

Gender Pay Gap Report 2021



Love God
Love Others

Introduction

The Salvation Army is an employer required to undertake a Gender Pay Gap Report under the Equality Act 2010 Gender Pay Gap Information Regulations 2017.

Through every aspect our mission we care for people, and through our priorities of Sharing the good news, Serving others without discrimination, Nurturing disciples of Jesus, Caring for creation and Seeking justice and reconciliation, we endeavour to have a fairness for all.

What is gender pay gap reporting?

Gender pay gap reporting compares the average hourly earnings of male and female employees within an organisation. Since 2017 UK government regulations require all employers with 250 or more employees to publish gender pay gap information based on snapshot data from 05 April each year to cover the following six metrics:

The difference in the mean full-time equivalent pay of men and women, expressed as a percentage	The difference in the median full-time equivalent pay of men and women, expressed as a percentage	The percentage split between male and female employees in each of four pay band quartiles
The proportion of men and women who received bonus pay	The difference in the mean bonus pay of men and women, expressed as a percentage	The difference in the median bonus pay of men and women, expressed as a percentage

GENDER PAY GAP vs 'EQUAL PAY'

The gender pay gap is not the same as gender-based pay inequality (usually referred to as 'equal pay').

The gender pay gap measures the differences in average hourly pay in the same organisation, regardless of their job role.

Equal pay is the right of men and women to be paid the same for the same work or work of equal value.

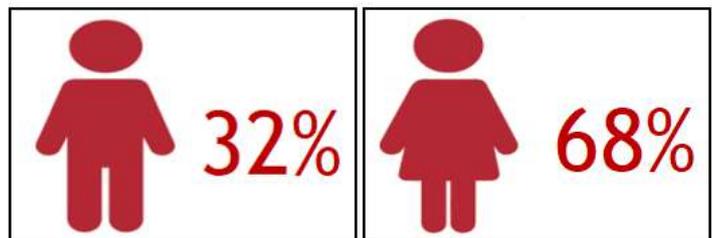
In 2019 we introduced a new pay and grading system that enables all our employees at the same grade to be paid equally for the same or similar work, regardless of gender.

Our gender pay gap metrics 2021

Based upon data from our April 2021 payroll, we are reporting a mean gender pay gap of **13.8%** and a median gender pay gap of **4.6%**

The Salvation Army employees do not have an opportunity to earn bonuses and therefore the mean gender bonus gap is **0%** and the proportion of male and female employees in The Salvation Army receiving a bonus is **0%**

The gender distribution for full-pay relevant employees included in this report is 32% male 68% female



Our workforce has been divided into four equal-sized groups based on hourly pay rates to give the pay quartiles shown below:

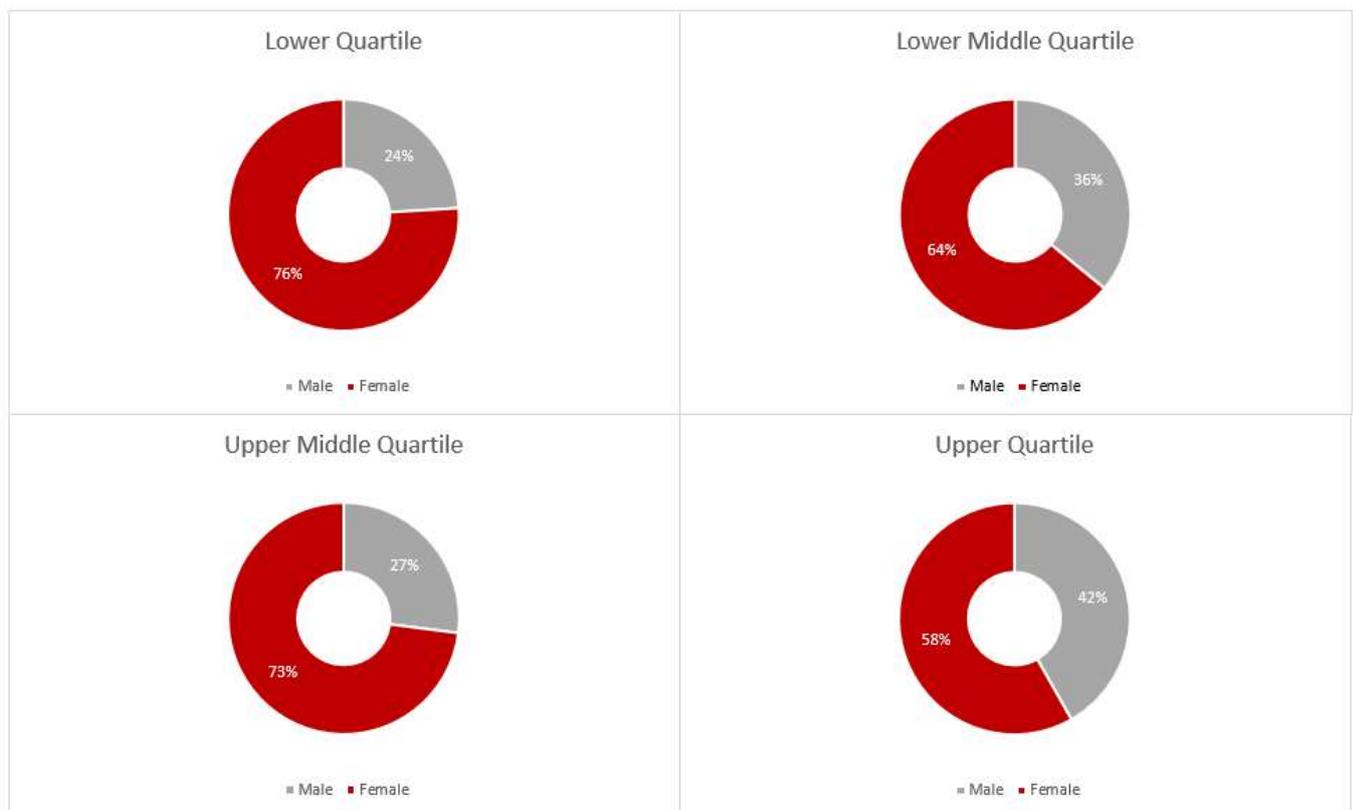


Figure 1: Our 2021 pay quartiles

Our gender pay journey - analysis

Our **mean** gender pay gap has increased by **2.0%** since our 2020 report

Our **median** gender pay gap has decreased by **0.2%** since our 2020 report

Metric	April 2021	April 2020	April 2019	April 2018
Mean (average) gender pay gap	13.8%	11.8%	13.7%	14.2%
Median (middle) gender pay gap	4.6%	4.8%	7.6%	6.5%

Figure 2. How our gender pay gap has changed since April 2018

The widening of our mean gender pay gap is of some concern. However, an important caveat is that in our 2020 report we reported a decrease in the gap which was likely attributable to our high proportion of fully-furloughed female employees in April 2020.

The Salvation Army continued to utilise the Coronavirus furlough scheme during 2021 although our furloughed population had reduced from the April 2020 level. The salaries of 13% of our employees continued to be impacted by furlough and these have been removed from the 2021 data set as they are not “full pay relevant”. It is possible that the April 2021 figures may be showing a move back towards the true representation of our position, however with this significant percentage of employees omitted from the data set we are unable to say for sure. We remain hopeful that our 2022 report, (which will be the first report unaffected by furlough since the implementation of our pay and grading system), will show an overall improvement in our position over the 3 years since 2019.

Analysis of our pay quartiles reveals an increase in the percentage of females in the top two quartiles and a slight decrease of males in our lower quartile. Our mean gender pay figure continues to be affected by the disproportionate number of female employees in both the lower and lower middle quartiles.

	April 2021		April 2020		April 2019		April 2018	
	Male	Female	Male	Female	Male	Female	Male	Female
Lower quartile	24%	76%	25%	75%	22%	78%	21%	79%
Lower middle quartile	36%	64%	36%	64%	32%	68%	32%	68%
Upper middle quartile	27%	73%	29%	71%	30%	70%	30%	70%
Upper quartile	42%	58%	43%	57%	41%	59%	40%	60%

Figure 3. The % gender split of our pay quartiles since April 2018

The reason for the decrease in our median pay gap is that the median pay rate of female employees increased by 1.1% over the year since April 2020. However, the median pay of their male counterparts rose by slightly less (1.0%) over the same period. This is attributable to two factors; firstly, the rates of pay at the lowest end of

our pay scales increased by over 4% between April 2020 and April 2021. As we employ a greater number of women in our lower pay bands this meant more women than men benefitted from this uplift. Secondly, the increase in the percentage of women employed in the upper quartiles has had a positive impact, albeit negligible.

Why does The Salvation Army have a gender pay gap?

The underlying cause of The Salvation Army's gender pay gap is because we employ a significantly higher percentage of women in our lower three pay quartiles than in our upper pay quartile. This means that women are not as well represented in our higher paid positions and we continue to employ a higher proportion of female employees in our lower paid, front line services. We continue to see a lack of progression into senior roles by females within The Salvation Army, although this is improving.

These causes continue to underpin gender pay gaps across the UK economy as a whole. Men are more likely than women to be in senior roles, women are more likely than men to be in front-line roles, men are more likely to be in technical roles attracting higher rates of pay, women are more likely than men to have had career breaks and are more likely to work part-time in lower paid roles.

The Salvation Army continues to be committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

What is The Salvation Army doing to address its gender pay gap?

The Salvation Army is committed to reducing its gender pay gap.

We will consistently strive to ensure that all initiatives aimed at reducing our gender pay gap will align with the principles outlined in our *Valuing People Framework* and in our *Fiscal Stewardship Principles*.

We have already taken actions which will improve our gender pay position in the future. We continue to operate the policy of paying no less than 2% above the National Living Wage rate. This means, as the NLW continues to rise annually, employees in our lowest pay bands, who are disproportionately females, will be awarded a far greater percentage increase to their hourly rate.

Our agile, flexible and homeworking policy is now fully operational and is enabling our employees to work in a way that best supports their work/life balance, with line management agreement.

We have completed the implementation of a full review of pay structures and strategy across the whole organisation. As 77% of employees receiving a pay increase as part of this review were female, we had expressed confidence in our previous gender pay

report of seeing a positive change by April 2021. However, the impact of furlough means that the true impact of the review is not yet clear.

Further actions we are planning to take to improve our gender pay gap are to:

- **Extend our evidence-gathering to include qualitative data**
 - by using approaches such as surveys and focus groups to identify the barriers (and the drivers) to career progression for female employees across all areas and levels of the organisation
 - **Ensure that we are maximising flexibility at all our pay grades**
 - by working with our line managers to make sure our jobs are available as flexible, agile, part-time or a job share
 - **Make our roles appealing to both men and women**
 - by remaining vigilant to spot gender bias within our job profiles and removing it
 - **Continue our commitment to diversity and inclusion**
 - by supporting our managers understand and respond to the benefits of diversity. Developing training on equality, diversity and inclusion for all line managers as well as helping all be aware of and respond to unconscious bias
 - through the work of inclusion groups (advocates) tailored to staff groups at different levels of our structure
 - **Support our employees and leaders with children**
 - by working towards becoming a Working Families employer, sponsoring an Alumni each year on the Leaders Plus Fellowship programme, and by reviewing our maternity pay provision
 - **Show greater understanding and support for our female employees**
 - by commencing an initiative aiming to break down the stigma of menopause, including raising awareness and providing emotional and practical support
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This report has been prepared in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and was approved by the Salvation Army Territorial Operations Board in March 2022.

I, Lieut-Colonel Beverley McCombe, Secretary for Personnel, confirm the information in this statement is accurate.

Signed:



Date: 29 March 2022