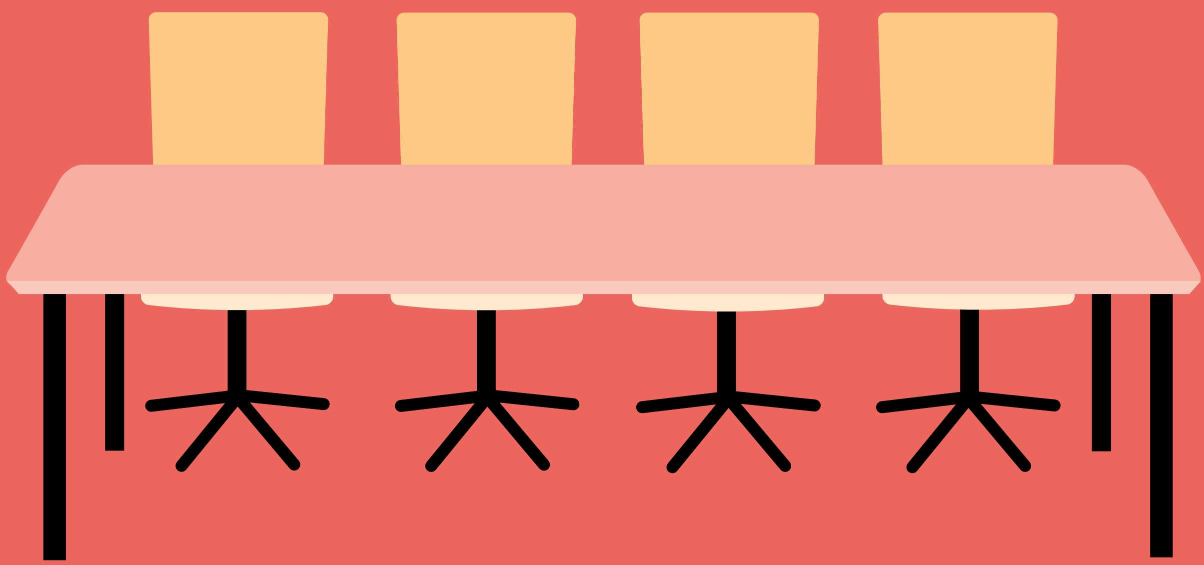
# GENDER PAY GAP BRIEFING

## For directors and leaders



Close the Gap

IoD Jersey

# 1. INTRODUCTION

**Close the Gap** is Scotland's expert organisation on women's labour market equality. We work with employers, policymakers and trade unions to address the barriers that women face at work, and to drive action on closing the gender pay gap. The **Mind the Gap movement** is a community of business leaders in Jersey which advocates for action on the gender pay gap and promotes wider equality and diversity in the workplace. The **Institute of Directors** is an advocate of fair business practices and sound corporate governance, and its work includes promoting equity and diversity in leadership. Close the Gap and **IoD Scotland** produced the first iteration of this document, and it has now been updated in partnership with the Mind the Gap community and **IoD Jersey** to provide targeted guidance as part of a toolkit aimed at Jersey businesses with over 50 FTEs.

# 2. ABOUT THIS RESOURCE

Women's unequal participation in the labour market is a drag on growth, both for individual businesses, and in the wider economy, as many women are working below their potential. Businesses that promote gender equality are able to recruit from a wider pool of talent, enjoy a reduction in turnover and associated costs, and experience increased productivity through improved employee motivation and wellbeing.

This doesn't just benefit your bottom line – it benefits everyone. As directors, by driving action across your organisation, and supporting key business functions to play their part, you can help create a virtuous cycle and close your pay gap. When HR managers create improved policies it makes it easier for them and others to do their jobs, and benefits all employees. For example, hiring managers are empowered to make better decisions and recruit the best candidates. When team leaders are trained to manage flexible working they are more able to support their people to work flexibly in their teams. When your employees see you following through on your commitments at all levels, this helps create a workplace that feels inclusive to all.

# 3. JERSEY'S JOURNEY TO CLOSING THE PAY GAP

The Government of Jersey does not mandate gender pay gap reporting; instead, it takes a voluntary approach. It has been working closely with IoD Jersey and the Mind the Gap community to introduce a toolkit encouraging employer transparency around their gender pay gaps, which is supported by this guidance.

IoD Jersey is clear that reporting your gender pay gap is a critical first step on the pathway to gender equality in your organisation. Understanding your gender pay gap is the next step, and will enable you to develop targeted actions that work for your workplace.

### WHAT IS THE GENDER PAY GAP?

The gender pay gap is often seen as the headline measure of women's inequality at work, both within organisations and across the economy. While useful, the single figure does not explain why pay gaps exist, nor does it reflect the full range of barriers women face in the workplace. This is why it's important for employers to look beyond their headline data.

For employers, the pay gap is a signal that women are not able to participate and progress on equal terms. Women are more likely to be concentrated in lower-graded roles, to face bias in recruitment and promotion, and to experience barriers to training and development. They are also overrepresented in low-paid and insecure work, and more likely to be underemployed – both in terms of hours worked, and in relation to their skill level. In addition, women are significantly more likely than men to step out of the labour market altogether because of full-time caring or domestic responsibilities, often because of difficulties in finding paid work that accommodates caring roles.

## Women in Jersey's labour market

Jersey has a gender pay gap of **7.8%**.[1] While **Jersey has a relatively high female employment rate,** men are still more likely to be in employment. **Women are 3.5 times more likely than men to work part-time**, and are **seven times more likely than men to be outside paid employment because they are engaged in full-time domestic and/or caring roles**.

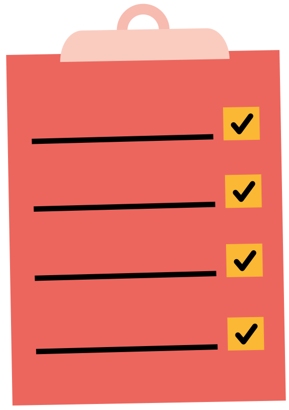
Jersey's labour market currently has both a high employment rate and a high number of job vacancies, indicating a significant shortage in skills, alongside declining productivity. Chief executives and directors in Jersey say a lack of talent is a constraint to growth. Evidence shows that actions to narrow the gender pay gap also help employers attract and retain skilled staff, boost productivity, and improve performance. Women remain an under-utilised part of Jersey's workforce – **tackling this is good for Jersey and its employers**. Employers who take steps to make their organisations more inclusive will be better positioned to close both their pay and productivity gaps.

[1] At time of publishing.

# 4. THE ROLE OF A DIRECTOR IN TACKLING THE GENDER PAY GAP

## Modelling accountability

Strong leadership is critical to closing the gender pay gap, and one of the most important ways a director can demonstrate leadership is by being willing to be accountable. Senior leaders taking a proactive and visible stance on gender equality in the workplace is an essential step. This can be demonstrated by being transparent with your employees and your customers on how you are creating change.



This shouldn't just be a one-off - you should issue regular communications to make it clear that it's an organisational priority. Sharing information on what steps you have taken is a good way to demonstrate transparency and accountability.

When you are willing to show accountability it's easier to ensure that those responsible for driving action in your organisation are accountable too.

## Being informed

It's important that directors understand why there is a pay gap in their organisation. This can provide reassurance to shareholders, employees and other stakeholders that your pay gap is not a product of discrimination.

Being clear on how the action you're taking will create change in your organisation and send a strong message that you are facing your pay gap head on. It will also equip you to deal with challenging questions from the media or other commentators.

## Targeting resource

If you want to see change, it will take time, and commitment, and resource. But taking action to close your pay gap is an investment, not a cost. Understanding the causes of your pay gap will mean that you're better able to allocate adequate resources to targeted activities and initiatives that will ultimately reduce your pay gap. What works well for one employer won't necessarily be as effective in another. It's better to begin with two or three focussed actions that target the known issues in your organisation than put time and energy into a broader range of generic actions. Without this focus, pay gap initiatives risk being superficial, failing to deliver the change that's needed.

### LARGER ORGANISATIONS

A key first step is ensuring that your HR department has adequate resources to report your pay gap information, and develop and deliver a pay gap action plan. This may include capacity building for staff involved, budget allocation, and workload adjustments.

This will help identify where resources can be best targeted to delivery tangible actions. It will also provide your governance team with the information needed for reports to directors.

### SMALLER ORGANISATIONS

If your organisation doesn't have a dedicated HR function, or has limited resources to allocate, it's even more important to ensure the action you take is well-targeted. You can use this guidance, and the toolkit, to assist you. Working with external equality specialists is also a great way to bring in the expertise and support you may not have internally.

Identifying where you can make an impact will help create momentum and make those next steps easier. This will enable you to make the best use of the resources you have and deliver change where it most counts.

## Boosting internal buy-in

Most leaders are clear on the business benefits of gender equality in the workplace, but this doesn't mean that everyone in your organisation will be. It's important that everyone who could have an influence on your pay gap understands why your organisation is working to close its gender pay gap, and what their role in that is.

You should use your voice to be an advocate for action internally. Your commitment will help secure the commitment of your senior leaders and managers, ensuring they play their part. This will help create a virtuous cycle and drive long-term change.

## External voice

Voluntarily reporting your pay gap builds transparency and credibility. This transparency can naturally lead to increased scrutiny, and many leaders are uneasy about the attention pay gap reporting can attract.

If you're equipped with a good understanding of your pay gap, and what you're doing about it, this enables you to take questions confidently, show you're serious and mitigate any reputational risk. At the same time, it signals to staff, customers, and stakeholders that your organisation takes gender equality seriously.

### Lead the way

By choosing to report voluntarily, your business positions itself as an early adopter. This shows you're ahead of the curve, ready for any future regulatory changes, and committed to driving progress in Jersey's labour market. Early adopters shape expectations, influence their sectors, and build a reputation as genuine leaders on equality.

## 5. WHAT INFORMATION SHOULD BE INCLUDED IN REPORTS TO DIRECTORS

If your organisation monitors or publishes its gender pay gap, directors should take responsibility for monitoring progress. While not currently a legal requirement in Jersey, voluntary reporting can help identify barriers to equality, set priorities, and build momentum for change.

### Annual update

The team or person responsible for gender pay gap reporting should ensure that the board receives an annual report on your pay gap data. This report should be comprehensive: high level reporting that only focuses on minimal datapoints is unlikely to be enough for you to make effective and informed decisions.

The report should examine your overall organisational gender pay gap, but should also include an analysis of your full-time and part-time pay gaps, using both mean and median measures, to provide as full a picture as possible. Including gender-disaggregated data, e.g. by quartile or decile, is also key to obtaining an in-depth understanding of your gender pay gap. Larger organisations may prefer to include grade-level gender pay gaps.

This report should provide an analysis of each of the datapoints over time, and use this to explain what they key issues are in your organisation.

### Monitoring progress

The report should set out the actions that will be taken to address these priority areas. You need to know where progress is being made, which areas are proving tough to create change, and what can be done differently.

## Holding key people accountable

Crucially, the report should also tell you who is responsible for delivering each action. This is essential for accountability.

Ensuring that you receive a full report on your gender pay gap will enable you to maintain momentum, and provide you with the information you need to deliver confident external communications where necessary.

# 6. WHAT DIRECTORS CAN DO TO ADVANCE WOMEN'S EQUALITY AT ALL LEVELS OF THEIR ORGANISATION

## Choose to be challenged

More organisations are now taking action on gender inequality, but in too many cases this action is narrow in scope and unlikely to have an impact. A one-off inclusion statement is not enough to undo the barriers women have faced in their careers for decades and longer. A flexible working policy that sits on a shelf won't change practice.

Saying "equality is at the heart of everything we do" is different from making it so.

Directors need to be bold and take the bigger, harder steps that lead to real change. This means embedding action at all levels: making meaningful changes to policy and practice, closing the implementation gap on existing policy, and walking the walk in your own role.

## Embed effective oversight

Tackling women's inequality in your organisation requires action, and effective action requires a strategy, a plan, and effective oversight. Just as a director is responsible for ensuring the organisational strategy is delivered, they should be responsible for ensuring commitments on gender equality are also delivered.

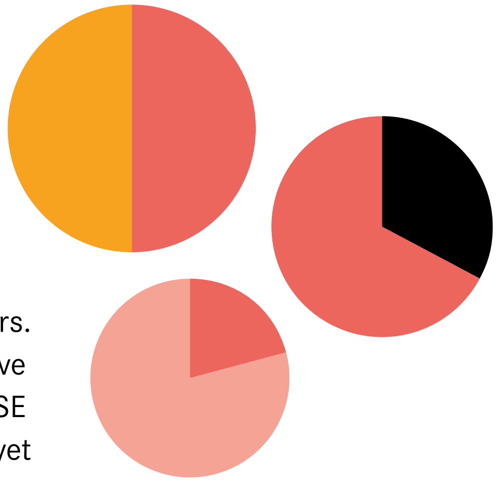
Change doesn't happen overnight, but it can happen with commitment and accountability.

## Work with experts on gender equality

Expertise is a critical success factor in many aspects of business and service delivery. Working with external experts brings a new perspective, identifying opportunities and roadblocks you might not be able to see. A critical friend is a valuable tool that can challenge you to take those bigger steps, and support you along the way.

# 7. HOW TO INCREASE WOMEN ON BOARDS AND IN KEY EXECUTIVE POSITIONS

Recent data shows that, **in Jersey, women constitute 21% of board roles, while 33% of organisations have all-male boards**. Progress on increasing the number of women working at senior levels has been slow, showing that the glass ceiling is still very much intact.



Where there has been progress in increasing the number of women on boards, this has been in non-executive directors, and not chief executives, or executive or financial directors. **Research by Women on Boards UK**, shows that whilst we've seen strong gains regarding 'women on boards' across the FTSE 350 and FTSE All-Share, those companies outside the 350, yet still only 10% of executive board members are women.

We know there is a strong link between gender balance at senior levels and profitability and good performance in service and product design. Studies show a clear correlation between gender balance on corporate boards and financial indicators of business performance, such as financial performance and shareholder value.

Indeed, increasing women's representation may increase the skill level on your board. This is because a more robust and inclusive recruitment process identifies candidates outside the norm, which have traditionally been identified through male-dominated informal networks that stretch across sectors.

Gender diversity at senior levels, as well as in the wider workforce, helps to develop new ideas and ways of thinking as men and women bring different perspectives to the table. The synergy of these skills and experience drives innovation which can be a key source of competitive advantage.

## What works?

Many of the actions that advance gender equality in the workplace will also help increase the number of women on your board, including:

- actively minimising the scope for bias in your recruitment and promotion practice;
- moving away from the same old executive recruitment agencies and seeking out those that centre action on equality and diversity;
- setting out clear progression pathways within your organisation;

- ensuring women are offered equal access to development, including working on high-visibility projects that may help them achieve promotion; and
- setting targets to work towards – evidence has shown this is an effective approach.

These are crucial to enable women to develop the skills and experience needed to reach C-suite roles, and to ensure those women who already have those skills are able to break through.

The same principles apply: these actions must be intentional, tangible, and consistent.

Key to success is ensuring any strategy or action plan sets out the owners of each deliverable, and that those responsible for implementation have the right skills to carry out their roles.

This is a long-term commitment, but with the right people and resources, you can deliver change for women in your organisation.

This briefing accompanies the **Close Your Pay Gap** and **Think Business Think Equality** employer tools, developed by Close the Gap, the leading expert on the gender pay gap.

**Think Business Think Equality** is an online tool for SMEs who want to build their business at the same time as building an equal workplace. It's quick, easy, and practical, giving you everything you need to make your business better. You select the topic that you'd like to work on and answer a few questions on your workplace practice in this area. The tool then generates tailored feedback and a set of personalised actions for your business, written by experts. There's also supporting guidance for each topic that provides detailed information to help you along the way.

**Close Your Pay Gap** is an online tool designed for larger employers who want to calculate their gender pay gap, and use it to take action in their company. You answer a short set of questions, and the tool generates your priority areas for action, along with tailored feedback, written by experts. Like Think Business Think Equality, it comes with supporting guidance and resources to help you take action to advance equality.

Both tools are free and anonymous to use.

Close the Gap

Close the Gap works in Scotland on women's labour market participation. We work with policymakers, employers and unions to influence and enable action that will address the causes of women's inequality at work.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IoD Jersey

IoD Jersey was founded in 1966, has over 870 members from all sectors of the business community and is at the forefront of promoting business and ethical leadership in Jersey. It sits as a region within the member organisation known as the Institute of Directors (IoD). Established in 1903, the IoD has a Royal Charter to support, represent and set standards for business leaders.


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Published September 2025