

Gender Pay Gap Report

2021

NPL 

National Physical Laboratory



Foreword

This is the fourth time we have published our gender pay gap, reporting two years worth of data. We continue to be a proud employer of a diverse and inclusive workforce with evolving Diversity and Inclusion activities and programmes offering support to all. This report provides an opportunity to reflect on our progress.

We have continued to take steps to improve the diversity of our community and work towards tackling known challenges around the gender distribution within our organisation, to make best use of the talent and skills that are found throughout our organisation.

We have been disappointed to not see the interventions that we have made reflected in NPL's gender pay gap figures, but beneath the data there is examples of the changes that we aspire to. Some of our challenges are historical and will take time to address, but we remain committed to undertaking proactive strategies to reduce our gender pay gap and this report serves as a timely challenge to continue to evaluate the impact of our actions so far, and make adjustments, as well as identifying new priorities for the future.

We are successfully bringing more women into the organisation through evolving our recruitment practices, implementing changes to ensure that we are utilising gender-neutral language to remove potential barriers at application and within our recruitment processes. Since the first gender pay gap report in 2018, we have made continual improvements to our performance and promotion processes, to improve fairness and transparency. In 2020, live bias reviews completed by business psychologists Pearn Kandola, helped us identify current strengths and further improvements which we implemented in 2021.

Supporting constructive dialogue around gender equality remains important both in the leadership team and across NPL. Our new Discover mentoring programme has allowed new connections between senior leaders and those from underrepresented groups within the organisation, including women, helping us to learn from different perspectives and experiences. This allows senior leaders not only to be better allies and advocates but to use the experiences gained to enhance the work that NPL does.

During the pandemic, connecting to our employees and supporting them regardless of personal circumstances has never been more important. We, like many organisations have adapted to the challenges of transitioning to a new model of work and in 2021 we have used the experience to enhance our ways of working and provide greater flexibility to staff.

As we continue to innovate, I am committed and excited to see our work making a positive difference to our gender pay gap and equality and inclusivity within our organisation.



Dr Peter Thompson
Chief Executive Officer

What is gender pay reporting?

The gender pay gap is the difference between the average earnings of men and women across an organisation. The gender pay gap is not the same as equal pay. Equal pay relates to men and women being paid equally for equal work.

Gender pay gap calculations are based on employer payroll data drawn from a specific snapshot date each year, any fluctuations between reports are not included. This report shows the findings based on the gender pay gap analysis from snapshot dates of **5 April 2020 and 5 April 2021**. We have also included 2019 data to show a comparison.

Gender terminology:

While the gender pay gap legislation and associated calculations use the gender terminology male/female, when referring to NPL colleagues and associated activities, the terms women/men are used.

Headline figures

Gender pay gap data sets out the difference in average pay of all women compared to the average pay of all men within the organisation. Calculations are based on gross pay (after salary sacrifices). A positive figure indicates a pay gap in favour of men and a negative figure indicates a pay gap in favour of women.

Calculations are based on headcount as of 5 April 2020, which was 37.7% women and 62.3% men and 5 April 2021, which was 38.1% women and 61.8% men.

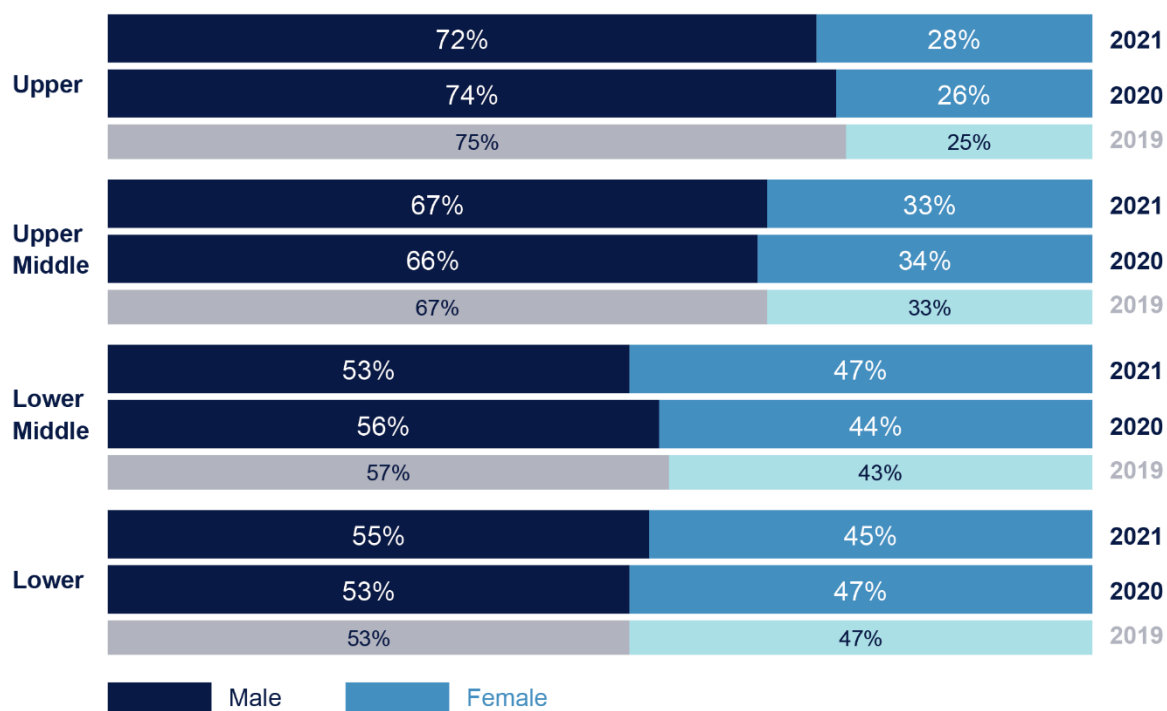
Overall median and mean gender pay gap, and bonus gap:

	2019	2020	2021
Mean gender pay gap in hourly pay	12.06%	12.42%	11.98%
Median gender pay gap in hourly pay	16.05%	16.20%	17.42%
Mean gender pay gap in bonus	33.17%	24.93%	27.90%
Median gender pay gap in bonus	31.14%	33.44%	26.59%

In 2020, the gender pay gap remained stable (within 0.5% of the previous year). By the 2021 snapshot, the mean gender pay gap has remained stable (-0.44%) but the median increased.

The proportion of men and women in each pay quartile

To calculate quartiles, we have listed the pay rate of all workers on our payroll, from lowest paid to highest paid, and divided this list into four quartiles. The gender distribution across quartiles can be seen in the graphic below, which highlights that women are under-represented in the upper and upper middle quartiles when compared with the overall NPL population and overrepresented in the lower middle and lower quartiles.



Key contributing factors

The continued difference between the mean and the median pay gap, highlights that distribution of women through the organisation remains a significant contributing factor, which we are committed to addressing. Since the last report we have made progress, but with limited impact on overall pay gap figures. The proportion of women in the organisation increased by 0.9% in 2020 and again by another 0.4% in 2021. Although diluted by an expansion in overall headcount, in actual terms more women than men joined the organisation between the 2020 and 2021 snapshots.

Overall, there continues to be more men in senior roles, which influences the gender distribution across quartiles. The proportion of women employed at NPL in the upper quartile increased (+2.68%) from the 2019 to 2021 snapshot, although women remain underrepresented compared with other quartiles. In 2020, across all quartiles except the lower, there was a one percent increase in the proportion of women. In 2021, increases are noted in the upper (+2%) and lower middle quartiles (+3%), with decreases in the quartiles below. Both snapshots indicate progress, albeit gradual, in moving women through the organisation.

We continue to monitor our performance and appraisal processes, evolving to uphold fairness and enhance inclusion. The distribution of performance ratings by gender moved closer together in 2020, following the second year of process improvements. In 2021, the proportion of women receiving an exceptional performance rating was higher than men (+4.3%), however, due to the differences in population sizes, more men than women, in actual terms, received a higher pay increase which was effective 1 April 2021.

The proportion of men and women receiving bonuses has become closer. In 2020, of all employees, 5.29% of women and 5.95% of men within NPL received a bonus during this period. By the 2021, the gap had closed further, with both increasing to 6.1% of women and 6.3% of men receiving bonuses.

However, the mean and median bonus pay gaps remain above the reported 2018 levels. As noted in the 2019 report, in the 2020 data set, this is caused by the continued impact of senior staff changes. By 2021, the median figure has reduced by 6.84% indicating that this is no longer an influencing factor. Between snapshots, the mean bonus gap has widened by 2.97%, this is due to differences in timings of bonus awards in relation to the snapshot date. In 2020, the payment of some bonuses occurred after the reporting snapshot date, these are included in the 2021 snapshot alongside all bonuses awarded in 2021, resulting in a cumulative effect on the last data set.

What are we doing to address our gender pay gap?

In our previous reports, we have identified four key focus areas for achieving a representative workforce and reducing our gender pay gap. Our progress in each of these up until the 5 April 2021 snapshot is provided below.

Attracting diverse talent to science careers

As a science-based organisation, we understand that the gender balance that we experience in our workforce is widely recognised within other Science, Technology, Engineering and Mathematics (STEM) organisations and across the sector. As well as making changes within our own organisation, we remain committed to supporting and promoting awareness of STEM and inspiring future generations of NPL scientists and researchers.

NPL's Outreach programme is in its 13th year of operation. It remains a critical platform for connecting with potential talent from diverse backgrounds and experiences enables NPL to engage with girls and young women early in their education, inspiring their continued interest in STEM subjects. Outreach activities have remained a key activity during the Covid-19 pandemic, supporting learning at home through a range of activities such as Measurement at Home and the Virtual Physical Laboratory, as well as continuing to deliver presentations and outreach activities remotely.

We have a cohort of Science ambassadors, who act as role models, highlighting the diversity of careers available within STEM and showcase the people that undertake them. In 2020, 48% of science ambassadors supporting our outreach activities were women.

Attracting and selecting diverse talent at NPL

We are committed to attracting diverse talent to work at NPL. Since the last report we have partnered with Vercida.com, diversity and inclusion recruitment experts, to expand our reach to groups that are under-represented at NPL, including women. As part of our work, we have reviewed the content of our job adverts and careers site for inclusive language, re-writing some of our resources to achieve gender neutrality when reaching out to potential candidates. Since undertaking this, we have seen a 13% increase in unique women visitors through Glassdoor.

All recruiting managers complete a 'selecting the best' assessment and selection training programme. This talent acquisition specific training focusses on removing bias from the recruitment process through objective, consistent, valid and relevant recruitment processes. In 2020, 38.5% of placements were women, rising to 50% in 2021 (January to April).

Selecting diverse talent from our internal talent pool is also getting easier. In 2020, 30% of promotion applicants were women (this followed a 62% increase in applications in 2019), with success rates for women increasing. Success rates for women applying for promotion also increased in 2020. In the 2021 round, applications from women increased, with 37% of total promotions being awarded to women, which is proportional when compared with NPL's 2021 gender balance. However, the promotion process concluded after snapshot date, so is not captured within the data presented. We continue to monitor the promotions process to ensure fairness and transparency.

Developing and supporting diverse talent within NPL

Investing in people is a key part of our strategy to achieving our organisational goals. We remain committed to supporting individuals to develop and progress with their careers at NPL.

We strive for continual improvement in our performance processes. In 2020, this included reviewing the distribution of performance ratings by gender (alongside other characteristics) and a live bias assessment of our performance management activities by Pearn Kandola. Following the review, we have implemented amendments to our processes as well as reinforcing the strengths identified. Although no gender stereotyping was observed in the 2021 meetings attended, we will continue to take opportunities to evolve our approach.

We seek to support all staff in developing skills and progressing their careers, but do have a number of initiatives which seek to specifically support gender equality. In 2020, NPL ran its first Navigator programme, a work and personal development programme for men. The first cohort attracted 24 men from across the organisation. This builds on the success of the existing Springboard Women's development programme, which will run again in 2021. Going forwards NPL will alternate between programs.

A key activity for NPL is 'Discover', a two-way mentoring programme for senior leaders and individuals from underrepresented groups within NPL. In addition to providing advice and career support for mentees, the scheme encourages perspective sharing and supports inclusive conversations to build allyship across the organisation. The scheme covers a range of diversity and inclusion themes, however of 50 pairs, 22% of those participating, were matched to support discussions around gender and 6% to support women's progression in the workplace.

Enabling a diverse workforce to excel



A diverse workforce is imperative to NPL and we value the contribution each individual brings to a team; this is embedded in our organisational Values in Action. Improving employee diversity and championing an inclusive environment and culture remains a priority for NPL, firmly embedded within our 'Nurture & Respect' organisational value.

As part of NPL's commitment to diversity and inclusion we hold a number of accreditations, including Practitioner status as part of the Institute of Physics Project Juno scheme, which recognises action taken to address the underrepresentation of women in physics and encourage better practice for men and women. In 2021, NPL will be reviewing our progress to date and identifying new actions.

Over the course of 2020, we adapted to the challenges of the Covid-19 pandemic, implementing flexible approaches to support colleagues adapt to changes in their professional and personal lives. In 2020, we implemented hybrid working models for all staff, allowing greater home working and flexibility to deliver our work differently. NPL is committed to offering and enhancing flexible working options for our staff and we will utilise what we have learnt to enhance future ways of working.

Our Commitment to the Future

In an organisation where the impact of our work is vital to our success, ensuring diversity in our staff continues to be the key to inspiring creativity, accelerating the impact of our work and unlocking new ways of working. NPL's goal to attract, engage and retain a diverse workforce where people feel they belong and can contribute their whole self at work, remains a priority.

Proportional representation of women at all levels of the organisation is a known challenge and strongly influences our pay gap figures. We will continue to make improvements to our policies and processes to remove barriers and root causes and believe that our commitment to equality, diversity and inclusion will ensure we continue to make progress.

While the breadth of activities have not yet adequately impacted our published Pay Gap data, we remain committed to ensuring continual improvement in the areas in which we have already taken action, such as managing performance and supporting career progression, as well as continuing to innovate and try new approaches. In 2021, as well as focusing on areas such as flexible working, talent development and our preparations for renewing our Juno status, we will seek to better understand how else we can accelerate the pace of change within our organisation.



Jodene Young
HR & Change Director



National Physical Laboratory
Hampton Road
Teddington
Middlesex
United Kingdom
TW11 0LW

Switchboard 020 8977 3222
npl.co.uk/contact

The **National Physical Laboratory** creates impact from science. Maximum impact can only be achieved with diversity of thought and contribution, which will come from our people. We will recruit, develop and inspire the best people from all backgrounds and believe that by bringing different people and teams together, we provide opportunities for people to fulfil their potential. These people are at the heart of our success. Taking care of every employee, and encouraging diversity and inclusion, are absolutely key and we therefore welcome this opportunity to report on how people are paid. We will continue to strive for equality and take our commitments in this area seriously.

We declare the content of the report to be accurate.



Dr Peter Thompson
Chief Executive Officer



Jodene Young
HR and Change Director