

Northern Lighthouse Board

Gender Pay Gap Report

Introduction

The following report sets out the Gender Pay Gap information for the Northern Lighthouse Board. It should be noted that NLB does not have a requirement to carry out Gender Pay Gap Reporting as the legal requirement for reporting this information only applies to organisations with over 250 employees. However, as an NDPB with 195 (at the time of reporting) employees it is good practice to carry out the analysis so we can identify any areas of concern and where possible implement actions to address these.

The first section of this report gives the statistical results that are required and set out by the Regulations. The second part of the report provides a narrative explaining the reasons for the gap and the actions NLB will take to promote a reduction of the pay gap.

Reporting Date

31st March 2017

Employees Covered in Reporting

All employees either permanent or fixed term are included in the reporting. Agency workers are not included.

Gender Pay Gap Data

- 1. Mean Gender Pay Gap – 20.7%**
- 2. Median Gender Pay Gap – 10%**
- 3. Mean Bonus Pay Gap – 1.8%**
- 4. Proportion of males and females in each quartile pay band**

Quartile	Total	Male	Female
Lower	49	69.4%	30.6%
Lower Middle	48	83.3%	16.6%
Upper Middle	49	85.7%	14.3%
Upper	49	91.8%	8.2%

Narrative

Gender Pay Gap and Equal Pay

It is important to note that the Gender Pay Gap differs from Equal Pay. The NLB uses Hays Job Evaluation for all shore based posts, therefore, men and woman receive the same hourly pay rate for jobs of equal size. The NLB's Marine pay bands were based on UK Shipping industry comparators and have since been adjusted to ensure alignment with the industry as far as is possible given public sector pay restraint. Women and men who carry out the same role on board our ships receive equal hourly rates.

Gender Pay Gap – Reasons

From analysing the figures, the reason for the pay gap between men and women is the proportion of men who hold higher graded roles. This is illustrated in the table above.

The NLB primarily employs within the engineering and shipping sector which are male dominated areas of employment and many of these roles fall into the professional grades which equate to higher salaries. That said the most recent recruitment exercise for a Civil Engineering Technician resulted in a female candidate being the best candidate and they joined our Renewals team in April 2018.

Addressing the Gender Pay Gap

Recruitment

As noted earlier, despite advertising via mainstream job websites and promoting opportunities via social media NLB does not receive many applications from women within the organisation's main recruitment areas of Engineering and Shipping. Some companies have tried to place a target for recruiting women to try and reduce the pay gap, however, to attempt to do this for these skill areas is likely to be unachievable due to the small number of applicants particularly for roles where there is a national shortage of skills or in geographic areas where there is near-full employment. Given the NLB's role to deliver a vital safety service the operational imperative is that employing the most talented individual for a post must have priority over recruiting on the basis of gender. It is fully recognised that in the situation of two candidates of different genders being of equal standing then the diversity of the workforce will be a consideration.

For the recruitment of senior roles we have started using 'Assessment Centres', this ensures the candidates are assessed in line with a set of competencies and scoring is based on evidence. The assessment centres have been led by Business Psychologists. It is believed that this method of assessment reduces the risk of 'unconscious bias' that may be a factor during a normal interview.

When looking to recruit members of the Executive (Directors and Chief Executive) and Non-Executives Board members there are a number of websites that can be targeted to encourage women to apply and indeed this was done during the recent recruitment of Co-opted Commissioners for Transport Scotland and the Department for Transport. When recruiting up to Senior Manager level for both ship and shore based roles a woman is

always represented (mainly due to the fact that the HR representatives are woman). However, for Board level positions this has not always been the case and it would also be beneficial to ensure that there is a gender mix on the interview panel for those roles.

It is also a fact that most part time workers are women, primarily due to childcare or other family commitments which can act as a barrier for applying for senior posts. Where it is feasible for a post to be split into a job share role consideration should be given to proactively advertising both internally and externally that part time or job share applications would be welcome. Clearly for this arrangement to be successful two suitable candidates are required. Although very much longer term and with little direct benefit to the immediate requirements of the organisation, in support of more general nation-wide initiatives to encourage women into science and technology careers, NLB participates in the promotion of STEM. For example one of our female technicians who is a STEM ambassador has given presentations to local school and Brownie groups to encourage girls into the engineering sector. NLB is also a participant in the Year of Young People and has used social media to promote STEM.

Actions

- **Continue to use assessment centres for the recruitment of senior posts to eliminate unconscious gender bias**
- **Consider whether a post is suitable to be advertised as a job sharing opportunity**
- **Advertise Executive and Non-Executive Board level posts on websites targeted at employing women as well as mainstream channels**
- **Ensure that a woman is on the interview panel for Executive and Non-Executive Board level positions**
- **Continue to seek and exploit opportunities to promote STEM within young female groups**

Succession Planning/Talent Management

It is a fact that the majority of woman within NLB are employed in the lower quartile of hourly rates which has 30.6% women, gradually reducing to 8.2% women in the upper quartile. Whilst attempts can be made at the recruitment stage, a key action lies within our own succession planning and internal promotion opportunities.

The NLB is proud to be able to offer all employees the opportunity to undertake further education and work related development, however, in these processes we should actively support development that takes into account the social differences between men and women. For example, women still tend to be the primary carers for children and the elderly, therefore, finding ways to allow women to undertake training and development opportunities that do not require a large burden on their home life maybe one aspect to encourage their development whilst allowing them to fulfil their family commitments.

Action:

Proactive action to address personal circumstances when developing women to allow them to apply for promoted roles.

Worklife Balance/Flexible Working/Family Friendly

As mentioned above, reflecting current society, it is primarily women that work reduced hours due to caring commitments. The NLB already offers flexible working hours which allows the majority of employees the flexibility to balance caring commitments and attending work.

NLB also offers up to 5 days carer's leave (paid) which is over and above the statutory requirement, this gives reassurance to employees that they can take an 'emergency day' without the loss of pay. We also provide enhanced rates for maternity and shared parental leave.

100% of women who applied to reduce their working hours following maternity leave have had their application approved, therefore, the NLB has supported women returning to work whilst allowing them to balance their family life.

The area of shipping does not lend itself to part time working, therefore, we have no one working part time and it is unlikely that a flexible working application would be successful due to the operational requirements of the ships.

One area that will be explored further is the ability to work from home, this may offer women the opportunity to work the hours required but over a more flexible working day than the flexible working hours system offer. For example women may then be able to work during school hours and make up the hours in the evening which would allow them to care for their school age children and work when that responsibility allows.

Action:

Promote home working options when considering flexible working applications.

The above actions will be incorporated into NLB policy and implemented with immediate effect.