



MI5
GENDER
PAY GAP

2021



Foreword from Director General Ken McCallum

Diversity and inclusion in all aspects are vital to MI5's mission to keep the country safe. It's important to me that we create a strong workforce which delivers success by representing the country we serve, and by attracting, nurturing and rewarding a diverse set of brilliant people.

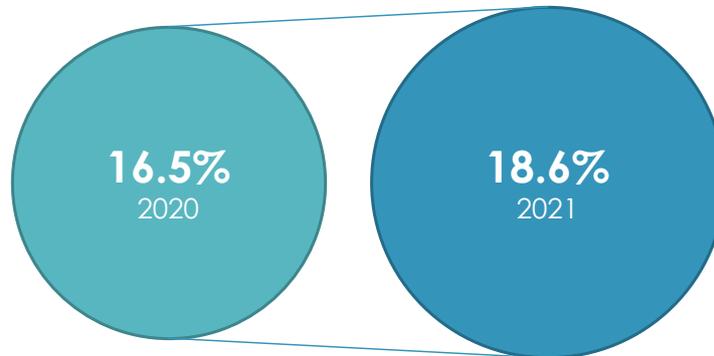
Over time, MI5 is making progress in becoming even more diverse and more inclusive, harnessing and growing the talents of all sorts of people, from all sorts of backgrounds. We can point to lots of evidence of that. However, there are areas where we have further to go, and our gender pay gap is one of these.

There are initiatives in place to improve our female representation throughout all levels of the organisation, some led by our fantastic gender network, which will drive positive results in the longer term.

By calling out a focus on equality, diversity and inclusion as one of our priorities, I hope it's clear that I am fully signed up to making meaningful improvements and that the recommendations in this report have my full support. Not only is it the right thing to do, it will also make us a better organisation by embracing the talent, expertise and perspectives we know we need to keep the country safe.

Analysis

Median ordinary pay

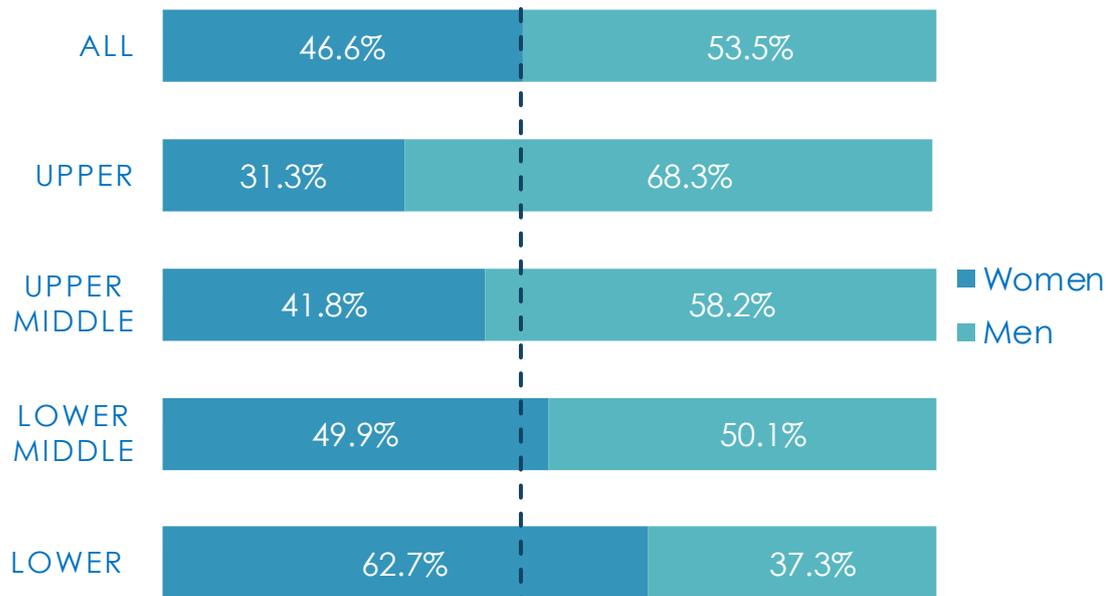


Mean ordinary pay gap



1. It is important to note that the gender pay gap is different to equal pay. Equal pay deals with the difference in pay for men and women who carry out the same or similar job or work of equal value. It is unlawful to pay people unequally because of their sex.
2. MI5's median pay for men is **18.6%** higher than for women. This is based on data taken on 31 March 2021. The mean ordinary pay gap **has improved slightly to 12.5%**.
3. This year, due to the impact of the COVID pandemic, we took the decision to award a flat payment to all staff in lieu of performance-related bonuses. Therefore, **our bonus pay gap is 0%**.
4. Female representation in MI5 has **increased from 42.7% to 46.6%**, this is largely due to the establishment of a shared corporate services function.
5. Both promotion and attrition rates in MI5 were unusually low during 2020-21 (due to the impact of COVID), meaning opportunity for movement through the organisation was limited for all staff.

Pay Quartiles



6. As of 31 March 2021, MI5's headcount was over 4000 employees. Our employee workforce comprises **46.6%** women, up from 42.7% in 2020. This uplift is due in large part to the establishment of a shared corporate services function which increased MI5's female representation by 2.9 percentage points.
7. Female representation has increased in all quartiles, broadly in line with the overall increase in women in the organisation.
8. We are bringing more women into the organisation than ever before, with women making up 51% of our new recruits in 2020/21, on an upward trajectory. However, women remain **significantly over-represented in the lower pay quartiles**, and **under-represented in the upper pay quartiles**. We need to ensure that talented women at all grades are being **recognised and supported to progress**.
9. We have significantly **improved female representation at Civil Service Grade 6** since March 2020, but we have fallen short of our ambitious target to reach 45% representation. As of April 2021, representation at this grade stands at 42.1%.
10. At the Senior Civil Service (SCS) grades, we have **exceeded our target of 35% female staff** for the fifth year in a row. We will be reviewing our targets for the forthcoming year.

Progress in 2021

11. 2021 saw the launch of a number of initiatives designed to improve MI5's gender pay gap:

- **Leadership** – a Gender Pay Gap Working Group was established in early 2021, followed by the allocation of dedicated resource and the launch of an action plan. Gender pay gap focus groups were also conducted with staff and questions about the gender pay gap were included in our 2021 staff survey.
- **Training and mentoring** – ‘Inspiring leaders’ training for female employees was resumed in 2021, following a pause due to Covid. Mentoring circles were launched by our gender network and 40 new coaches were trained, offering over 100 coaching sessions.
- **Reward** – a refreshed reward scheme was launched, with a focus on rewarding a more diverse range of staff.

Next Steps in 2022

12. We're committed to closing our gender pay gap and have an ambitious strategy for 2022, with a focus on four areas:

- **Bringing in** – we are committing additional resource to maximise the diversity of the candidates that we recruit. We are looking to further improve the process for staff returning from family and other long-term leave and we will be opening up senior positions to the widest possible pool of applicants.
- **Bringing on** – we will explore the use of blind sifts in our internal deployment processes and we will extend existing mentoring schemes. We will also review the EDI outcomes of our in-year reward process and the representation of women in specialist roles.
- **Bringing together** – we will launch a new feature to showcase female leadership across our spectrum of grades. We will continue to raise awareness of pay gap issues and engage with staff across our organisation to understand their experience of these issues.
- **Bringing results** – we will ensure that our policy decisions are data driven and that these are regularly reviewed to ensure we are on track. We will also learn from other organisations who have faced similar challenges and who have successfully closed their pay gaps. We will monitor the impact of the introduction of equality impact assessments for new HR policies and we will use employee lifecycle analysis to understand the progress of employees through MI5.

Glossary

Mean and median

The mean is the sum of all the numbers in the set, divided by the amount of numbers in the set. The mean can be skewed by a small number of larger salaries in an organisation.

$$\text{e.g. } 7+3+2+4+2+1+2 = 21. \quad 21 / 7 = \underline{3}$$

The median is the middle point of a number set (when arranged in number order) in which half the numbers are above the median and half are below. The median represents distribution of women throughout the salary bands of an organisation, and is the metric used by the ONS to describe the UK's gender pay gap.

$$\text{e.g. } 1,2,2,\underline{2},3,4,7$$

In this example, the mean and the median are different, although the data is exactly the same.

Pay gap v equal pay

The gender pay gap is different to equal pay. The gender pay gap is the difference in average hourly earnings between all women and all men across an organisation. It is based on hourly rates paid directly to employees before tax and national insurance contributions are deducted. If, for example, women do more of the lower paid jobs within an organisation than men, the gender pay gap is usually bigger. Equal pay is the difference in pay for men and women who carry out the same or similar job or work of equal value. Since 1970 it has been unlawful to pay people unequally because they are a man or woman.

Ordinary pay

Ordinary pay includes, for example, basic pay, allowances, bonuses, pay for leave and shift premium pay. (Ordinary pay does not include, for example, overtime pay; allowances earned during paid overtime hours; redundancy pay; pay related to termination of employment; pay in lieu of annual leave; any repayments of authorised expenses; benefits in kind; interest-free loans)

Pay quartiles

Quartiles are values that divide data into quarters. When the pay data is organised sequentially, it is then divided into quarters: the lowest 25% of numbers (Lower Quartile); the next lowest 25% of numbers, up to the median (Lower Middle Quartile); the second highest 25% of numbers, above the median (Upper Middle Quartile); and the highest 25% of numbers (Upper Quartile). Pay quartiles are calculated by hourly pay rates rather than organisation-specific pay bands or grades.

Hourly pay

The gender pay gap is calculated using ordinary pay expressed as hourly pay. This enables employers to consider the gender pay gap across the workforce as a whole. Hourly pay is the sum of ordinary pay and additional allowances that were paid in the pay period which ends on the snapshot date (31 March 2021 for this report). This means part-time workers are measured like-for-like on hourly pay against full-time workers.