

## Example from: PLC-HO based SE UK

### Extending the Predictive Pay approach for Equal Pay purposes

The Data for 2018 has the following characteristics:

Male roles	Female Roles		
86	80	with a total staff of:	296
Where common role titles have both M and F workers:		23 which affects:	152 staff.

The basis of the Predictive Pay Analysis, is that role characteristics can be used to identify the initial rate of pay for any role. This approach excludes any personal input, performance and specific expectations of the individual taking up the role (ie, anticipating unusually high performance when compared with others already employed, in their basic pay).

Base Line assessment currently includes the following (positive only) Role Characteristics:

Professional Level	Experience general	Flair in role	Interpersonal skills
Seniority in organisation	Sales & Margins ability	Large company effect	Strategic Involvement
Indirect Staff	Top of Game Professional		

This type of Predictive Pay Analysis involves a generalised role assessment, can be extended to include other criteria such as:

- Location (different regions are paid different rates)
- Transport convenience (normal travelling distance for staff)
- Flexibility of hours (degree of fixed times, unsocial hours, etc)
- Working Conditions (practical, personal environment)

As the Predictive Pay approach is based on clear and simple statistical analysis, each criteria is awarded an identified and reliable weighting, by reason of the approach adopted.

Predicted pay is automatically optimised to reflect the maximum proportion of the underlying Basic Pay. The Underlying Basic Pay does not include allowance for personal performance, geography, scarcity, market rates, or any personal influence or impact.

This means that the analysis is able to cater for specific organisation criteria easily and simply, and it can link into job descriptions and other formal structures easily.

When building the Role Characteristics, care should be taken to ensure that any overlapping criteria are identified and excluded, as leaving them in will result in the failure to identify important criteria. The optimisation process starts by awarding weights to identified Role Characteristics, and continues until the closest results to the desired outcome (Actual Pay) is found. For this reason we are linking work in the Gender Pay Reporting, with Equal Pay considerations.

Currently, the Statutory Code of Practice requires organisations to pay "equal pay for equal work".

In the guidance documentation, some references are made to the "Gender Pay Gap" and this could be interpreted that such a Gap could mean that discrimination is occurring. Whilst this is a false assumption and is very misleading, it is a generally held belief for many.

We are actively seeking to involve those organisations where pay differentials has become an issue - and where professional and impartial data analysis will help all parties find a suitable resolution from their improved understanding.

I have worked with large companies (e.g. Thames Water, Taylor Wimpey, RWE) over many years, and have been deeply involved in running several small and medium sized business over recent years. I work with a number of top level Financial Directors/CFO and similar high level specialists.

Currently, I am a member of CIMA's Governing Council.

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