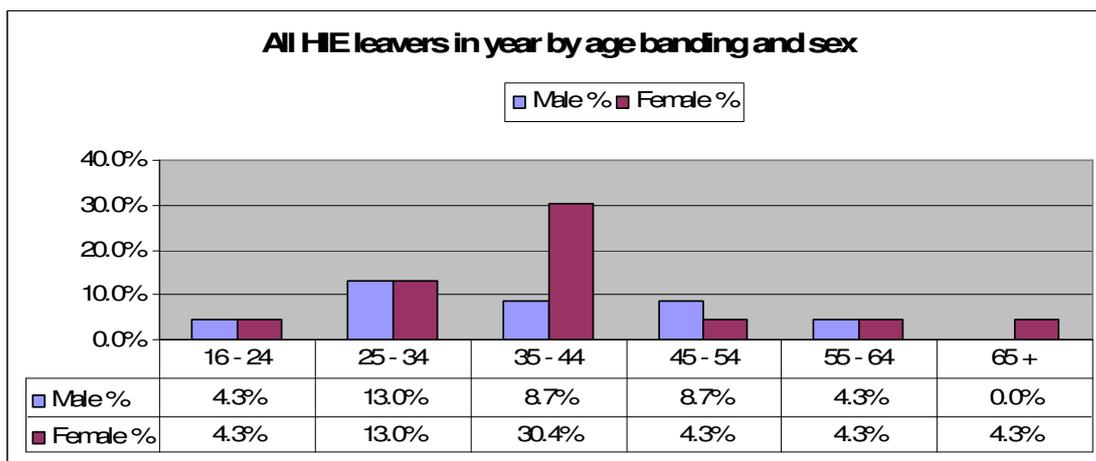
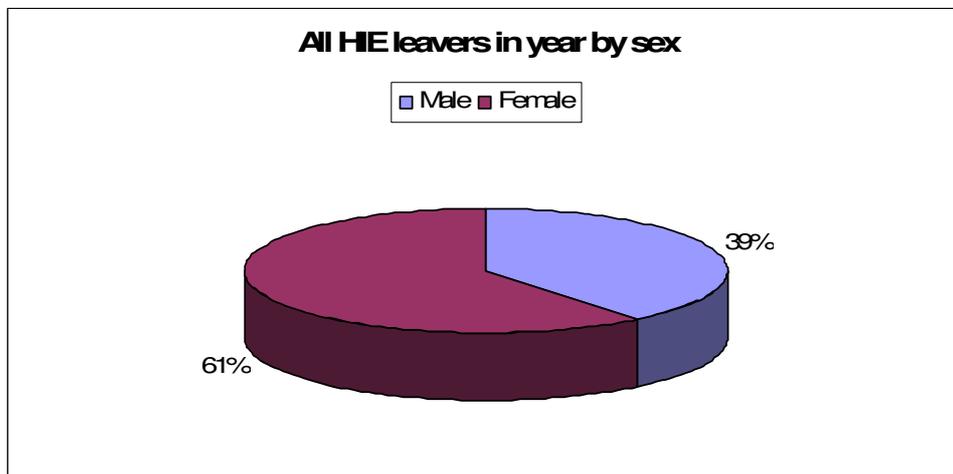


Starters and Leavers

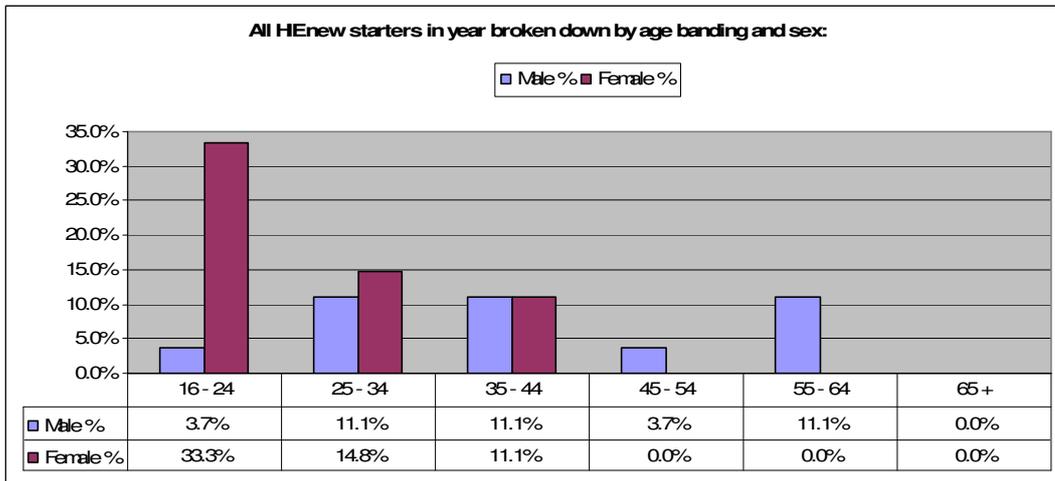
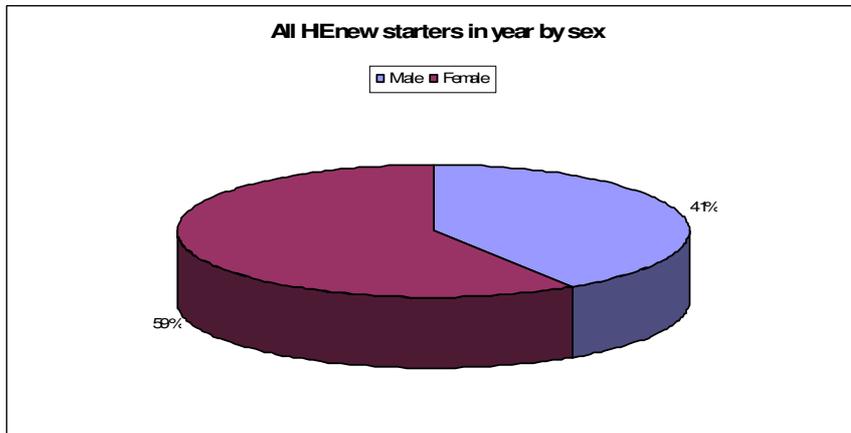
The tables below provide information relating to new starts and leavers to HIE in the year to 31st March 2013. The HIE Human Resources team gather a range of information to allow reporting on all protected characteristics. The information provided is in relation to sex and age banding.

Information is also collected and reviewed from exit interviews completed by staff leaving HIE and allows any identified issues to be followed up.

Charts 11 and 12: All HIE leavers during the year



Charts 13 and 14: All HIE new starters during the year



3 Recruitment and Selection

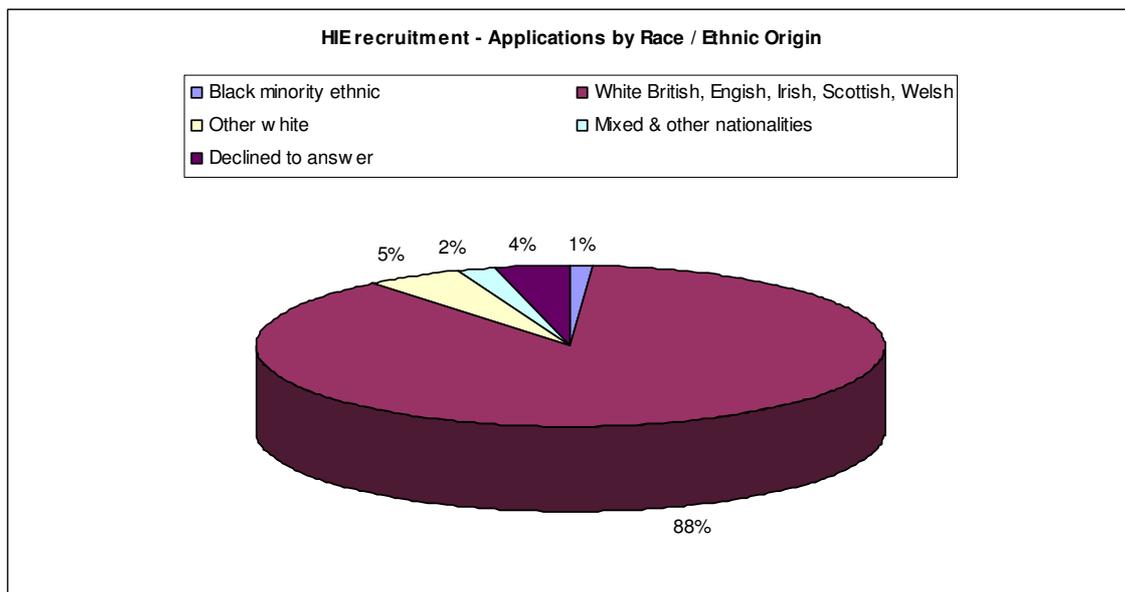
During the year 1st April 2012 to 31st March 2013, HIE recruited 26 applicants from 27 positions advertised to various posts within the agency.

For the 26 posts filled, the total number of applications received for the various positions was 429. The following tables provide a breakdown of the applicants and the appointments made (broken down by protected characteristics).

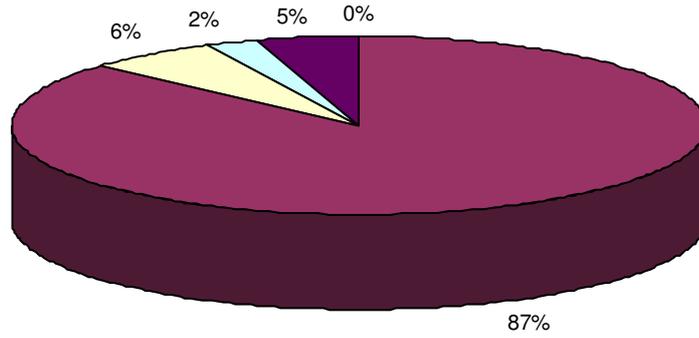
This is the first time that that we have carried out full analysis of recruitment and selection by protected characteristic. This has highlighted some trends that we will explore in relation to our recruitment and selection processes.

All data gathered included both internal and external applicants. HIE will work to improve reporting to allow separate analysis.

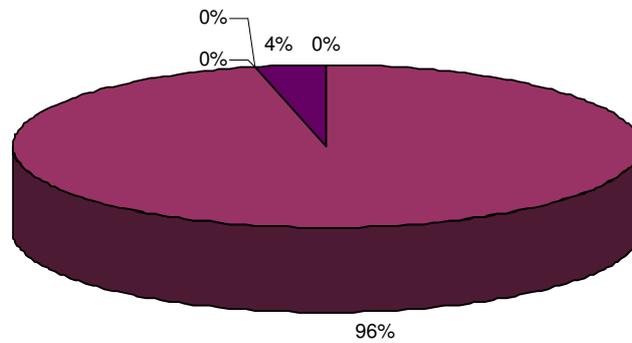
Recruitment by Race / Ethnic Origin:



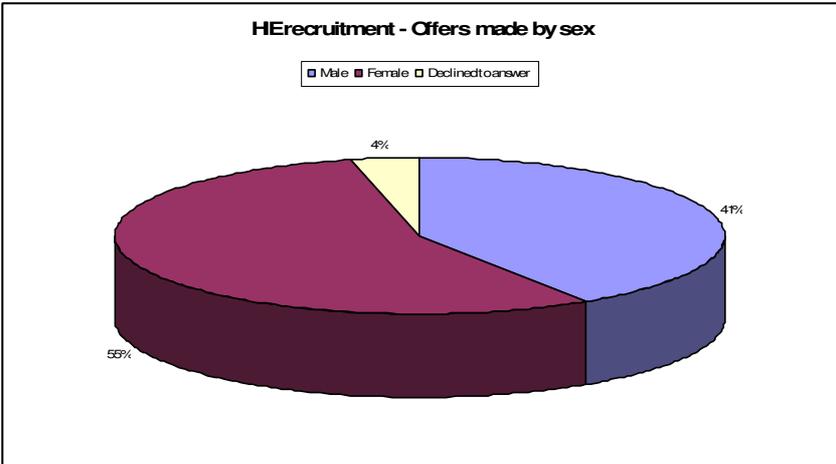
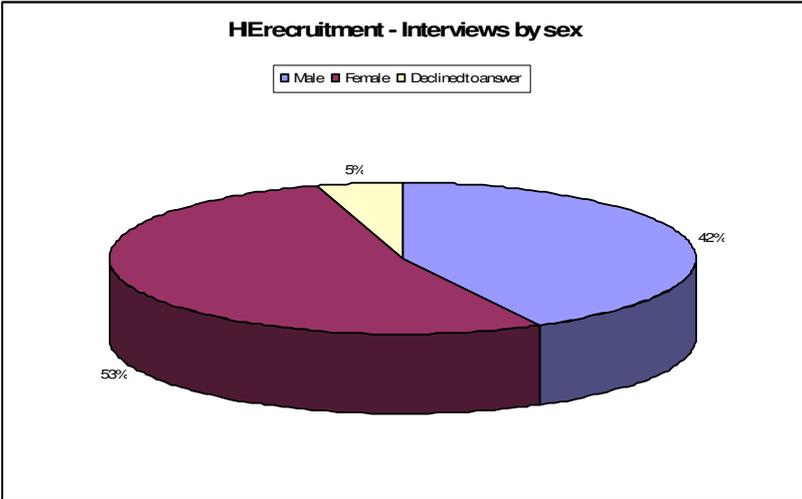
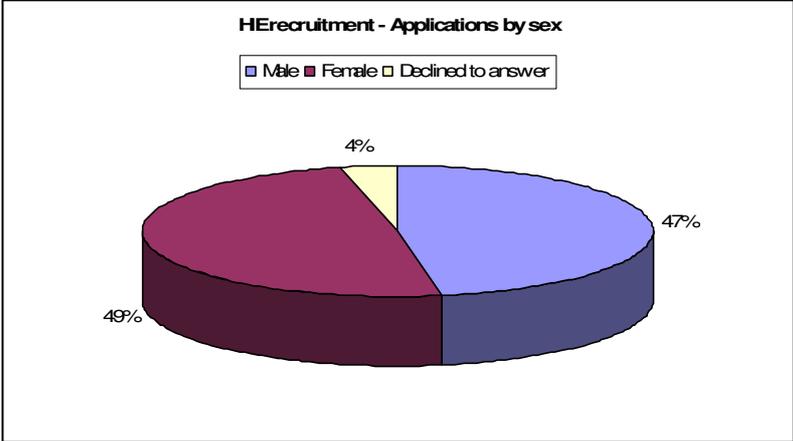
HIE recruitment - Interviews by Race / Ethnic Origin



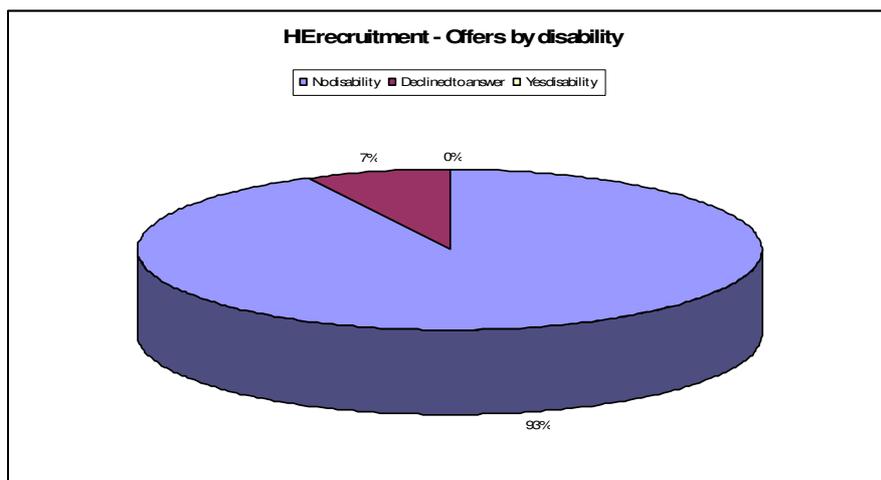
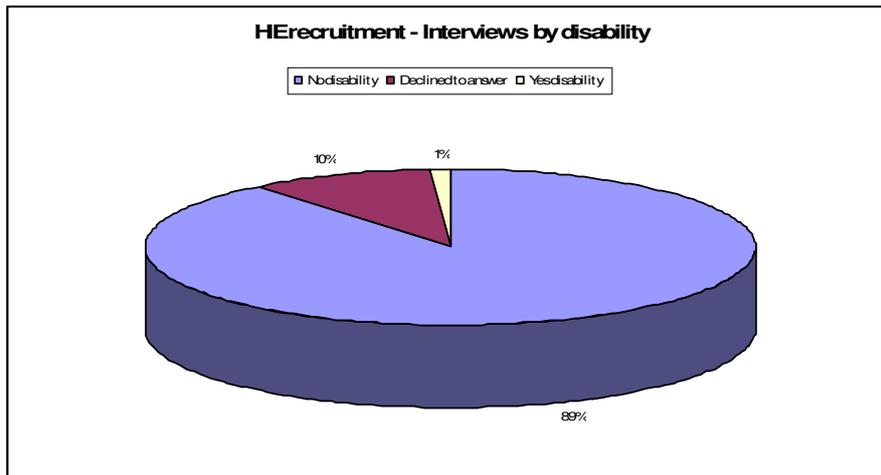
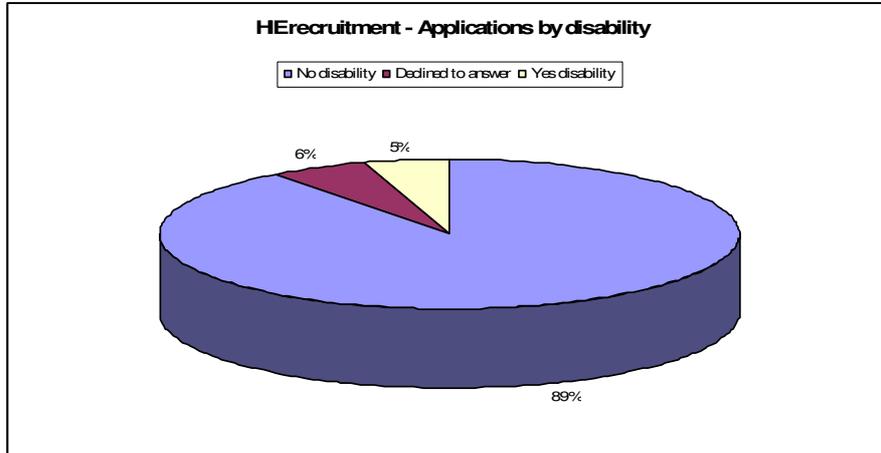
HIE recruitment - Offers made by Race / Ethnic Origin



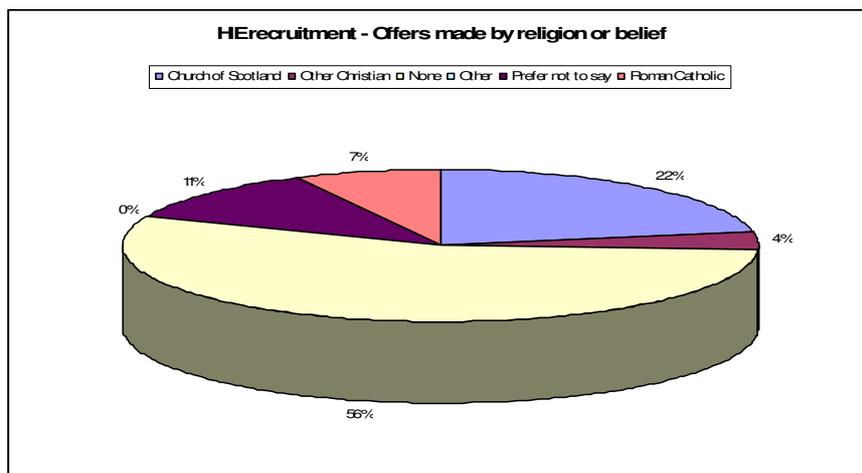
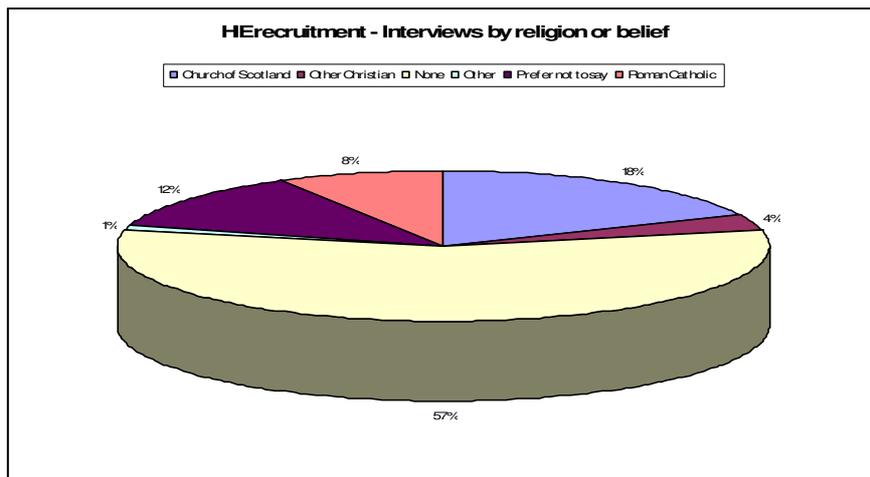
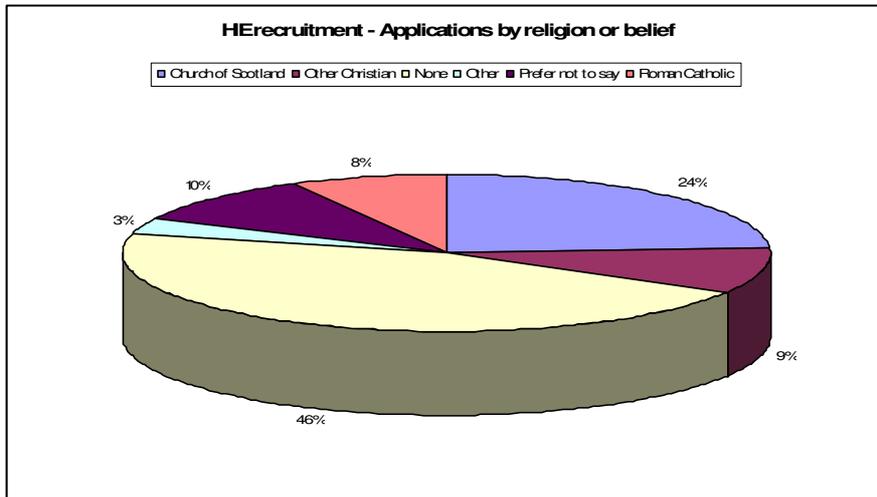
Recruitment by Sex:



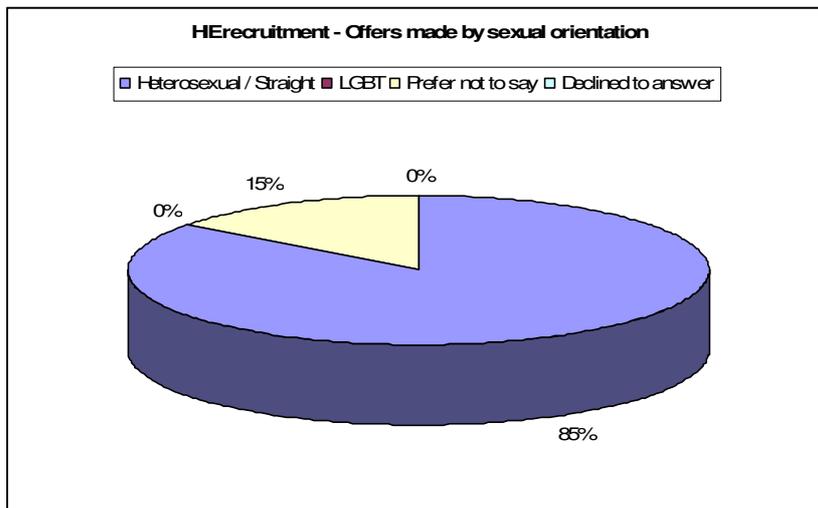
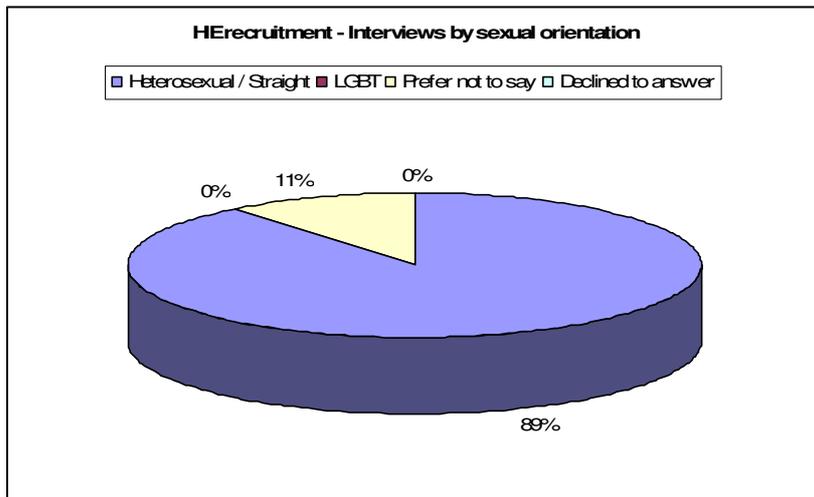
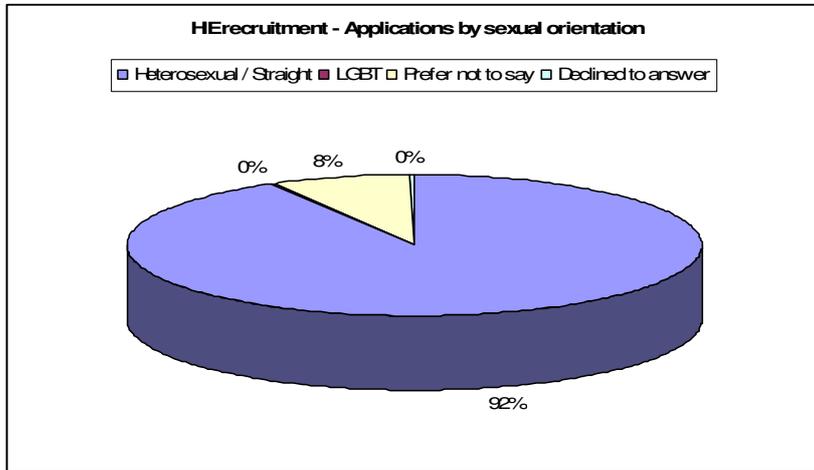
Recruitment by Disability:



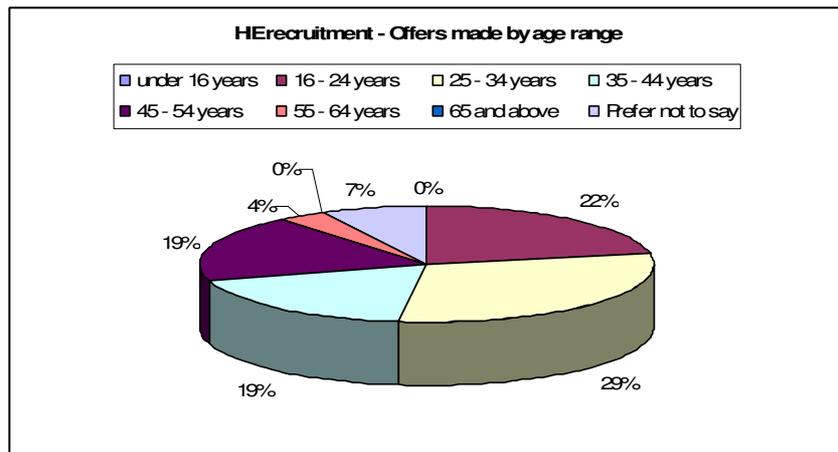
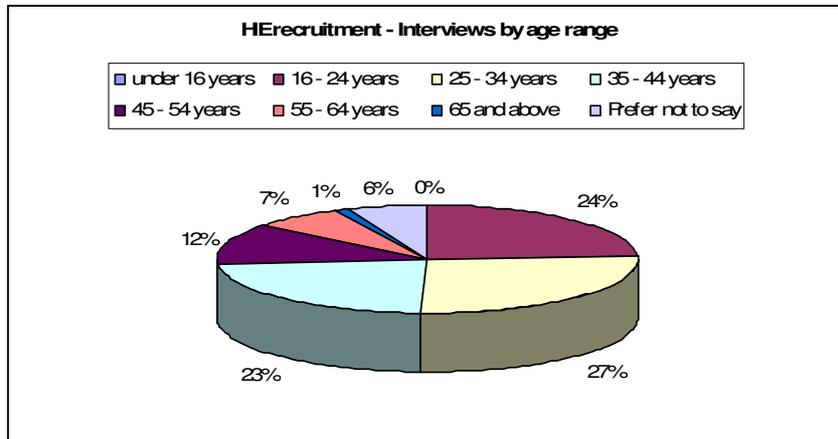
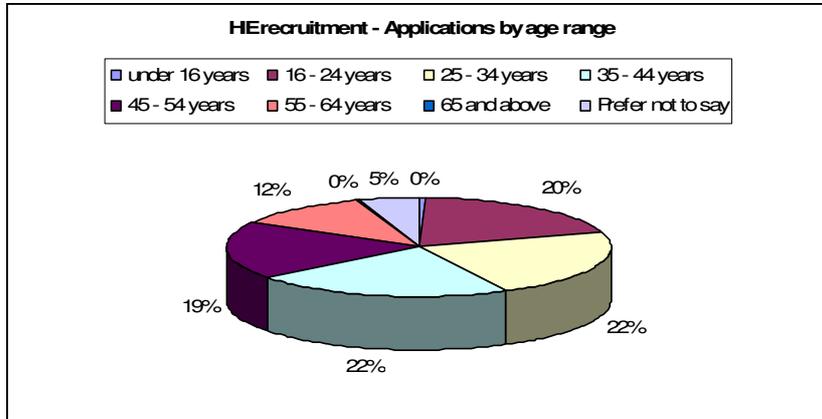
Recruitment by Religion or Belief:



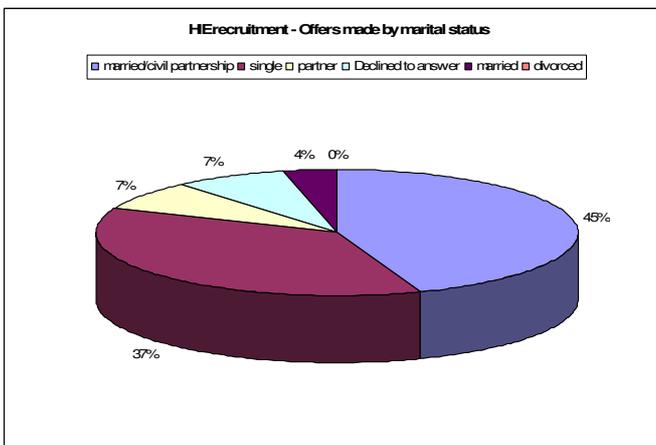
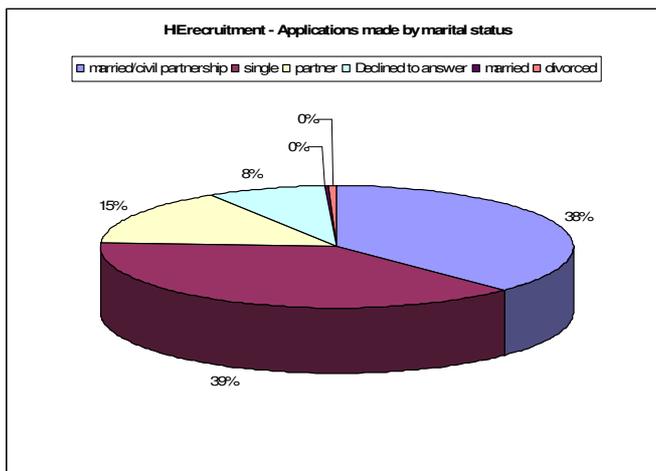
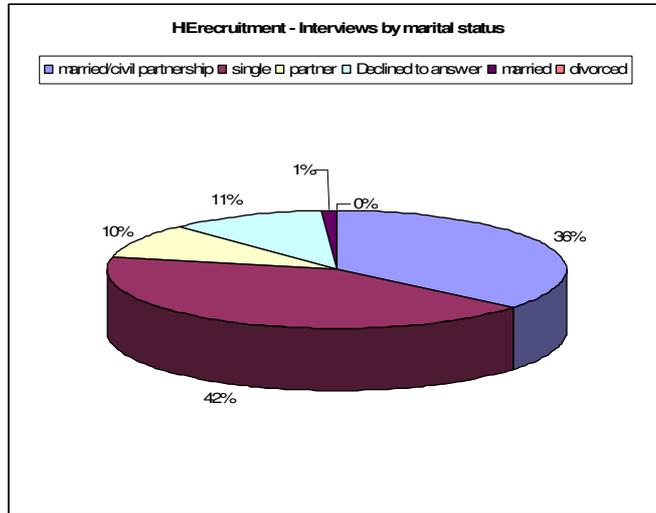
Recruitment by Sexual Orientation:



Recruitment by Age:



Recruitment by Marital Status:



4 Comments and Identified gaps in reporting

- From 1st April 2012, HIE introduced self service functionality to its HR system to allow all staff access to a range of their personal data and allowing ability to directly update a range of pre-defined information, including equalities. It is hoped that over time, this will encourage all staff to complete and regularly update information.
- HIE currently gathers data on all training completed by staff, however it was noted that there are gaps in this data. HIE will work to ensure that all relevant data is collected and reported on.
- From 1st April 2013, HIE has introduced an online performance management system, this will allow the future reporting of all equality information in relation to performance.
- There were no identified capability, disciplinary or grievance issues over the past year therefore there is no data to report.