



The Pharmacists' Defence Association and the Pharmacists Defence Association Union's Response to the BEIS Ethnicity Pay Reporting Consultation

January 2019

About the Pharmacists' Defence Association

The Pharmacists' Defence Association (PDA) is a not-for-profit organisation which aims to act upon and support the needs of individual pharmacists and, when necessary, defend their reputation. It currently has more than 28,000 members. The PDA Union was inaugurated in May 2008 and achieved independent certification in 2011.

The PDA is the largest pharmacist membership organisation and the PDA Union is the only independent Trade Union exclusively for Pharmacists, in the UK.

The primary aims of the PDA are to:

- Support pharmacists in their legal, practice and employment needs
- Represent the individual or collective concerns of pharmacists in the most appropriate manner
- Proactively seek to influence the professional, practice and employment agenda to support members
- Lead and support initiatives designed to improve the knowledge and skills of pharmacists in managing risk and safe practices, so improving patient care
- Work with like-minded organisations to further improve the membership benefits to individual pharmacists
- Arrange insurance cover for individual pharmacists to safeguard and defend their reputation.

Summary

This consultation is the next step in the government's wish to investigate issues affecting people from ethnic minorities in the workplace and is a continuation of the investigations undertaken by Baroness McGregor-Smith in her 2017 report "Race in the Workplace". It follows the One Year On Review of the McGregor-Smith Report commissioned by the Minister for Small Business. This report showed limited progress had been made against Baroness McGregor-Smith's recommendations, especially in small organisations.

The Equality Act makes it unlawful to discriminate against employees because of their race, so unless there is a failure to comply with existing law (which may occur, whether detected or not) then any disparity between ethnic groups is likely to be due to other factors that disadvantage people from ethnic minorities without being explicitly discriminatory.

The Annual Population Survey (2016) and the government's Ethnicity Facts & Figures Service show that 3 in 10 workers in ethnic groups (other than "white") are in professional occupations. The "Race in the Workplace" report shows that ethnic minority groups were more likely to be over qualified than white ethnic groups, but that white employees were more likely to be promoted than all other ethnic groups.

Quite clearly the representation of ethnic minorities in professional qualifications is below the level expected given the levels of educational achievement.

We believe that employers should be more transparent in how they report on the diversity of their workforce and how they reward, manage and develop their employees as a catalyst for creating more diverse and inclusive workplaces.

As a union, we fully support the principle behind ethnicity pay gap reporting and the need for meaningful action in this area that will drive meaningful change. It is crucial that the insights

and views of employee representatives are fully taken into account during the consultation, for any new law in this area to truly create more inclusive workplaces.

The consultation runs from 11 October 2018 to 11 January 2019.

Questions

Question 1

What are the main benefits for employers in reporting their ethnicity pay information?

We believe that being open and honest in identifying if ethnic pay gaps do exist in their organisation, would provide employers with information that would allow them to make decisions as to how they can create an atmosphere that fosters a culture in which staff would flourish and that their skills would be truly valued and rewarded. The consequential removal of any actual or perceived barriers will allow people from ethnic backgrounds to reach their full potential.

Question 2

What type of ethnicity pay information should be reported that would not place undue burdens on business but allow meaningful action to be taken?

Mirroring the existing requirements in place for gender pay gap reporting would mean that employers already have a methodology that is understood. In addition, it would provide a commonality of approach when comparing gender to ethnicity. In consequence, we would recommend one pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of non-ethnic minority employees, or several pay gap figures for different ethnic groups using standardised ethnicity classifications.

Baroness McGregor-Smith recommended publishing ethnicity pay data by £20k pay bands and whilst this would provide an immediate indicator of an organisation's ethnic minority in its hierarchy, it only works when pay bands are structured or fixed.

Question 3

What supporting or contextual data (if any) should be disclosed to help ensure ethnicity reporting provides a true and fair picture?

The research undertaken by the Resolution Foundation (as highlighted in the consultation document) makes an excellent case, that, if applied, would provide a clearer picture of how ethnicity might influence men and women's pay differently. We would also accept that geographical differences (regional allowances) and pay increases by age could also have an impact. While there may be contextual reasons for a pay gap, the base pay gap should always be calculated first and understanding the factors and actions that have created it is the next stage of the process (see next question).

Question 4

Should an employer that identifies disparities in their ethnicity pay in their workforce be required to publish an action plan for addressing these disparities?

There are many comparisons between gender and ethnicity reporting. In gender pay gap reporting there is no mandatory requirement to publish an action plan alongside their data. As a union we strongly believe that such an action plan should be published and in consequence we believe that such a plan should be published when dealing with ethnicity pay issues.

However, care should be taken in producing the action plan. As with the gender pay gap reporting there is a potential for data to be misinterpreted. The plan may include analysis of the factors causing the pay gap and what will be done to address those factors alongside what will be done to address pay differences between current employees.

Publishing an action plan would send a very strong message to current and potential employees that the organisation is committed to resolve any disparities in pay. However, we would recommend that the government invests in training to help and assist in understanding and addressing these issues.

Question 5

Do you currently collect data on ethnicity at your workplace?

No. Although we represent 28,000 members, we are a small employer (under 50 employees).

Questions 6 & 7

What do you think are the most effective approaches for employers to improve employee self-reporting or declaration rates? And,

How should self-reporting or non-disclosure rated be reflected in the information reported by employers?

An open and inclusive culture is the most important factor. Employers working with independent trade unions can earn the trust of employees and jointly encourage disclosure. As a trade union, we have close contacts with our colleagues in the Nationwide Group Staff Union and in consequence we were aware of the successful project run by the employer and the exceptionally high response rate.

Question 8

For a consistent approach to ethnicity pay reporting across companies, should a standardised approach to classifications of ethnicity be used? What would the cost be to your company?

See question 5 - we will probably use 2011 census 18 Standardised ONS ethnic classification.

We are unable to comment on the cost to any other organisation.

Question 9

Please outline steps that should be taken to preserve confidentiality of individuals

We are fully conversant with the use of “personal data” and also “sensitive and personal data”.

The GDPR requirements are quite clear and should be adhered to.

Question 10

What size of employer (or employee threshold) should be within scope for mandatory ethnicity pay reporting?

Whilst the government believes that employers of fewer than 250 employees should not be expected to publish ethnicity pay data we recommend that the figure recommended by Baroness McGregor-Smith of 50+ employees should apply.

This may not deter the “rogue” employer. However, it would strengthen any case that may be taken by an employee under the Equality Act.

Question 11

What support measures do you think would be useful for employers?

The documentation and support initiatives created for the gender pay gap exercise should provide a good basis for a support mechanism for this ethnicity exercise.

It would be worthwhile incorporating any feedback and lessons learned from the gender pay gap initiative, together with experiences learned from the Civil Service and NHS England reports.