

## **B2: Evidence-Based Diversity Strategy: Using analytics to inform decision-making at Capita Employee Solutions**

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Capita Employee Solutions (CES) is one of the largest divisions in Capita employing over 3,000 individuals across the UK in areas as diverse as contact centre operations through to employee benefits consultancy. We are a rapidly growing business, both domestically and internationally, wherein growth is often linked to our winning outsourcing contracts or the acquisition of businesses which means we regularly 'inherit' staff working in culturally diverse environments.

Fundamentally, we are people-service business meaning that our success is heavily reliant on the extent to which we can engage and performance-manage our staff. We believe that gender pay and reward equity is a powerful means of promoting engagement and rewarding performance.

In advance of the April 2018 deadline for publishing gender pay gap data, we decided to undertake our own pilot exercise to understand the gaps across our business. The early findings showed us that there are, indeed, gaps which differ quite substantially across our four pay quartiles. However, because of the complexity of our business, the statutory reporting requirements didn't tell us enough about where or why we have a pay gap or give us enough insight to help us plan targeted interventions to deal with both the structural and cultural impediments that mean men and women do not appear to have the same earning potential.

As a result, we have built an analytical tool to help us explore our gender pay gap data in more detail. We have built algorithms to help us produce insights that explain differences across different job roles and business functions, differences in bonus earnings potential, different patterns of reward package take-up and the 'personas' (geodemographic characteristics) of the groups of staff within the workforce suffering the biggest pay gap. These additional insights means we are much better placed to target diversity and inclusion interventions to help us narrow the gaps. We are consequently exploring options for changing how we attract and engage female candidates to different roles, how we train our managers to avoid unconscious bias, how we manage women returners and how we conduct performance management and reward conversations as part of our on-going staff development cycle.

We are also planning our next steps from an analytical perspective. We recognise that the actions we are taking will not only help us narrow the gender pay gap (and we will track this over time); they also have the potential to help us improve our employer brand, staff engagement and financial well-being and, in turn, our business performance. We are therefore exploring how we can add further layers of analytics to help us measure these things as we progress.

Our case study sets out the analytical approach we have taken to help us take action on our Gender Pay Gap as well as the complexities we have faced along the way (e.g. getting access to the right data, working across a complex organisation with different legacy pay and reward approaches) and the lessons learned from the exercise.