

# **Joint Negotiating Committee for Higher Education Staff**

**Equal Pay Reviews  
Guidance for Higher Education Institutions**

**REVISED MARCH 2007**

# **EQUAL PAY REVIEWS:**

## **GUIDANCE FOR HIGHER EDUCATION INSTITUTIONS**

### **PREAMBLE**

The Joint Negotiating Committee for Higher Education Staff (JNCHES) issued guidance on equal pay reviews in March 2002. Subsequently the HE employers and trade unions concluded the Framework Agreement for the Modernisation of HE Pay Structures - a prime aim of which is to support the achievement of equal pay for work of equal value, with staff salaries being determined on a basis that is transparent, consistent and fair. The majority of HE institutions have now introduced new pay structures under the terms of the Framework, and the remainder are expected to do so shortly.

The JNCHES Pay Agreement 2006-09, agreed in June 2006, includes a strong recommendation that HE institutions undertake an equal pay review within 12 months of the introduction of their new, post-Framework pay structures and periodically thereafter. It further recommends that such reviews should be undertaken in accordance with JNCHES guidance, and that they should be followed by any modifications to the design or application of the HE institution's pay structure which the review indicates are necessary.

Additionally, legislation to combat discrimination in employment has been extended since 2002 to cover sexual orientation, religion or belief, and age. As a matter of good practice, HE institutions' equal pay reviews should thus aim to cover these equality considerations as well as gender, race and disability – though there will be practical constraints on what is possible. This guidance also recommends that HEIs' reviews should address equal pay in respect of part-time employees and those on fixed-term contracts, reflecting the legislation on prevention of less favourable treatment for such staff.

Equal pay reviews should seek to establish whether there are significant pay gaps and, if so, the extent to which these can be objectively justified due to factors other than membership of particular equality groups or differing contractual arrangements. But it remains important that HEIs' approaches to equal pay reviews are considered in the context of their other equality policies, procedures and processes – reviews should be complementary and supportive as well as diagnostic.

Against that background, JNCHES has concluded that it would be timely to update and reissue the 2002 guidance. This revised advice is commended jointly through JNCHES to all institutions, by the HE employers' national representatives and by the six nationally recognised HE trades unions (Amicus, EIS/ULA, GMB, TGWU, UCU and Unison).

### **PARTNERSHIP APPROACH**

Both the employers' and unions' sides of JNCHES recommend that HE institutions carry out reviews in partnership with their locally recognised trades unions. A partnership approach to the completion of the review is likely to enhance the quality of the review and promote commitment to its objectives.

It is also recommended that, in subsequently pursuing any initiatives to address equal pay issues identified in the reviews, institutions involve fully the relevant trades unions. Apart from being good practice it should be recognised that in the majority of cases pay and grading arrangements are the subject of joint agreements.

## INTRODUCTION

This paper contains guidance on conducting equal pay reviews (sometimes termed equal pay audits) in HE institutions. It deals with the analysis and diagnosis of equal pay issues related to the gender, race, disability, sexual orientation, religion or belief, and age of individuals employed by each institution, and those related to contractual arrangements such as part-time and fixed-term employment. It also provides guidance on the actions arising from these analytical and diagnostic reviews that may need to be taken to eliminate any pay gaps. The paper is set out under the following headings:

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## PURPOSES

The primary purposes of an equal pay review are to:

- establish whether there are pay inequities arising because of gender, race, disability, sexual orientation, religion or belief, and age; and/or from differing contractual arrangements
- analyse in more detail the nature of any inequities
- analyse the factors creating inequities and diagnose the cause or causes
- determine what action is required to deal with any unjustified inequities revealed by the analysis and diagnosis

## **BENEFITS**

The benefits arising from the conduct of such a review are that it will:

- highlight areas for concern relating to equal pay
- enable causes of inequality to be diagnosed
- guide higher education institutions on the actions required to fulfil both their ethical and their legal obligations to pay those carrying out work of equal value equally
- contribute to the development and maintenance of a fair and equitable reward system, and thereby enhance the image of the institution as an employer, improve the climate of employee relations and further the ability of the institution to attract and retain the staff it requires
- help institutions to meet their statutory obligation to promote equal pay (under the gender equality duty)
- enable institutions to demonstrate progress in relation to providing equal pay and equal opportunity across the workforce.

## **FOCUS OF THE REVIEW**

The review should be concerned with the identification of inequities arising because of gender, racial origin, disability, sexual orientation, religion or belief, and age. It should deal with part-time and hourly paid staff and those on short-term contracts, as well as full-time staff on indefinite contracts. It should cover all staff, including those in senior posts.

It is advisable to consider the conduct and outcomes of an equal pay review in the context of all the other equality policies, procedures and processes within the organisation. It is important to ensure that the data from the review is viewed within the context of, and contributes to, the overall equality picture.

Although the initial focus will be on base pay, allowances and total earnings (including contribution-related pay and bonuses), the review should also assess the extent to which there are any inequities in the provision of benefits such as pensions, holiday entitlement and sick pay.

To be comprehensive, a review should additionally establish the extent to which there are inequities in the operation of any contribution-related pay arrangements, and it should audit the content, operation, and outcome of any job evaluation scheme to ensure that it is not discriminatory in either design or application.

The source of most of the current approaches to achieving equal pay is the work of the Equal Opportunities Commission (the EOC) which is concerned with gender discrimination within the scope of the Equal Pay Act 1970. The recommendations made in the EOC's Equal Pay Review Kit and Code of Practice on Equal Pay (see Appendix H) have been taken into account in developing this guidance. Under the specific duties contained in the Gender Equality Duty, due to come into force on 6 April 2007, institutions will be required to develop and publish a policy on developing equal pay arrangements between men and women, including measures to address promotion, development and occupational segregation.

Institutions should also take into account the requirement to avoid unlawful discrimination in relation to the pay and benefits of individuals under the following legislation:

- The Race Relations Act 1976 and the Race Relations (Amendment) Act 2000
- The Disability Discrimination Acts 1995 and 2005 and the Disability Equality Duty

- The Employment Equality (Sexual Orientation) Regulations 2003
- The Employment Equality (Religion or Belief) Regulations 2003
- The Employment Equality (Age) Regulations 2006
- The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- The Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002.

Whilst from time to time there have been proposals that it should become a legal requirement for employers to undertake equal pay reviews, that is currently not the case. However, an equal pay review is the most effective way of establishing whether the organisation is providing equal pay and rewarding employees fairly, and an effective demonstration of action to promote equal pay under the terms of the gender equality duty.

## TERMINOLOGY

The terminology of the Equal Pay Act 1970 and the Equal Pay (Amendment) Regulations 1983 is used throughout this paper as being appropriate when dealing with discrimination on grounds of race, disability, sexual orientation, religion or belief, and age, as well on grounds of sex; and also as regards discrimination on grounds of differing contractual arrangements (full or part-time working, indefinite or fixed-term contracts).

The following terms contained in the Equal Pay legislation are used in respect of equivalent work:

- *'Like work'* is defined as work which is the same or broadly similar.
- *'Work rated as equivalent'* is defined as work which has achieved the same or a similar number of points under a job evaluation scheme.
- *'Work of equal value'* is defined as work which is of broadly equal value when compared under headings such as effort, skill and decisions.

The following terms are also used at various points throughout this guidance:

*'Contribution-related pay'* is used here as in the Framework Agreement – including all forms of additional pay related to the contribution of individuals or teams. It includes accelerated and additional increments, and various types of non-consolidated bonuses.

*'Pay gap'* is used to describe the percentage difference between the rates of pay of men and women (often referred to as the gender gap), employees from different racial groups, those with and without disabilities, employees of different sexual orientations, employees of different religions or beliefs, and employees in different age bands; and also in respect of pay differences between employees with differing contractual arrangements.

*'Staff group(s)'* is used to refer to the main groups of staff employed by the institution which are differentiated within the institution by, for example, grade, occupation or job family (e.g. 'Administrative and Professional' or 'Teaching and Research'). Such groupings will differ from institution to institution, depending on the new pay structures implemented following the Framework Agreement.

*'Equality group(s)'* is used to refer collectively to: men and women; people of different racial groups; those with or without disabilities; people of different ages; people with different sexual orientations; and people with different religions or beliefs.

A more comprehensive glossary of terms is provided in Appendix G.

## **PROCESSING OF PERSONAL DATA AND DISCLOSURE OF INFORMATION**

Before undertaking an equal pay review, institutions should ensure that they are aware of their legal obligations when processing personal data, and consider the approach they intend to adopt in relation to the disclosure of the results of the review.

Equal pay reviews are covered by the Data Protection Act 1998 in terms of the processing of the raw data, the disclosure of data to third parties involved in the review, and the publication of the results. The Act provides protection to individuals in relation to the processing of personal data about them which is held in both computerised and non-automated forms from which individuals can be identified, such as pay. It also provides additional protection in relation to the processing of 'sensitive personal data'. Under the Act, information about an individual's racial or ethnic origin, religious beliefs or other beliefs of a similar nature, physical or mental health or condition, and sexual life, such as sexual orientation, would be considered sensitive personal data. The results of an equal pay review can be disclosed as regards individuals or small groups as long as they are in a sufficiently anonymised form, and in more detail only if the individuals concerned have consented to disclosure.

Further guidance on conducting an equal pay review in accordance with Data Protection principles can be found on the EOC website – see Appendix H under 'General guidance on Equal Pay'.

## **METHODOLOGY - THE THREE STAGE REVIEW PROCESS**

An equal pay review should be systematic and comprehensive. It requires detailed analysis and a rigorous approach to diagnosis. Positive actions must flow from the analysis and diagnosis which will address the issues that have been identified. The analytical process described in this paper is best supported by a data-based tool which will facilitate the collection and analysis of the data.

This paper suggests a three stage approach – analysis, diagnosis and action - as described below, backed up by the use of checklists (set out in Appendices C, D and E).

### **STAGE ONE: ANALYSIS (equality check)**

In this stage a basic analysis is made of the relative rates of pay for men and women, those from different racial groups, those with or without disabilities, and those of different sexual orientations, religions or beliefs, and ages carrying out 'equal work'; together with analysis of relative pay rates for full- and part-time staff, and for those on indefinite and fixed term contracts. The aim is to establish the degree to which inequality exists in the form of a significant pay gap. Such a gap (for example, of more than 5 per cent) may be regarded as significant enough to warrant further investigation, as may a pattern of differences in favour of one group even if it is less than this gap (for example, a pay gap of less than 5% in favour of particular equality groups, or those with particular contractual arrangements, at all or most levels of the organisation). The existence or absence of a formal, up-to-date, equal pay policy is also checked in stage one, which should be conducted in the following steps:

## 1 Equal pay policy

Establish whether or not an equal pay policy exists. If one does:

- obtain details of the policy and compare it with the policy statement set out in Appendix B which is based on the EOC model equal pay policy
- examine the extent to which the institution's policy has been communicated to employees and recognised trade unions
- identify who is responsible for implementing the policy and what steps have been taken to ensure that it has been implemented and is being monitored.

## 2 Analyse workforce composition

- *Staff groups* – identify the main staff groups employed (e.g. academic and support staff, or sub-divisions thereof) and within each of these the number of men and women, members of different racial groups, those with disabilities in each group, those of different sexual orientations, religions or beliefs, and ages.
- *Contractual arrangements* – analyse staff according to whether they work full-time or part-time, and are on fixed term contracts, contracts of indefinite duration or term-time only contracts.

## 3 Establish who is doing equal work (like work, work rated as equivalent or work of equal value)

As part of the job evaluation processes associated with the introduction of new pay structures under the terms of the Framework Agreement, most HE institutions will have established relatively recently - for most staff – those who are undertaking “equal work”. In these circumstances it will be necessary to:

- identify the jobs which have been evaluated in the same range of scores or at the same level. These are '*work rated as equivalent*'.

Where job evaluation has yet to be undertaken, and for those staff not covered by post-Framework pay structures, the following will be necessary:

- identify jobs anywhere in the grading structure or structures involving work carried out by men and women, those from different racial groups, those with or without disabilities, those of different sexual orientations, religions and beliefs, and ages where the work is the same or broadly similar. These are '*like work*'.
- identify those jobs where the demands made on the postholders in terms of effort, skill, and decision-making are the same. The assessment process – possibly an adaptation of a previous job evaluation scheme for the staff concerned – must be analytical and free of bias. These jobs will be of '*equal value*'. Wherever possible, it will be important to make comparisons across staff groups and pay grades.

Where grading is determined by matching to generic role profiles, it is particularly important to check that such profiles are properly derived from and underpinned by adequate job evaluation analysis, and that such analysis confirms that the profiles used for different staff groups at each grade level are of equivalent job weight.

#### **4 Pay analysis - all staff**

For each of the main groups of staff by grade and contractual arrangement or for each individual job where there is 'like work', 'work rated as equivalent' or 'work of equal value' (as above), calculate by gender, race, disability, sexual orientation, religion or belief, and age, the average hourly, weekly, monthly or annual (as appropriate) rates of:

- base pay
- allowances in addition to base pay
- contribution-related pay
- total earnings (base pay, plus allowances, plus contribution-related pay).

The pay of part-time staff should be expressed on the same basis as full-time staff (full-time equivalent) e.g. in terms of the standard working hours of full-time staff. Where there are variations in normal full-time hours (e.g. 35, 37), re-calculate total earnings to a standard norm (e.g. 35).

Analyses in respect of sexual orientation and religion or belief will raise practical difficulties and may not be readily possible for most HE institutions because of the lack of systematic data in respect of most staff. However, should the institution be aware of any particular equal pay issues relating to the sexual orientation or religion or belief of individuals or groups of staff, methods of improving the available data will need to be explored. Appendix H provides sources of information (notably the ECU guidance on monitoring) which institutions may find helpful in developing strategies to monitor sexual orientation and religion or belief.

Data on age will, in contrast, be relatively easy to gather. However, institutions may need to modify their approach to analysing any significant pay gaps identified in respect of age, taking into account the provisions of the age discrimination legislation in relation to awarding pay and benefits with reference to length of service.

#### **5 Benefits comparison**

Establish the extent to which men and women, those from different racial groups, those with or without disabilities, those of different sexual orientations, religions and beliefs, and ages have access to, and on average receive equal benefits, e.g. pensions, sick pay, medical insurance, company cars and holidays. Do likewise for full-time and part-time staff, and for those on indefinite and fixed term contracts. Any differences for staff within particular grade levels will need to be objectively justified.

#### **6. Pay gap analysis**

In respect both of staff in each of the equality groups, and of those with different contractual arrangements:

- Calculate the pay gaps in terms of base pay and total earnings for all employees.
- Calculate the pay gaps for staff within each staff group, as a whole and at each grade level.\*
- Calculate the pay gaps across staff groups at each grade level.\*
- Identify any instances (by grade or by job) where the pay gap is significant (i.e. exceeds 5 per cent).

(\* where staff have been graded following job evaluation)

## 7 Analyse patterns of differences

Establish if there are any patterns of differences (e.g. repeated gaps of 3% or more) which favour individuals of a particular gender, racial group, sexual orientation, religion or belief, age or those with or without disabilities; and individuals employed on particular contractual arrangements.

### STAGE TWO: DIAGNOSIS (pay review)

The aim of the stage two review is to establish the nature of any inequities and their causes. Where there is a significant gap or marked patterns of differences, data should be assembled and analysed to diagnose the likely factors which have led to the gap or the differences. Thus the review should first seek explanations of why the gap exists and then establish the extent to which the gap can be objectively justified. If the gap cannot be adequately justified the diagnosis should indicate what remedial action is required. Inequalities in pay can arise from the following:

- The employee's equality group (e.g. their gender, race, age etc.)
- The employee's contractual arrangements (e.g. part-time or fixed-term contracts)
- Grading structures (e.g. length of grades and numbers of service-related increments within a grade)
- Appointment processes (e.g. initial starting salary on the scale; qualification requirements which attract higher pay)
- Progression schemes and career development processes
- Contribution-related pay and annual review schemes
- Pay protection arrangements (red-circling and safeguarded progression)
- Market supplements
- Payment of allowances
- Inequitable application of job evaluation schemes
- Inequitable application of pay related benefits (e.g. pensions, sick pay and annual leave).

Further details on possible issues and remedial actions are set out in Appendix A. Checklists for an equal pay review, for reviewing arrangements for any contribution-related pay arrangements, and for reviewing a job evaluation scheme and its outcomes, are contained in Appendices C, D and E respectively. The various checklists can be used not only to assess the current situation prior to undertaking any action, but also as a means of reviewing how successful you have been at addressing the issues identified by the initial checklist. **The checklists should be completed on the basis of the evidence drawn together in Stage One.**

### STAGE THREE: ACTION

In this stage, remedial action to remove unjustified pay gaps is specified, planned and implemented. The action plan should incorporate proposals on:

- the introduction or amendment of an equal pay policy if necessary
- the steps required to remove causes of unjustified pay gaps identified in Stage Two
- how bias on grounds of sex, race, disability, sexual orientation, religion or belief, and age – or in relation to differing contractual arrangements - can be eliminated by changing the processes, rules or practices that give rise to unequal pay
- a plan for implementing agreed action
- who should be accountable for drawing up and implementing the action plan

- how employee representatives and recognised trade unions should be involved in preparing and implementing the action plan
- the arrangements for monitoring the implementation of the action plan and for evaluating outcomes
- processes for demonstrating progress in eliminating unjustified pay inequalities.

Examples of possible remedial actions are given in Appendix A. These should be considered and implemented within the framework of any relevant national and local agreements.

## APPENDIX A

### FACTORS AFFECTING PAY GAPS, DATA REQUIREMENTS AND REMEDIAL ACTION

Possible issues	Data required	Possible remedial actions
Individuals in particular equality groups or with particular contractual arrangements doing <b>work of equal value</b> or like work <b>paid differently</b> to those not in that equality group or with other contractual arrangements.	An analysis of the average and individual rates of pay of all those doing work of equal value or like work. The jobs should also be compared by means of an analytical job evaluation scheme to determine whether the jobs are of equal value. An assessment of possible reasons for differences, e.g. higher entry pay levels for certain staff groups, market supplements, red or green circling, length of service, and any of the other reasons set out below.	Investigate each case to establish whether or not there is a material factor such as differences in the performance of those concerned, market forces, or red-circling which might justify the inequality. However, a claim by an employer that a difference arose from different levels of performance or market forces would have to be objectively justified, and pay protection arrangements which favour particular staff groups could be regarded as discriminatory.
Other measures of equal value, e.g. qualification levels, show <b>pay inequalities between jobs in different staff groups</b> .	The use of a job evaluation scheme to establish whether the inequalities are caused by the systematic under-evaluation of one staff group as against another.	As set out above; and review the adequacy of the job evaluation scheme in use, and the manner of its application.
<b>Disproportionate distribution</b> of individuals from a particular equality group or with particular contractual arrangements <b>at the upper or lower range of points in an incremental scale</b> . For example, the unequal impact of women's family responsibilities such as the effect of career interruptions because of maternity.	Numbers of individuals in each equality group and numbers working different contractual arrangements at each pay point in the pay scale for the grade. Data on length of service and age (in respect of each grade, equality group and type of contractual arrangement) may also be relevant.	Review: (1) the policy on fixing salaries at the time of recruitment – if more men or staff with typical contractual arrangements (i.e. full-time and indefinite) are recruited at higher points in the scale, this may discriminate against women, as would similar actions affecting the recruitment of those from other equality or contractual groups. (2) the number of increments in the scale – if there are more than is necessary to reflect the additional value that experience can bring to the role or other objective factors, this may discriminate against women and others who have less opportunity to obtain continuous experience. Any consequent proposal for change in established pay structures should be agreed with relevant trade unions.
The numbers of <b>incremental points on scales reward long uninterrupted service</b> rather than representing a real learning curve.	The number of incremental points in each grade, where progression relates to length of service.	Review the length of service-related parts of incremental scales so that they properly reflect the time taken to reach the level of knowledge, skill and experience required to carry out the work effectively. Any consequent proposal for change in established pay structures should be agreed with relevant trade unions.
Individuals in a particular equality group or with particular contractual arrangements placed <b>at higher points in the scale on appointment or promotion</b> . Discrimination in the operation of promotion and career development processes.	The most common point on the pay scale for the grade at which individuals in a particular equality group or with particular contractual arrangements are placed on appointment or promotion. Comparative data, for equality groups and contractual arrangements, for the outcomes of promotions processes. Review of the operation of promotion and career development processes.	Ensure that policies and procedures are implemented which will prevent such discrimination. For example, produce guidelines which specify when staff can be recruited or promoted to higher points in the scale and emphasise the importance of adopting a non-discriminatory approach to promotion and career progression planning. Monitor such decisions to ensure that they are objectively justified and do not discriminate.

Possible issues	Data required	Possible remedial actions
Individuals in a particular equality group or with particular contractual arrangements receive <b>higher contribution-related pay awards</b> (i.e. benefit more from accelerated/additional increments or non-consolidated bonuses).	The comparative level of contribution-related pay awards. The comparative distribution of performance ratings. The extent to which differences can be objectively justified (review against checklist criteria in Appendix D).	Ensure that: <ul style="list-style-type: none"> <li>All individuals are equally entitled to participate in contribution-related pay schemes.</li> <li>The criteria and processes used to determine contribution-related pay increases are not biased and are applied fairly and transparently.</li> <li>Managers are aware of the possibility of bias and are trained in how to avoid it.</li> <li>Contribution-related pay outcomes are monitored to ensure that they are objectively justified and to detect and correct any bias.</li> </ul>
<b>Discriminatory use of a merit or qualification bar</b> resulting in individuals in a particular equality group or with particular contractual arrangements being more likely to achieve a pay point above the merit or qualification bar.	The proportion of those in a particular equality group or with particular equality arrangements whose pay is above the merit or qualification bar.	<ul style="list-style-type: none"> <li>Review criteria for crossing the merit or qualification bar to ensure that they are not discriminatory</li> <li>Monitor merit or qualification bar decisions to ensure that they have been objectively justified and are free of bias</li> </ul>
<b>Market supplements not objectively justified.</b> Market supplements applied differentially to individuals in particular equality groups or with particular contractual arrangements.	Evidence of objective justification in terms of the data available on market rates and proof that there is a business need to apply a market supplement.  The comparative number of individuals in different equality groups or working particular contractual arrangements receiving market supplements and their relative value.	Ensure that no supplements are awarded unless they have been objectively justified, and that the levels of pay supplements are justified. Such justification should include evidence that the recruitment and retention of the staff concerned would be seriously prejudiced unless market rates were paid. Equalise market supplements where appropriate. Review procedures to ensure that such supplements are not awarded unless they are justified and are not discriminatory.
<b>Pay protection arrangements</b> (including red or green circling, and safeguarded progression) applied in a way that results in pay discrimination between individuals in particular equality groups or working particular contractual arrangements and who are doing work of equal value or like work.	The incidence, duration and impact in terms of pay differentials of protection arrangements for the different categories being compared.	Ensure that pay protection arrangements do not unjustifiably favour individuals in a particular equality group or working particular contractual arrangements, and that the lengths of any protection periods do not unjustifiably prolong inequalities.
Individuals in particular equality groups, or working particular contractual arrangements, in work of equal value or like work, receive <b>higher allowances</b> .	The distribution and amount of allowances for the different categories being compared.	Seek to equalise the distribution and value of allowances, where the present pattern is not justified.
A <b>discriminatory job evaluation scheme</b> in terms of weightings, or the job evaluation scheme is applied in a discriminatory way.	Details of the job evaluation scheme used and an analysis of how it is applied, followed by an assessment against the checklist criteria in Appendix E.	Revise the scheme or the process to take account of any bias revealed by its assessment against the checklist criteria in Appendix E.
<b>Occupational segregation</b> leading to lower proportions of staff from certain equality groups in higher grade posts.	Compare the distribution of equality groups at each grade level.	Review promotion procedures. Check lack of bias in appointing to posts where occupational segregation is apparent. Review arrangements for succession planning and leadership development. Enhance staff development provision.

### EXAMPLE OF AN EQUAL PAY POLICY

*(Based on the model equal pay policy set out in the EOC Code of Practice on Equal Pay - see Appendix H for further details)*

#### **Equal Pay Statement**

This institution supports the principle of equal opportunities involving concern with the principles of equality and the management of diversity in employment and believes as part of those principles that male and female staff, those from different racial groups, those with or without disabilities, those of different sexual orientations, different religions or beliefs, and different ages should receive equal pay for the same or broadly similar work, for work rated as equivalent and for work of equal value.

We understand that equal pay between men and women is a legal right under both domestic and European law; and that other legislation is in place in the UK, on race, disability, sexual orientation, religion or belief, age, part-time and fixed-term employees, which includes pay as part of its remit.

We believe it is in our institution's interest and in accordance with good practice that pay is awarded fairly and equitably.

We recognise that in order to achieve equal pay for employees doing equal work we should operate a pay system which is transparent, based on objective criteria and free from bias on the grounds of sex, race, disability, sexual orientation, religion or belief, and age; and which does not discriminate unfairly between those on different contractual arrangements.

#### **Action to implement policy**

In order to put our commitment to equal pay into practice we will:

- examine our existing and future pay practices for all our employees including part-time workers, those on fixed-term contracts or contracts of unspecified duration, those on term-time only or hourly-paid contracts, and those who are absent on pregnancy and maternity leave
- carry out regular monitoring of the impact of our practices
- inform employees of how these practices work and how their own pay is arrived at
- provide training and guidance for managers and supervisory staff involved in decisions about pay and benefits
- discuss and agree the equal pay policy with employees, trade unions or staff representatives where appropriate.

We intend through the above action to avoid unfair discrimination, to reward fairly the skills, experience and potential of all our staff and thereby to increase efficiency, productivity and competitiveness and enhance the organisation's reputation and image.

**EQUAL PAY CHECKLIST**

As a matter of good practice HE institutions’ equal pay reviews should aim to cover sexual orientation, religion or belief, and age, as well as gender, race and disability – though there will be practical constraints on what is possible. The phrase “equality groups” is therefore used throughout this checklist to refer to men and women, people of different racial groups, those with or without disabilities, people of different ages, and, where data is available, people of different sexual orientations, and religions or belief. **Where the checklist refers to “equality groups”, institutions will therefore need to complete a minimum of four checks (in respect of gender, race, disability and age) and potentially six checks (to include sexual orientation and religion or belief).** Equal pay reviews should also cover staff employed under all contractual arrangements used in the institution. **Where the checklist refers to “contractual arrangements”, institutions will need to compare those on full-time, part-time, fixed-term, term-time and indefinite contracts, and part-time hourly paid staff.**

<b>Equal pay policy</b>	<b>Yes</b>	<b>No</b>
Is there an equal pay policy?	<input type="checkbox"/>	<input type="checkbox"/>
Is the policy consistent with the example of an equal pay policy set out in Appendix B?	<input type="checkbox"/>	<input type="checkbox"/>
Has the policy been communicated to staff and the recognised trade unions?	<input type="checkbox"/>	<input type="checkbox"/>
Has someone with sufficient authority been designated as being responsible for policy implementation?	<input type="checkbox"/>	<input type="checkbox"/>
Have appropriate systems been clearly defined to ensure effective implementation and monitoring of the policy?	<input type="checkbox"/>	<input type="checkbox"/>

**Pay**

Is the average basic pay of people in different equality groups and for people working different contractual arrangements equal in each grade and for like work?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any examples of significant differences in pay (more than 5%) between people in different equality groups and between people working different contractual arrangements doing the same job?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any examples of significant differences in pay between jobs of equal value predominantly occupied by people in different equality groups or people working different contractual arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
Do people from different equality groups or people working different contractual arrangements receive equal allowances or additional payments?	<input type="checkbox"/>	<input type="checkbox"/>

	<b>Yes</b>	<b>No</b>
Do people from different equality groups or people working different contractual arrangements achieve comparable performance assessments and contribution-related pay?	<input type="checkbox"/>	<input type="checkbox"/>
Can differences in pay between people in different equality groups or between people working different contractual arrangements, which are attributed to contribution, be objectively justified?	<input type="checkbox"/>	<input type="checkbox"/>
Are market supplements objectively justified and equally available to people in different equality groups or people working different contractual arrangements	<input type="checkbox"/>	<input type="checkbox"/>

**Protection arrangements**

Are people from different equality groups or people working different contractual arrangements equally affected by red or green circling?	<input type="checkbox"/>	<input type="checkbox"/>
Is the period of time for red or green circling reasonable?	<input type="checkbox"/>	<input type="checkbox"/>

**Position on and progression through pay scales**

Is there a significantly higher proportion of people in a particular equality group or of people working particular contractual arrangements in the upper or lower areas of pay scales?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in a particular equality group or people working particular contractual arrangements progress through an incremental pay structure at a different rate to others not in that group?	<input type="checkbox"/>	<input type="checkbox"/>
Are the number of service-related incremental points on any pay scale more than can be justified by the learning curve for jobs in the grade?	<input type="checkbox"/>	<input type="checkbox"/>
If the number of service-related incremental points on any pay scale exceeds five, is there justification for this within the terms of the age discrimination legislation?	<input type="checkbox"/>	<input type="checkbox"/>
If there are merit or qualification bars, do people in different equality groups or people working particular contractual arrangements progress through them in equal proportions?	<input type="checkbox"/>	<input type="checkbox"/>

**Recruitment and promotion**

Are people in different equality groups or people working particular contractual arrangements appointed for like jobs?	<input type="checkbox"/>	<input type="checkbox"/>
If so, is the normal starting salary level or point the same as that for people in other equality groups or working particular contractual arrangements?	<input type="checkbox"/>	<input type="checkbox"/>

	<b>Yes</b>	<b>No</b>
Are people in different equality groups and people working particular contractual arrangements given equal opportunities for promotion and career progression?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people with different contractual arrangements progress to higher grades in proportion to their employment in lower grades?	<input type="checkbox"/>	<input type="checkbox"/>
Are qualification requirements which may attract higher salaries justified?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other recruitment practices which may influence salary levels in an inequitable way – including variations in practice across different staff groups at the same grade level?	<input type="checkbox"/>	<input type="checkbox"/>
Is there occupational segregation which is likely to give rise to differences in the proportions of staff in particular equality groups, or with particular contractual arrangements, progressing to higher grades?	<input type="checkbox"/>	<input type="checkbox"/>

**Additional payments, allowances and benefits**

Do people in different equality groups and people working particular contractual arrangements have equal access to and, on average, receive equal payments for working time premia (overtime, shift pay, standby or call-out pay)?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to and, on average, receive equal bonus payments?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to and, on average, receive equal allowances for skills, responsibility etc?	<input type="checkbox"/>	<input type="checkbox"/>
Do people in different equality groups and people working particular contractual arrangements have equal access to and on average receive equal benefits, e.g. pension, medical insurance, sick pay?	<input type="checkbox"/>	<input type="checkbox"/>

**Awareness**

Have all those involved in making pay decisions been appropriately trained in best employment practice related to equality and diversity legislation?	<input type="checkbox"/>	<input type="checkbox"/>
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**Monitoring**

Are arrangements in place for monitoring pay differences across equality groups and contractual arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
Is there clarity about to whom the outcomes of such monitoring should be reported, and when?	<input type="checkbox"/>	<input type="checkbox"/>

**APPENDIX D**

**CONTRIBUTION-RELATED PAY CHECKLIST**

	<b>Yes</b>	<b>No</b>
Are all equality groups entitled to participate in contribution-related pay systems?	<input type="checkbox"/>	<input type="checkbox"/>
If so, are the outcomes proportionate?	<input type="checkbox"/>	<input type="checkbox"/>
Are part-time workers and those on fixed, short-term, term-time or indefinite contracts equally entitled to participate in contribution-related pay systems?	<input type="checkbox"/>	<input type="checkbox"/>
If so, are the outcomes proportionate?	<input type="checkbox"/>	<input type="checkbox"/>
Are criteria used to assess eligibility for contribution-related pay?	<input type="checkbox"/>	<input type="checkbox"/>
If so, are they free of bias?	<input type="checkbox"/>	<input type="checkbox"/>
Are performance ratings and awards of contribution-related pay checked regularly to identify any examples of bias?	<input type="checkbox"/>	<input type="checkbox"/>
Is there any evidence of bias in the distribution of performance ratings?	<input type="checkbox"/>	<input type="checkbox"/>
Is there any evidence of bias in the award of contribution-related pay?	<input type="checkbox"/>	<input type="checkbox"/>
If there are any differences in the award of contribution-related pay can they be objectively justified?	<input type="checkbox"/>	<input type="checkbox"/>
Have those responsible for making decisions on contribution-related pay been appropriately trained in best employment practice related to equality and diversity legislation?	<input type="checkbox"/>	<input type="checkbox"/>

**JOB EVALUATION CHECKLIST****Scheme design features** *(responses based on consideration of information from scheme providers)***Yes**      **No**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1 Is the scheme appropriate for all the jobs it is expected to cover without favouring any?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Does the scheme have a non-discriminatory analytical framework covering all important job demands?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Are factor definitions unambiguous and without undue overlap?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Is there a rationale for factor weightings which ensures that they reflect the importance of the job demands for the organisation as a whole and are not biased with regard to any equality group? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Is there any tendency for job evaluation simply to contribute to the perpetuation of the existing hierarchy?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Is the gradation of factor levels well-defined and unambiguous, reflecting real steps in demands ?   | <input type="checkbox"/> | <input type="checkbox"/> |

**Scheme selection**

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 7 Were those responsible for selection of the job evaluation scheme used by the institution representative of the various equality groups and contractual arrangements among the institution's employees, and/or did they explicitly consider issues likely to arise in respect of equalities and contracts? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Did the criteria used for selection of the job evaluation scheme used by the institution include the considerations set out in Questions 1-6 above?  | <input type="checkbox"/> | <input type="checkbox"/> |

**Scheme operation/application**

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 9 Have role or job analyses been prepared by fully trained people given guidance to avoid bias on equality or contract grounds?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 If job holders were required to complete questionnaires, had they been given adequate training and guidance?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 Were the samples of postholders selected for in-depth role analysis, and to assess benchmark roles, representative of the equalities groups and contractual arrangements among employees, and large enough to avoid bias? | <input type="checkbox"/> | <input type="checkbox"/> |

	Yes	No
12 Was the quality of job analyses, job descriptions and questionnaire responses assessed to ensure that they were adequate for the purpose and met a consistently high standard?	<input type="checkbox"/>	<input type="checkbox"/>
13 If there is a panel to undertake matching or any other key part of the job evaluation process, is that panel representative of the equalities groups and contractual arrangements among employees, and/or did members receive guidance and training on avoiding bias on equalities and contract grounds?	<input type="checkbox"/>	<input type="checkbox"/>
14 Was the determination of grade boundaries, in the context of job evaluation analysis, mindful of the need to avoid discrimination on equalities or contract grounds?	<input type="checkbox"/>	<input type="checkbox"/>
15 Is the scheme easy to understand and operate, and transparent in the sense that staff understand how it operates and how decisions arising from its application are made?	<input type="checkbox"/>	<input type="checkbox"/>
16 Does the scheme provide for appeals?	<input type="checkbox"/>	<input type="checkbox"/>
17 Are arrangements in place for systematic use of job evaluation in relation to new or revised posts, and posts where the role has evolved?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Scheme outcomes</b>		
18 When applied, does the scheme produce a justifiable rank order of jobs which does not simply reproduce the existing hierarchy of jobs?	<input type="checkbox"/>	<input type="checkbox"/>
19 Were the outcomes of the scheme in terms of necessary regradings of staff (up and down) broadly consistent across the equalities groups and contract arrangements represented among staff?	<input type="checkbox"/>	<input type="checkbox"/>
20 If there were apparent inequities in regrading decisions, were these checked to ensure that there had not been discrimination on equalities or contract grounds?	<input type="checkbox"/>	<input type="checkbox"/>

## DATA REQUIREMENTS

The data required is primary data contained in a computerised personnel or payroll database and derived data obtained by analysing the primary data.

### Primary data

For each member of staff (full-time, part-time and those on fixed term contracts and contracts of indefinite duration) details of:

- Name
- Gender
- Racial group
- Whether or not disabled
- Age
- Any information on sexual orientation\*
- Any information on religion or belief\*
- Full/part-time contract
- Fixed term/indefinite duration contract
- Term time only/hourly paid contract
- Staff group/job family
- Grade/band
- Basic salary (part-time staff at actual rate and full-time equivalent)
- Job evaluation score (actual, or range matched to)
- Position on pay scale (incremental point)
- Any market supplement
- Eligibility for contribution-related pay
- Performance appraisal rating
- Value of contribution-related pay increases or bonuses
- Working time premia – overtime, shift payments, unsocial hours
- Pension
- Work related benefits – sick pay, medical insurance, loans
- Payments in kind – accommodation, company car
- Any other allowances
- Pay protection arrangements, where applicable

### Derived data – by gender, racial group, disability, sexual orientation, religion or belief, age, and contractual arrangement

- Staff numbers in each grade, staff group, and across all employees
- Average pay for each grade
- Average pay for each job category (where differentiated within or across grades)
- Average pay for all staff
- Average pay for full-time, part-time, term time and fixed term contract staff by grade and job category
- Pay gap percentages for each staff group and all staff

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\* The ECU guidance on Equality and Diversity Monitoring includes advice on gathering such information.

- Position on incremental scale by grade and job category (where differentiated)
- Market supplements – number eligible, value
- Eligibility for contribution-related pay
- Distribution of performance appraisal ratings
- Allocation of contribution-related pay
- Average value of contribution-related pay
- Eligibility for working time premia, pension, work-related benefits, payment in kind and other allowances
- Number red-circled and average duration
- Number green-circled and average duration
- Number with safeguarded progression

### **Additional information**

- Details of existing grade and pay structures including the number of service-related incremental points.
- Details of any performance appraisal and contribution-related pay scheme and its overall outcomes
- Detailed outcomes of promotions processes

## GLOSSARY OF TERMS

*The following is a description of terms used in HR policies and procedures. Their inclusion in this guidance does not indicate that parties to this agreement necessarily support all such policies and practices.*

**Accelerated increments** A system for providing staff with accelerated or additional increments on the basis of their merit or performance.

**Analytical job evaluation** Schemes in which decisions about the relative value or size of job are based on an analysis of the degree to which various defined elements or factors are present in a job. The Equal Pay (Amendment) Regulations 1983 refer to ‘the demands on a worker under various headings, for instance, effort, skill, decision’. The usual analytical approach is a point-factor scheme in which scores for each factor are awarded and then totalled. On completion of an evaluation programme, the total scores for jobs indicate their rank order. This type of scheme meets the requirements of equal value law as long as it is not in itself discriminatory.

**Benchmarking** *Internal benchmarking* is the process of identifying a representative sample of typical jobs (benchmark jobs) which are used as reference points for a comparative process of job evaluation within the organisation in order to establish the relativities between them. Benchmarking can provide the information required to develop equitable grade structures and can be used when establishing whether jobs are rated as equivalent or are of equal value. *External benchmarking* is the process of comparing the pay of a representative sample of jobs within the organisation with the pay of similar jobs outside the organisation in order to establish external (market rate) relativities

**Broad-banded pay structure** A pay structure in which a hierarchy of narrow pay or salary ranges is compressed into a small number (typically five or six) of wide bands. Each of the bands therefore spans the pay progression opportunities previously covered by a number of separate pay ranges.

**Competence-related pay** A contingent pay scheme that rewards people wholly or partly by reference to the level of competence they demonstrate in carrying out their roles. It is a method of paying people for the ability to perform.

**Contingent pay** Pay which is related to or dependent on merit or performance, competence, contribution, skill, or service in the job. The term ‘performance pay’ is often used loosely to cover all forms of contingent pay other than service-related pay.

**Contribution-related pay** is used here as in the Framework Agreement – including all forms of additional pay related to the contribution of individuals or teams. It includes accelerated and additional increments, and various types of non-consolidated bonuses. More widely the term is used to refer to pay which is related to both competence (i.e. inputs) and performance (i.e. results/outputs).

**Employee benefits**, also known as indirect pay. Schemes or arrangements for providing personal security, financial assistance, or company cars and for satisfying personal needs. such as pensions, sick pay and insurance cover. They comprise elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remuneration, such as annual holidays.

**Equality groups** This phrase is used to refer collectively to individuals or groups of staff within the six different equality strands - i.e. gender, race, disability, sexual orientation, religion or belief, and age.

**Equal pay** Equal pay law requires men and women to receive the same level of pay as employees of the opposite sex who are performing equal work. Any differences must be objectively justified by reasons unrelated to gender. The provisions of equal pay legislation and case law can be regarded in principle as being relevant to the achievement of equal pay for work of equal value between members of different races, those with and without disabilities, staff of different ages, those with different sexual orientations, and staff with different religions or beliefs.

**Equal value** Work which is different but assessed as being of equal value under such headings as effort, skill and decision. The assessment process must be analytical and free of bias.

**Factor** In job evaluation (qv) a criterion for judging the size of a job in one particular aspect or characteristic of the work involved or the demands made on job holders, for example, skill, responsibility, complexity. It is assumed that this characteristic is present in all the jobs to be evaluated but to different degrees. Factors therefore provide a basis for measuring differences in job size (qv).

**Factor plan** The group of factors (qv) which are used in a point-factor job evaluation scheme (qv). The individual factors will be divided into levels and the total points that can be allocated to a factor are assigned and distributed between each level. The allocation of points may be weighted in accordance with judgements about the relative importance of each factor.

**Framework** Shorthand for the Framework Agreement for the Modernisation of HE Pay Structures, which was negotiated in July 2003 and ratified by all HE unions by April 2004.

**Gender pay gap** The gender pay gap is determined by calculating the average pay of women as a percentage of the average pay of men, and by comparing any differences in contractual terms. See also **pay gap**.

**Generic role definitions/profiles** Descriptions of typical roles performed by a number of job holders which are essentially similar, with only minor differences. They specify overall role requirements in terms of the common characteristics of individual roles without spelling out the details of any particular job. A generic role definition therefore fits the role of, say, all team leaders but the accountabilities of individual job holders may be defined as outputs – the objectives and standards of performance to be achieved.

**Grade** An area in a hierarchical graded pay structure in which jobs of similar size or value are placed, usually by some form of analytical or non-analytical job evaluation (qv). Grades may be defined in job evaluation points terms or by a description of the level of responsibility or competence typical of any roles or jobs placed in the grade. Pay ranges (qv) are attached to grades which may be determined by reference to views on internal relativities and differentials and to information on external relativities (market rates).

**Green circling** The process of paying people who are under-graded as a result of job evaluation less than the level of pay appropriate to their grade. This usually takes place following the introduction of a new pay structure when, to cut costs, the pay increases required to bring staff to the minimum for their new grade are phased (see, for example, Appendix F of Framework Agreement). Green circling can be discriminatory if the preponderance of those green-circled are

women while there is a preponderance of men who are paid within the grade or, through 'red circling' (qv), are paid above it. This also applies if this situation exists for members of other equality groups or staff with differing contractual arrangements.

**Job description** A definition of the overall objectives of a job, where it fits in the organisational structure and the key result areas or principal accountabilities of job holders, or the main tasks they have to carry out. It may include a description of the context within which the job is carried out and an analysis of the job in terms of the criteria used in a job evaluation factor plan.

**Job** A group of finite tasks to be performed (pieces of work) and duties to be fulfilled in order to achieve an end result. It is often assumed that these duties remain the same whoever carries out the job.

**Job evaluation** A systematic process for defining the relative worth or size of jobs within an organisation in order to establish internal relativities and provide the basis for designing an equitable grade structure, grading jobs in the structure and managing relativities.

**Job family** A group or cluster of jobs with common characteristics. The essential nature and purpose of the work will be similar but the work is carried out at different levels.

**Job family pay structure** A pay structure which contains separate pay structures for job families which may be graded in terms of levels of skill or competence. Each level may have its own finite pay range as in a conventional graded pay structure.

**Job matching** The process of matching a job against a grade or band definition or against the description of a benchmark job to place it in a grade or band.

**Job size** The scale of the job as indicated by job evaluation, often expressed as a points score.

**Like work** Work which is the same or broadly similar.

**Market premium or supplement** Extra payments made to an individual or group of people which enhance the normal rate for the job to enable pay to be competitive in the market place. In accordance with equal value law, such payments should be objectively justified by reference to evidence on the relevant levels of market rates and to the business need to pay above the normal rate in order to attract and retain particular categories of staff. They should also be made equally available to members of different equality groups and staff with different contractual arrangements.

**Merit pay** A method of linking increases in pay or of making decisions on accelerated or additional increments to an assessment of merit which may be defined in terms of competence or achievement.

**Non-analytical job evaluation** Schemes in which whole jobs are examined and compared in order to place them in rank order or in a grade without analysing them into their constituent parts or elements. The most common non-analytical approach is to 'match' roles as defined in role profiles (qv) to definitions of grades or bands (this is often referred to as job classification). When designing grade structures, however, the initial step may be to rank the jobs in order of perceived value (job ranking). Non-analytical schemes do not meet the requirements of equal value law.

**Objective justification** Under equal pay law, if a pay practice such as a market premium or supplement results in a difference between the pay of men and women doing equal work, the

employer must be able to justify the pay practice objectively. This means that the employer must be able to demonstrate that the practice meets a legitimate business need, is appropriate as a means of satisfying that need and is a necessary and proportionate means to that end. The same principle can be applied to members of different equality groups and staff with different contractual arrangements.

**Pay** Pay is defined in Article 141 of the Treaty of Rome as; 'The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives directly or indirectly, in respect of his employment, from his employer'. Thus it includes benefits, 'perks' and allowances as well as base pay and performance pay or bonuses.

**Pay gap** A pay gap describes the difference between the pay of men compared with women, or between the pay of those in other equality groups. It is determined by calculating the average pay of one group as a percentage of the average pay of another. Thus, the pay gap between men and women would be 18% when women's pay is 82% of men's. The individual pay gap is the percentage difference between the pay of an individual and the pay received by a person of the opposite sex, or likewise between the pay of members of other equality groups.

**Pay scale** A graduated schedule of the pay increases that can be earned which usually takes the form of pay points on a pay spine.

**Pay range** The range of pay assigned to a grade (qv) as determined by reference to internal relativities and differentials and to market rates.

**Pay spine** A pay spine consists of a series of incremental points extending from the lowest to the highest-paid jobs covered by the structure. A pay spine increment may be standardised at, say, 3 per cent from the top to the bottom of the spine, or the increments may vary at different levels. Ranges for different job grades may then be superimposed on the pay spine. If performance-related pay is introduced, individuals can be given accelerated increments.

**Pay structure** A method of defining and describing the different levels of pay for jobs or groups of jobs by reference to their relative internal value or size as established by job evaluation and to external relativities as established by external market rate surveys. Pay structures consist of grades or bands into which jobs or roles are allocated and which provide scope for pay progression. The Framework Agreement sets out principles and parameters for HE pay structures.

**Performance appraisal** The formal assessment and rating of individuals at periodic intervals by their managers. The ratings can be used to inform merit or contribution-related pay decisions.

**Performance management** A systematic and continuous approach to improving and developing the performance and competence of individuals and teams in order to increase overall organisational effectiveness. The emphasis is on the development of individuals and teams, and on dialogue and agreement. There may be no ratings and no direct link to performance-related pay.

**Performance pay** Pay related to performance in the form of an addition to base pay, additional increments or a bonus; also known as performance-related pay but sometimes extended to include other forms of contingent pay (qv).

**Performance-related pay (PRP)** A contingent pay scheme which provides individuals with financial rewards in the form of increases to basic pay or cash bonuses which are linked to an assessment of

performance, usually in relation to the results achieved against agreed objectives or targets (outputs). It is sometimes described as merit pay.

**Point-factor job evaluation** An analytical form of job evaluation in which jobs are scored by reference to a factor plan (qv) as a basis for determining their relative size (qv).

**Racial/Ethnic Group** As defined by the ethnic categories recommended by the Commission for Racial Equality (CRE) for England, Wales and Scotland.

**Red-circling** The process of protecting the pay of a person so that it is at a higher level than the size of the job and internal relativities justify. Red circling typically takes place following a job evaluation exercise when it is established that a job holder or job holders are over-graded and therefore over-paid but it is believed that they should not suffer a loss of pay. In these circumstances their pay may be 'protected' at its present rate and they may be required to 'mark time', i.e. remain at the same rate until other people catch up. A preponderance of men, or of members of other particular equality groups, who have been red-circled could be regarded as discriminatory, and discrimination may also take place or be intensified if protection is perpetuated or extended over long periods. Similar considerations apply in respect of disproportionate treatment of staff with different contractual arrangements.

**Role** The part played by people in meeting their objectives by working competently and flexibly within the context of the organisation's objectives, structure and processes. A distinction may be made between the terms role and job.

**Role analysis** The process of collecting, analysing and setting out information about the content of roles (qv) in order to provide the basis for a role profile (qv) for job or role evaluation purposes but additionally, to produce data for recruitment, training and performance management. Role analysis concentrates on the results role holders are expected to achieve and what they need to know and be able to do to achieve those results. It therefore covers both outputs (key result areas) and inputs (competences).

**Role profile** A description of the part to be played by individuals in fulfilling their role requirements. It defines the purpose of the role in the form of the expected outputs (accountabilities), and expands the information contained in a traditional job description by setting out the competences required to perform the role satisfactorily. JNCHES has published indicative profiles for academic roles in guidance agreed under the terms of the Framework Agreement.

**Safeguarded progression** The practice of continuing previously contracted entitlement to pay progression, despite such entitlement being removed or reduced following introduction of new or amended pay structures. Such safeguarding may be for a limited period.

**Total earnings** The sum of base pay and any additional payments.

**Total remuneration** The value of all cash payments (total earnings) and benefits received by employees.

**Work rated as equivalent** Work which has achieved the same or a similar number of points under a job evaluation scheme.

**Work of equal value** Work which is of broadly equal value when compared under headings such as effort, skill and decisions.

### SOURCES OF FURTHER INFORMATION

#### **The Equal Pay Act and Code of Practice on Equal Pay**

Equal Pay Act 1970: The Questionnaire (DTI):  
[www.womenandequalityunit.gov.uk/pay/update\\_question.htm](http://www.womenandequalityunit.gov.uk/pay/update_question.htm)

Guide to the Equal Pay Act 1970 (DfEE):  
[www.womenandequalityunit.gov.uk/pay/equal\\_pay\\_act\\_guide\\_rev3.doc](http://www.womenandequalityunit.gov.uk/pay/equal_pay_act_guide_rev3.doc)

Code of Practice on Equal Pay (EOC): [www.eoc.org.uk/PDF/law\\_code\\_of\\_practice.pdf](http://www.eoc.org.uk/PDF/law_code_of_practice.pdf)

#### **General guidance on equal pay**

Equal Pay Review Kit (EOC): [www.eoc.org.uk/default.aspx?page=15383](http://www.eoc.org.uk/default.aspx?page=15383)

Equal Pay Review Kit – Guidance Notes (EOC): [www.eoc.org.uk/Default.aspx?page=15382](http://www.eoc.org.uk/Default.aspx?page=15382)

Practical tips on equal pay (EOC): [www.eoc.org.uk/Default.aspx?page=15380](http://www.eoc.org.uk/Default.aspx?page=15380)

Collecting and comparing pay information (EOC): [www.eoc.org.uk/docs/pay\\_spreadsheet.xls](http://www.eoc.org.uk/docs/pay_spreadsheet.xls)

Conducting an Equal Pay Review in accordance with Data Protection Principles (EOC):  
[www.eoc.org.uk/Default.aspx?page=15578](http://www.eoc.org.uk/Default.aspx?page=15578)

Equal Pay, Fair Pay - A Small Business Guide to Effective Pay Practices (EOC):  
[www.eoc.org.uk/PDF/equalpaygb.pdf](http://www.eoc.org.uk/PDF/equalpaygb.pdf)

Equal Pay Guide (CIPD, 2002):  
[www.cipd.co.uk/Bookstore/\\_catalogue/PayAndReward/085292920X.htm](http://www.cipd.co.uk/Bookstore/_catalogue/PayAndReward/085292920X.htm)

#### **JNCHES guidance**

JNCHES Role Analysis and Job Evaluation Guidance for Higher Education Institutions (Revised 2004): [www.ucea.ac.uk](http://www.ucea.ac.uk)

JNCHES Guidance on Pay Progression and Contribution-related Pay (Revised 2005):  
[www.ucea.ac.uk](http://www.ucea.ac.uk)

#### **Guidance on monitoring**

Monitoring in Higher Education Institutions (ECU, 2004):  
[www.ecu.ac.uk/publications/guidancepublications/Monitoring.pdf](http://www.ecu.ac.uk/publications/guidancepublications/Monitoring.pdf)

A guide for employers and employees - Religion or belief and the workplace (ACAS):  
[www.acas.org.uk/media/pdf/fl/religion\\_1.pdf](http://www.acas.org.uk/media/pdf/fl/religion_1.pdf)

A guide for employers and employees - Sexual orientation and the workplace (ACAS):  
[www.acas.org.uk/media/pdf/e/n/sexual\\_1.pdf](http://www.acas.org.uk/media/pdf/e/n/sexual_1.pdf)

### **Other relevant guidance**

Conducting impact assessments for equal opportunities in HE – a guide to good practice (ECU and HEFCE): [www.ecu.ac.uk/publications/guidancepublications/impactassessment.pdf](http://www.ecu.ac.uk/publications/guidancepublications/impactassessment.pdf)

UCEA/ECU Age Discrimination Working Group Guidance: Guidance Note 1: Pay and Benefits – a UCEA publication: [www.ucea.ac.uk](http://www.ucea.ac.uk)

CRE guide to the public sector duty: [www.cre.gov.uk/duty/grr/index.html](http://www.cre.gov.uk/duty/grr/index.html)

EOC Code of Practice on the public sector duty (England and Wales):  
[www.eoc.org.uk/PDF/GED\\_CoP\\_Draft.pdf](http://www.eoc.org.uk/PDF/GED_CoP_Draft.pdf)

DRC guidance on the DED in further and higher education:  
[www.drc-gb.org/employers\\_and\\_service\\_provider/disability\\_equality\\_duty/sectoral\\_guidance/further\\_and\\_higher\\_education.aspx](http://www.drc-gb.org/employers_and_service_provider/disability_equality_duty/sectoral_guidance/further_and_higher_education.aspx)