State of UK Research: Pay Gap Study

Report | October 2023

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The Narrative Behind the Numbers

20 organisations, all of which had previously signed the MRS CEO Pledge, were invited to take part. Of these, nine agencies accepted and a tenth proactively offered to take part. The agencies varied in terms of geographic location, size, and revenue.

Those who took part did so via a 45 min anonymous Zoom interview conducted with organizational leaders such as CEOs, Founders, Managing Directors or HR leaders during May & June 2023.

The Call to Action

The MRS 2022 report found much positive progress in the field of diversity has been made:

- Significant uplift in women and those from diverse minority backgrounds feeling supported;
- An increased feeling of belonging;
- EDI being taken seriously at all levels.

Despite these achievements, the pay gap persists:

- The mean income from women who participated in our survey was £53k versus £68k for men, which is a 28% pay gap;
- ...or, in other words, a man earns what a woman earns by October 11th each year.

This study and report are an attempt to better capture the narrative behind these trends so as to offer leaders in the MR and Insights space a way forward.

It is time to unpack and address what allows the gender pay gap to endure...

WIRe and MRS EDI are committed to, not only locating the continued source of inequity, but to offering actionable solutions toward closing the gap.

Real Feedback

When addressing pay gaps, we most often look to the numbers to tell us the story around progress and sentiment.

Instead, we want to highlight the real responses garnered from our study as we feel it creates a more holistic view of the myriad thoughts and feelings around wage disparity in Market Research.

What does a gapless company look like?

1

Gapless companies practice pay transparency.

2

Gapless companies track progress via employee feedback.

3

Gapless companies both require and desire change.

4

Gapless companies make intentional commitments.

5

Gapless companies grow together.

6

Gapless companies aren't afraid to adapt.

Gapless companies practice pay transparency.

A company's pay gap is more often a snapshot of the gender makeup of their leadership team rather than a reflection of competency and compensation across its current gender divide. For example, when companies have more women in senior roles, their pay gap may present as 'negative,' i.e., in favour of women. This is especially important to consider as many new SMEs and small businesses in the Market Research and Insights industries have been established in the past few decades — and, primarily, by men.

Generally, and looking solely at pay bands, there is little to no gap at all across genders. But this does not account for all factors that influence pay. Mergers or acquisitions can stir a divide that takes time to address; the higher negotiating power exhibited by men when entering a company can similarly result in gaps.

Gapless companies:
- Report on the pay gap (even if they don't have to)
- Provide pay bands (and stick to them)
- Put fair pay on the company's agenda consistently (every senior meeting)
- Proactively address gender-related pay gaps (if there is a negotiation gap)

"We stick to pay bands religiously, and communicate them to all levels"

"We are challenged a lot on pay bands. There's grading for function, tenure; it can get complicated in a small business"

"We were interviewing two candidates for a senior role, male and female, and the female asked for £70k less. Females aren't helping themselves by not negotiating more"
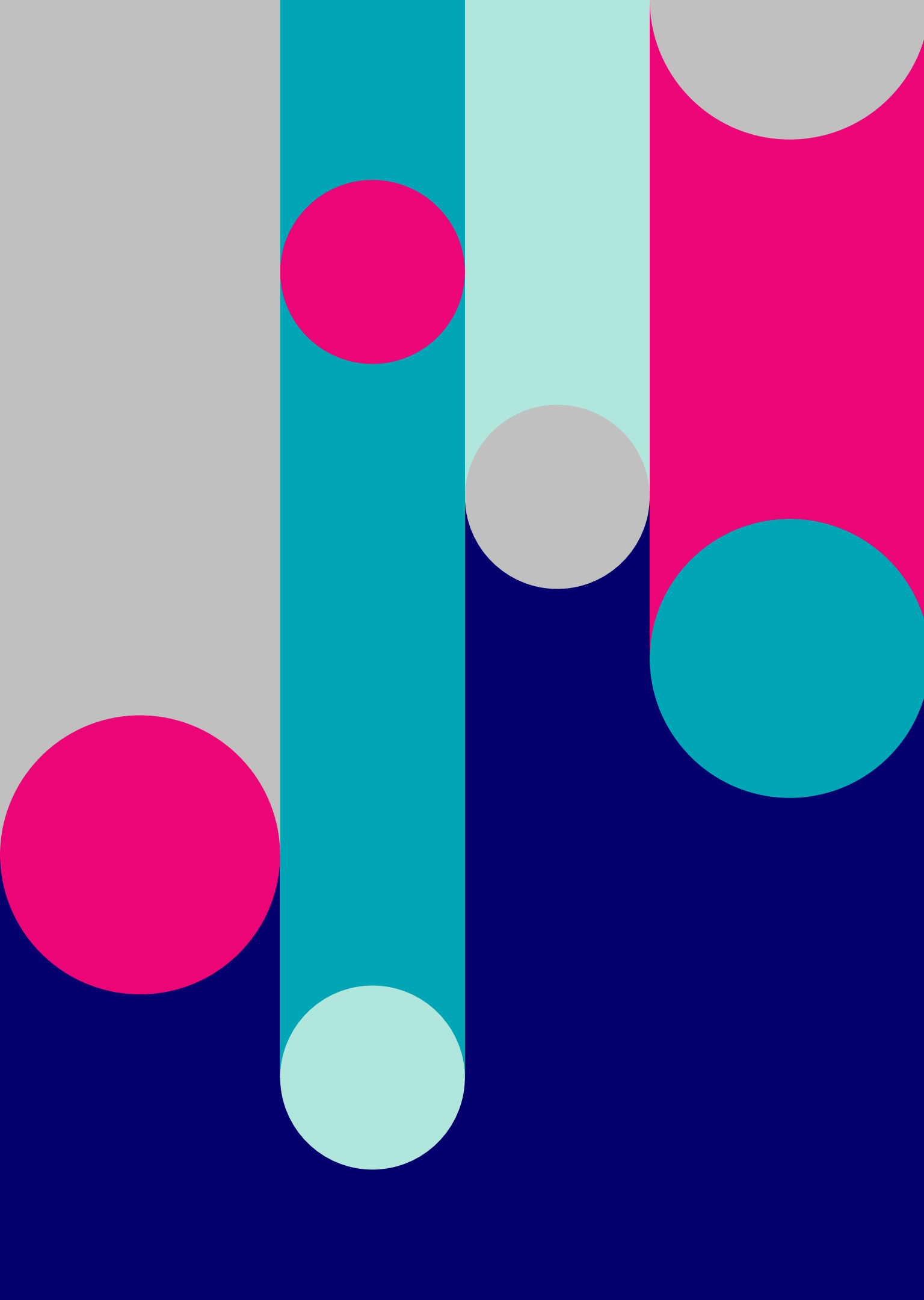
"We are a business. The point is to make money. And there's a balance to strike in managing costs to the business."

"Let's go back to evolution. Men hunt their salary the way they hunted wild boar. Women just cook it. That's always the way it's been."
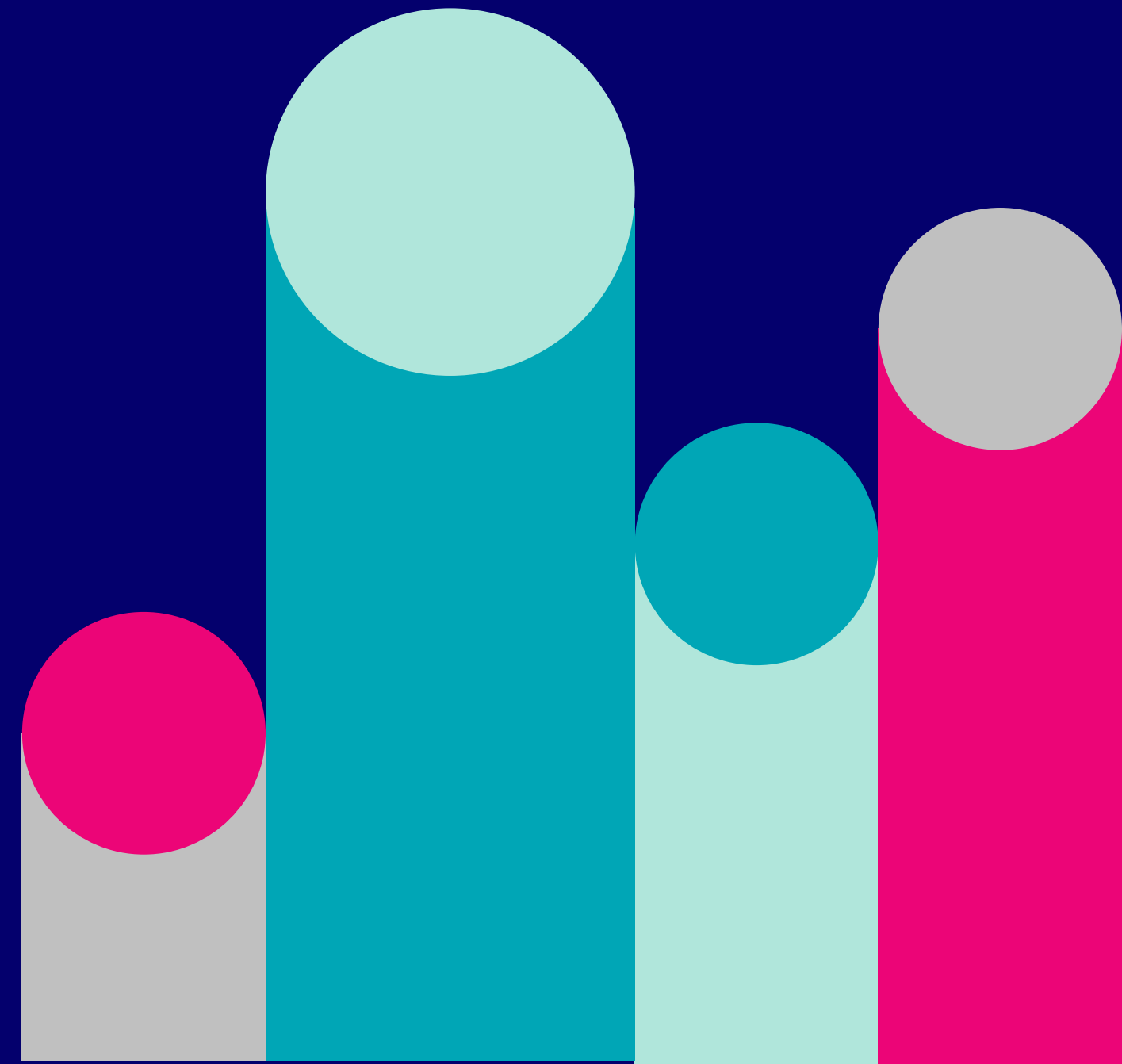
Gapless companies track progress via employee feedback.

Companies that make an effort to connect with their employees better understand the plurality of their experiences. Some companies have been gathering employee metrics such as gender identity, ethnicity, sexual orientation, disability, as well as employee satisfaction for a number of years. We found that the act of collecting, analysing and acting on these metrics makes progress within that organisation more likely. Companies who proactively sought employee feedback were more likely to recruit from non-traditional avenues, offer internships, and often adapted their recruitment specs to overcome social class bias. They were also more progressive in their parental leave policies across genders.

Despite these positive impacts, many companies do not collect employee feedback or demographic information. This is especially true for small businesses for whom it is more difficult to measure differences in pay across the intersections of their workforce.
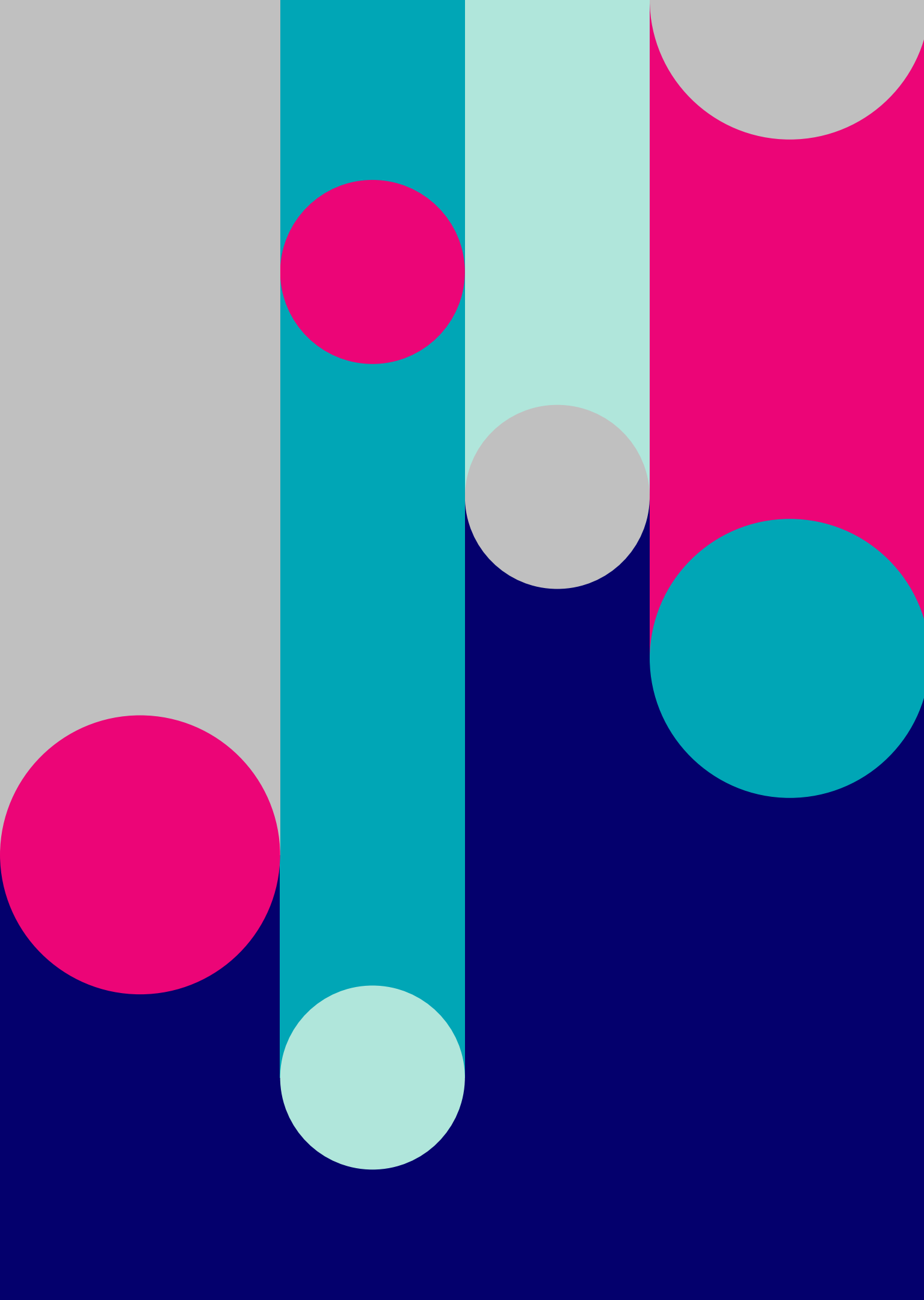
Gapless companies:
- Are attentive to employee needs as they evolve;
- Explain the need for, and benefit of, capturing metrics around employees' lives, and communicate what changes will be made as a consequence of their findings;
- Collect, analyse, contextualise and act on what is in the best interests of each employee.

"We want people to feel comfortable to raise anything; coffee with ops, anon suggestion box, staff survey, whichever they prefer"

"We are a smaller company, so don't want to make our employees uncomfortable revealing things that could identify them"

"We have an annual survey so we can understand our employees' lives; gender, ethnicity, religious affiliation, neurodiversity, experiencing mental health issues or peri or menopause. It's always evolving with our company's needs."
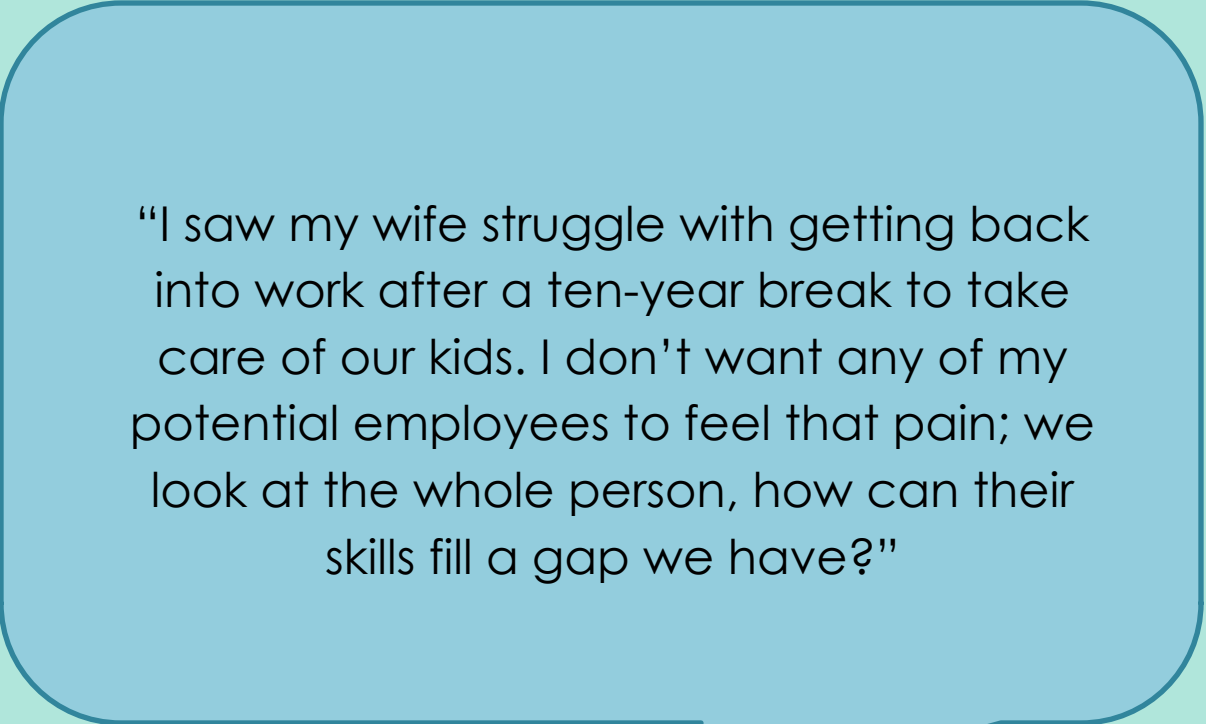
"If we want to get more women into senior leadership, we are effectively saying we want some of the men to go –how I can foster a cohesive team environment by saying that?"

Gapless companies both require and desire change.

There is a marked difference between those companies who practice legal or contractually obliged reporting on metrics such as the gender pay gap and those who do so with the express desire to better understand their employees and meet their needs. Companies led by those who have experienced the impact of poor practices firsthand tend to be more proactive and use the results of their findings as a pillar against which success is measured. Many took steps to establish internal EDI groups in an effort to raise awareness around representation, social inclusion, and to celebrate historically marginalized holidays such as Ramadan, Black History Month, Pride, etc as a community. In one example, a company made policy changes after gathering that the office-wide observation Ramadan would positively impact their employees.

Gapless companies:
- Have discussions around the pay gap — and associated metrics and context — on their agenda frequently (usually 2 – 4 times a year);
- Have workstreams focusing on different elements of what could be driving any inequalities; e.g. focus on recruitment, or reviewing performance measurements, or raising awareness around different elements of the human experience;
- Are more likely to have internal EDI teams who have direct access to the Senior Leadership Team or Management.
- Are more likely to apply intersectional thinking, recognising the impact of multiple identities, such as ethnicity, caring status or gender

"I saw my wife struggle with getting back into work after a ten-year break to take care of our kids. I don't want any of my potential employees to feel that pain; we look at the whole person, how can their skills fill a gap we have?"

"We are listening; some of our employees don't feel completely safe to be themselves at work, so we're on a learning curve to address that"

Gapless companies make intentional commitments.

Like any business imperative, addressing the pay gap requires emotional and organisational investment from the company and individuals in charge of making choices and decisions in the company. When there is a lack of intentionality, or a sense of feeling like we're simply going through the motions, there isn't much progress. Companies who put addressing pay differences firmly and fully on their agenda — and who had time and resources invested in making change —were more successful in doing so.

Making equity matter on a company-wide level is key. Being intentional and open about where the potential gaps, issues, or problems are is the best place to start. This could be across recruitment, reward, employee retention or company culture.

Gapless companies:
- Are curious and intentional about how they can create change;
- Have frequent conversations at all levels of the business to ensure voices are heard;
- Have a feedback loop so employees know what action is taken off the back of their comments.

"We've signed up the MRS CEO Pledge, it gives us a framework to work to, to help explore what we need to do"

"We don't always get it right, but as this matters to us, it'll continue to matter to us"

"Once you notice something, or have a measure of it, we ask ourselves how we can make better? What can we do as an organization, and as an individual?"

"There is probably a gap between what we'd like to happen and what actually happens"

"I think intentionality is vital; we can't solve everything, but what do we know needs work? What do we work on now, and next?"

Gapless companies grow together.

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"We were interviewing two candidates for a senior role, male and female, and the female asked for £70k less. Females aren't helping themselves by not negotiating more"

"There is nervousness to do things differently when you're small;

we hire women because we've had such successful women – is that bad?"

Gapless companies aren't afraid to adapt.

Often, the answer or approach required to address inequity is not clear cut. Serious problems right down to optimisations or tweaks will be a patchwork of what's required business by business.
Gapless companies tend to have the space for trial and error, which can be lacking in companies struggling financially.

For those who have space to trial, this can come through in recruitment policies (specialist recruiters, removing bias language on CVs, gender quotas on CVs, blind recruiting, internships, 10,000 Black Interns, speaking directly to schools), review policies (consistent approaches across teams, three tiered reviews across pay increases, transparency on attitudes and competencies to progress), and attitudinal shifts (calling out poor behaviour, webinars and events to raise awareness, coaching or training for certain levels or individuals)

Gapless companies:
- Try new things. After a review process, they make it a priority to try innovative approaches toward different results;
- Adapt as they go; if something isn't working after a sufficient period of time, try something else;
- Look across all areas of the business to understand where they can make changes;
- Share back with the company as to what has worked and what hasn't worked.

"We have transparency around what our goals are, and how we work together to get there"

"We don't need to do anything more, everything is taken care of at a governance level. There would be a mandate if we had to do anything"

"We're training specialist recruiters, blind recruiting, adding quotas across gender and ethnicity for CVs. We want to explore all options"

"Trial and error is a luxury that I'm pleased to say we can explore now; in our recruitment, in how we grow the team, we want to be the best version of 'us' we can be"

So what can we do about it?

WIRe and MRS have created a **Pay Gap Health Check** to offer actionable solutions toward closing the gap.

#1 recruitment

Actions to consider:

✓ Review the language used in your recruitment specs; for example: gendered language, university degrees etc
✓ Review the recruitment policy and consider expanding through other networks and recruitment avenues, such as internships

✓ Ensure the recruitment team or interviewers are representative of your company
✓ Provide training for the recruitment team or interviews to reduce possible bias and recognize how desirable skills can manifest in different people

✓ Review starting bonuses across gender, ethnicity and other metrics you capture about your employees
✓ Review asking salaries across gender, ethnicity and other metrics

#2 reward

Actions to consider:

✓ Establish a pay philosophy; this should include fair principles around salary change periods, salary bands
✓ Establish fair starting bonuses applicable across all those who qualify as outstanding candidates (not just for those who ask for one)

✓ Establish set pay structures within bands / roles based on measurable output and contribution
✓ Bring into line salaries across gender, ethnicity and any other metrics you capture, based on measurable output and contribution

✓ Establish a centralized, or triple check system for pay and performances reviews to ensure fairness
✓ Publish pay bands per level

✓ Publish pay gap per level
✓ Publish how the company ranks against MRS benchmarks on pay bands*

*currently under MRS review

#3 governance

Actions to consider:

✓ Leadership / Management conduct an annual Pay Gap analysis
✓ Leadership / Management to check against MRS Pay Gap benchmarks*

✓ Leadership / Management to communicate frequently and openly about steps being taken to address any Pay Gap
✓ Collect dedicated data on employees, such as gender, ethnicity, sexual orientation
    ✓ This can be collected on HR systems for larger companies

✓ Or ask your employees to self identify and update manually for smaller companies

✓ Be transparent about why dedicated data is being collected, and reassure on privacy and right to refuse or withdrawal

*currently under MRS review

#4 culture

Actions to consider:

✓ Review how performance is assessed on an on-going basis; removing cultural expectations or barriers for those from diverse backgrounds
✓ Establish a consistent and fair approach to performance reviews among Management teams involved in the process

✓ Create the tools to monitor pay across bands in the company
✓ Make transparent pay, or pay scales, a topic that is talked about often

✓ Make it clear how to progress to the next pay band
✓ Invest in employee professional development and wellness support

✓ Connect your employees beyond the business, to industry bodies and networks that can help support and provide guidance for their career needs