



## **Scottish Government consultation on the introduction of diversity succession planning for board appointments and the lowering of the threshold for publishing gender pay gap and equal pay statements**

### **ENGENDER RESPONSE, NOVEMBER 2015**

#### **INTRODUCTION**

Engender welcomes the opportunity to respond to this call for written evidence on diversity success planning for board appointments and the lowering of the threshold for publishing gender pay gaps and equal pay statements.

Women's access to power is a key pillar of our work. Within this we advocate for policy change to tackle gender inequality across the public sector, barriers to women's equal participation in public life, and lack of gender balance in leadership, authority and decision-making across public, political, social and cultural institutions.

International evidence suggests that lack of gendered power balance in the wider public domain ultimately has a major impact on equality of outcomes across government.<sup>1</sup> Simply put, having women around the table changes the subjects that are discussed and the outcomes of those discussions. In addition to enriching perspectives, representative public boards would also challenge normative gender roles and perceptions around public authority. Where women are seen to succeed, more women participate in general.

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<sup>1</sup> World Bank (2012) *World Development Report 2012 Background Paper: Gender quotas and female leadership*

Mandatory gender-sensitive succession planning for public boards would send a message of intent on the part of the Scottish Government regarding its existing commitments on gender equality, would provide a platform for gender advocates and government officials to promote gender balance in related areas, and would represent a symbolic statement on the need for a cultural sea-change regarding gender roles in Scotland.

However, public authorities are already required to consider equalities in all of their functions, including governance, in order to comply with the public sector equality duty. Although this additional publication requirement is helpful, in that it will focus attention on board diversity, and compel public authorities to reflect on their succession planning, it is unlikely to be sufficient to deliver gender parity on boards. The international experience is that temporary special measures, including quotas, are required to reshape gendered norms around leadership, and to transform gender balance. We welcome the recent commitment by the First Minister that the Scottish Government will, if the Scottish National Party forms the next government, bring forward legislation to enable gender parity on public sector boards. In the interim, until the powers are transferred to the Scottish Parliament to enable temporary special measures to be introduced, we welcome this interim step to encourage practice change.

Similarly, the equal pay elements of the public sector equality duty have the capacity to drive change in the public sector response. Despite the Equal Pay Act 1970 coming into force in 1975, progress on gender pay equality has been frustratingly slow. We still see a significant gap between men's and women's average incomes<sup>2</sup>. By itself the gender pay gap at organisational level is an indicator that is likely to suggest horizontal and vertical occupational segregation, a lack or insufficiency of flexible working and a dearth of part-time work at senior levels, and lingering discrimination within pay system. Publishing the gender pay gap and gender segregation within roles and grades provides an opportunity to public authorities to reflect on their gendered employment practices. It offers a trigger to remove or reduce barriers to women's employment and progression. Despite work by Close the Gap that suggests that the ambitions of the public

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<sup>2</sup> Close the Gap (2015) *Working Paper 14: Gender Pay Gap Statistics*

sector equality duty have not been realised<sup>3</sup>, we nonetheless think that this step on the pathway towards gender parity should be required of all bodies that are exercising a public function, regardless of size.

## QUESTIONS

We have responded to all of the questions for which we have answers. Questions have the same numbering as in the consultation paper.

### **1. Do you think that making a requirement for listed public authorities to use their board diversity information for succession planning purposes will have a positive impact on the board appointments process?**

The requirement will provide an opportunity for discussion, for reflection on processes and practice, and has the potential to enable more creative thinking on how prospective board members are identified and recruited.

However, this may work better for some protected groups than others. It is not likely to be problematic for board members, except for some non-binary people, to disclose their sex to their colleagues on the board, and to the staff of the organisation in whose interests they work. Many other protected characteristics are more stigmatised than sex though, and board members may not wish to disclose these to colleagues or to staff. The mechanism by Scottish Government that will gather and disseminate aggregated data about disclosures is helpful, but may not enable organisations to address specific organisational barriers to diversity.

Additionally, we would not wish organisations to become complacent about the extent to which they are reflecting minority communities. Having one black or minority ethnic board member, for example, does not mean that all BME communities' experiences will be represented or included in board discussions. We defer to BME, LGBTI, and disabled people's organisations in suggesting how succession planning might be best implemented to mitigate these problems.

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<sup>3</sup> Close the Gap (2015) *Working Paper 15: Making progress? An assessment of employers' performance of the public sector equality duty*

Our discussions with public bodies have identified that there is still significant caution and uncertainty about how to improve diversity practice. It will be necessary for public bodies to be able to access clear and comprehensive guidance that provides information on what steps can and should be taken to improve board diversity.

**2. Do you agree that data collected covering individual boards should be aggregated up into sectoral and Scotland wide statistics?**

Yes, this will provide two measures that will enable individual organisations to benchmark themselves (if they have the data) against their sector and against all Scottish public authorities. It will also create a benchmark that will enable progress to be measured once enabling mechanisms are enacted to deliver gender parity on public authorities' boards.

Gathering and publishing the data will provide an additional opportunity to bring public focus to diversity and public sector governance, and the extent to which public authorities in Scotland are likely to be meeting the needs of the people that they serve.

**4. Do you think that formalising the process of diversity succession planning will support those involved in the board recruitment and selection process to achieve greater diversity on their board?**

Yes, with clear guidance that sets out the parameters within which board recruitment and selection should operate, organisations should have increased confidence in the approaches that they should and can take to improve diversity.

**5. Where and when do you think is the most appropriate place and timing of the publication of diversity succession plans?**

Diversity succession plans should be included in annual reports, and should also form part of the mainstreaming report that is required to be published in response to the public sector equality duty. They should be accessible to all of the people who use the services of the public bodies.

**7. Do you agree with the proposal to amend the threshold for gender pay gap and equal pay statement publication from 150 employees to 20 employees?**

Yes. Publishing the gender pay gap and gender segregation within roles and grades provides an opportunity to public authorities to reflect on their gendered employment practices. It offers a trigger to remove or reduce barriers to women's employment and progression. Despite work by Close the Gap that suggests that the ambitions of the public sector equality duty have not been realised<sup>4</sup>, we nonetheless think that this step on the pathway towards gender parity should be required of all bodies that are exercising a public function, regardless of size.

**For further information please contact Jill Wood, Policy Manager, Engender**

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**About us**

Engender is a membership organisation working on feminist agendas in Scotland and Europe, to increase women's power and influence and to make visible the impact of sexism on women, men and society. We provide support to individuals, organisations and institutions that seek to achieve gender equality and justice.

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<sup>4</sup> Close the Gap (2015) *Working Paper 15: Making progress? An assessment of employers' performance of the public sector equality duty*