

# The government needs to get strict on gender pay reporting

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## Employment Law News

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clarion call to government for stronger legislation and
guidance to close the gender pay gap
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In April 2020, companies with 250 or more employees must publish their gender pay gap information for the third time under the Equality Act (Gender Pay Information) Regulations 2017. Whilst gender pay reporting turned the spotlight on the

issue of pay inequality, we remain a long way off achieving the ambition of those regulations of closing the gender pay gap within a decade. Indeed, the Fawcett Society predicts that it will take 60 years to close the gap at the current rate of decline. What's more, there is serious doubt about the reliability of the gender pay information published by companies to date, which calls into question even this depressing prediction. To combat this, it is essential that the Government provides strict guidelines to companies about gender pay reporting and swiftly, before the April 2020 deadline.

There are three key issues which better guidance would address.

The first, is that employers struggle with how to navigate the pay reporting process and regularly make mistakes. After the first year of publication, the BEIS Select Committee on Gender Pay Gap Reporting published a report stating that employers had published "highly improbable, inaccurate or questionable" data with mathematically impossible figures. We can only hope that this has improved over time.

Second, existing guidance (which is non-statutory and non-exhaustive) is ambiguous meaning business must make judgement calls on their own data. As a result, it is common for companies to 'cut' their data to avoid a large gap, for their own PR purposes. This might include, for example, excluding overseas employees, or bonuses/allowances, or by hiding behind corporate structures (because, for example, LLP members are excluded from the data). The regulations, and the guidance, allow for all of this. Lack of consistency applied from company to company clearly undermines the transparency of information. Lack of clear guidance from the Government enables companies to behave in this unscrupulous way for their own purposes.

Third, publication of isolated figures, without any

explanatory narrative and plan of action to close the gap is not helpful. The Government chose not to mandate a requirement to do so, hoping instead that transparency would be enough of a driver. It is clearly not. If companies are required to commit to paper an explanation of their own pay gap, and most importantly an action plan as to how they will address it, this will drive the necessary change.

The gender pay gap is a global issue, and one which is not going away as the profile of gender pay disputes continues to rise. The UK Government took a positive step in 2017 requiring gender pay reporting, but its duty does not stop there. Further action is needed to ensure that companies provide accurate and transparent data to enable those fighting the cause to get to the root of the problem, and resolve it.

[Polly Rodway](#) is a partner specialising in sex discrimination, harassment, pregnancy and maternity discrimination, and senior executive equal pay. [/et\_pb\_text][ /et\_pb\_column][ /et\_pb\_row][ /et\_pb\_section][et\_pb\_section fb\_built="1" \_builder\_version="3.26.6"][et\_pb\_row \_builder\_version="3.26.6"][et\_pb\_column type="4\_4" \_builder\_version="3.26.6"][ /et\_pb\_column][ /et\_pb\_row][ /et\_pb\_section]