Written evidence from the British Rail Consortium (CGP 0012)

1. In response to your short inquiry on the gender pay gap please find the following evidence from the British Retail Consortium and our gender pay gap factsheet enclosed. The BRC is the lead trade association for the entire retail industry. Our industry spans large multiples, independents, high streets and out of town, from online to bricks and mortar, selling goods across all industries from clothing, footwear, food and homeware to electronics, health & beauty, jewellery and everything in between, to increasingly discerning consumers.

2. The retail industry is a diverse industry, providing jobs to nearly 3 million people of all ages, backgrounds and in every community in the UK. We are pleased that the industry’s gender pay gap is smaller than the UK average with the median standing at 9.3%. Despite this we recognise there is more to do to ensure that the pay gap in retail is properly understood and that where possible, reduced.

3. Retailers worked hard to gather, analyse and communicate robust data ahead of the April 2018 deadline. While retailers support greater transparency in this area, there are real concerns that annual reporting of data in this manner is not helpful and may distract from the broader commitment to inclusivity many of our members are focused on. For instance, the requirement to publish both a mean and median figures has caused confusion and for retailers the requirements related to bonus data are unhelpful as the data retailers are required to calculate do not reflect hours worked.

4. Retailers are concerned that the publication of data without context is driving an ill-informed debate and has the potential to result in unintended circumstances as employers look for short-term steps to reduce the pay gap rather than addressing the broader inclusivity agenda. In some cases, commentators have jumped all too easily from gender pay gap data to equal pay, conflating two very different issues, underpinned by different regulations. As the Committee will be aware the gender pay gap has many drivers and the incidence of a gender pay gap does not mean there is unequal pay.

5. To fully understand the gender pay gap the data must be considered in the context of the industry as well as the individual company. In retail, the pay gap for part-time colleagues is 0.8% whereas the pay gap for full-time colleagues is 7.1%. As senior roles are typically undertaken as full-time jobs, the pay gap points to an underrepresentation of women in full-time, senior roles which the industry accepts and has been working hard to improve particularly at board and non-executive level.

6. But the industry is proud that more than half of roles in retail are part-time. These roles provide essential employment opportunities for those who need to work flexibly or who simply do not want to work on a full time basis. Flexibility is something the retail workforce value – for three consecutive years’ retail colleagues have ranked it in the top three reasons for working in the industry.¹

¹ BRC Employee Perceptions Survey, 2015-17
7. While retail is unique in the number of part-time roles available, our industry is not unique in that the majority of these roles are carried out by women. Retail, like other industries, has recognised that there is more to do to enable better part-time progression and ensure all colleagues can reach their full potential. Our survey data indicates that 56% of retail colleagues perceive fewer progression opportunities for part-time workers. In response, the BRC has embarked upon a partnership with Timewise to support retailers to unlock progression opportunities for part-time workers across all areas of the business. Through this partnership we hope to open up flexible progression across the industry.

8. It is also essential to understand there are issues wider than industry composition driving the gender pay gap in our industry as in others. Firstly, women in the UK are the dominate carers, making part-time work more attractive than full-time work. Secondly, the cost of child care can make it more financially viable for one parent, typically mothers, to leave the workplace all together for a period of time. And thirdly, children are exposed to occupational biases from an early age that are often reinforced in formal education.

9. These issues are not unique to retail; they are societal issues that impact all sectors in one way or another. They are also the key areas that government policy must focus on to make real progress in reducing the gender pay gap. Retailers are already playing their part to address the pay gap but this is not something industry can do alone, nor is it something that we will see significant progress in 12 months’ time.

10. The incidence of a gender pay gap does not mean there is unequal pay. The two issues are separate and have unfortunately been conflated all too often in recent months. Again, to ensure that the two are not conflated, the pay gap data must be considered within both its industry context and the context of the individual company.

11. Retail is a consumer industry and for the vast majority of retailers in scope of these regulations non-compliance is not an option given the public interest and consumer awareness. In most cases, BRC members have provided narratives alongside their data in an attempt to be as transparent as possible with colleagues, customers and future customers.

12. For many retailers the decision about when to publish their data was determined by a number of different factors including other reporting requirements and the ability to communicate effectively with colleagues in advance. While we recognise the importance of awareness raising activity for compliance with the new regulations, the pressure to report early by the GEO and the media was unhelpful and may have resulted in some data inaccuracies. Going forward it is important that the government learn from this process and allow retailers the freedom to report at the most appropriate time within the deadline set by the regulations. Where inaccuracies in data have been discovered, it would be helpful for the GEO to share further guidance about how to avoid common pitfalls ahead of the data publication cycle next year.