



ASSOCIATION OF UNIVERSITY TEACHERS

Ethnicity and the use of discretionary pay in UK HE

AUT RESEARCH, October 2005

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Summary

- Discretionary pay is currently used in a number of job grades for academic staff in UK higher education. Discretionary pay is a form of performance-related pay, and is at a higher level than pay for other employees on the same job grade.
- Analysis of data for 2002-3 shows there is very little difference between white and Black and Minority Ethnic (BME) academics in England and in the UK overall in terms of the proportion of staff who are at the top of their main grade. However, white academics in UK higher education are 1.6 times more likely than their BME colleagues to be awarded discretionary pay points.
- In other words, beyond the top of the main grade, there is a blockage for BME academics in terms of pay progression and reward.
- These findings are a matter of concern for all who wish to see equality of opportunity in the employment policies of UK higher education institutions, because they indicate the possibility of racial discrimination in the allocation of discretionary points.
- The findings are of particular concern because the pay Framework Agreement, which is currently being implemented in UK higher education, will place all employees on pay grades which have additional contribution-related points on top.
- We urge employers in higher education to carry out, jointly with trade unions and other bodies in the sector, comprehensive equal pay audits as a way of analysing, diagnosing and tackling pay inequality. To emphasise the need for action, in September 2005, the AUT will be launching an Equal Pay campaign to tackle discrimination in pay.
- It should be noted that between 6.5% and 8.9% of academic staff on grades with discretionary points refused to provide information about their ethnicity.

1 Introduction

A number of higher education institutions in the UK use pay grades for academic staff which have additional discretionary pay points above the top point of the main grade. See table 1 for an example of an academic grade with discretionary points (DPs). In the Senior Lecturer grade, for example, staff are normally appointed to the bottom incremental point of the grade (point 20). There is then the expectation of an annual rise up the scale point-by-point to the top of the main grade (point 24), where a large number of employees are located, because they have hit the main grade 'ceiling'. Any further progress up the scale onto discretionary points is up to the employer. These points are 'for use at the discretion of the institution in cases of special ability or special responsibilities'.¹

Table 1 Senior lecturer 2002-3

Main grade (points 20-24) & discretionary points (points 25-27)

	Spinal point	Pay point
Discretionary points	27	£43,067
	26	£41,876
	25	£40,841
Main grade points	24	£39,958
	23	£38,681
	22	£37,629
	21	£36,712
	20	£35,251

The majority of institutions which have pay grades with discretionary pay points are those which were established before 1992 (the 'pre-92' or 'old' universities).² The academic grades in pre-92 institutions which have discretionary pay points are: Lecturer B; Senior Lecturer; research Grade II; research Grade III. These grades all have 3 discretionary points above the main grade. Lecturer A, research Grade IB and research Grade IA do not have discretionary points. For professors and research Grade IV, there is only a nationally agreed minimum salary.

The purpose of this report is to investigate whether there is a difference between white and Black and Minority Ethnic (BME) academic staff in terms of which staff are awarded discretionary pay points. Two comparisons are made: 1, the proportion of white and of BME staff who are at the top of the main grade; 2, the proportion of white and of BME staff on discretionary points. A further comparison is made to see if there is any difference in ethnicity and points for those at the top of the main grade – ie those forming the most likely pool of candidates for the award of discretionary points – and those who actually are awarded discretionary points.

Because of the small numbers of academic staff in the separate BME categories, for the purpose of this study all BME categories have been aggregated into one 'black and minority ethnic' category; table 2 indicates the proportions of academic staff in different ethnic aggregate categories. It should be noted that between 6.5% and 8.9% of academic staff on grades with discretionary points refused to provide information about their ethnicity. Where percentages were based on fewer than 50 academics in total, they have been suppressed in this report.

Table 2 The ethnicity of UK academic staff on grades with discretionary points 2002-3

	White	Black	Asian	Other	Information refused
Lecturer B	84.2%	1.0%	4.6%	2.5%	7.7%
Senior lecturer	88.0%	0.4%	3.3%	1.7%	6.5%
Research grade II	79.6%	0.9%	7.9%	2.8%	8.9%
Research grade III	85.3%	0.2%	5.1%	1.3%	8.0%

Source: AUT analysis of data from the Higher Education Statistics Agency individualised staff record for 2002-3. HESA does not accept responsibility for any inferences or conclusions derived from the data by third parties.

2 Results

There is very little difference between white and BME academics in England and in the UK overall in terms of the proportion of staff who are at the top of their main grade (table 3). So, in terms of the pool of people who are on the scale point immediately before the first discretionary point, whites and BME academics are in very similar proportions. For the UK in 2002-3, 37.0% of white academics, and 35.1% of BME academics, were on the top point of the main grade (on grades with discretionary points); so whites were 1.1 times more likely than BME academics to be on the top point of the main grade. For England, the respective proportions were 36.3% and 35.8%, with a virtually identical likelihood for white and BME academics of being on the top point of the main grade. For Scotland, there was slightly more variation, with 38% of whites and 31% of BME academics on the top point of the main grade; whites were 1.2 times more likely than BME colleagues to be on the top point of the main grade. Data were unavailable for Wales and Northern Ireland because the numbers of BME academics were fewer than 50.

Bigger differences are observed when comparing the white and BME academics who have actually been awarded discretionary points. White academics in UK higher education are 1.6 times more likely than their BME colleagues to be awarded discretionary pay points (table 4). In the UK in 2002-3, 21.1% of white academics were on discretionary points, compared with 13.0% of BME academics (excluding academics on grades which have no DPs). Because of the low numbers of BME staff on discretionary points in Wales, Scotland and Northern Ireland, data on the proportion of them on discretionary points have been suppressed.³ Because of the low numbers of BME staff on discretionary points at individual higher education institutions in the UK, no data on the proportion of them on discretionary points at institutional level are published in this report.

It is a matter of concern that while there is very little difference between white and BME groups in the proportions of staff on the top point of the main grade, there is a considerable difference in favour of whites in terms of proportions of staff awarded discretionary points. It is not immediately clear why this difference exists. Perhaps if the proportion of BME staff at the top of the main grade was small, then this could be because BME staff were new to employment in higher education and were taking time to rise up through the grade to the top main point, and to DPs. But significant proportions of BME staff have risen through the grade to the top of the main grade. The blockage is in terms of BME staff going beyond the top of the main grade and onto discretionary points. Unwitting – or even conscious – discrimination cannot be ruled out as a cause of this blockage.

Table 3 Staff at the top of the main grade – UK

	% of grade total who are on main top point White	% of grade total who are on main top point BME	whites more likely than BME staff to be on main top point (1.0 means equal likelihood)
England	36.3%	35.8%	1.0
Wales	..	..	..
Scotland	38.3%	30.9%	1.2
Northern Ireland	..	..	..
UK	37.0%	35.1%	1.1

* excludes academics on grades which have no discretionary points

** (1.0 means equal likelihood)

.. data suppressed because BME totals based on fewer than 50 individuals

Source: AUT analysis of data from the Higher Education Statistics Agency individualised staff record for 2002-3. HESA does not accept responsibility for any inferences or conclusions derived from the data by third parties.

Table 4 Use of discretionary points (DPs) - UK

2002-3	% of academics who are on DPs*		whites more likely than BME staff to be on DPs**
	White	BME	
England	21.3%	13.5%	1.58
Wales	..	..	..
Scotland	..	..	..
Northern Ireland	..	..	..
UK	21.1%	13.0%	1.62

* excludes academics on grades which have no discretionary points

** (1.0 means equal likelihood)

.. data suppressed because BME totals based on fewer than 50 individuals

Source: AUT analysis of data from the Higher Education Statistics Agency individualised staff record for 2002-3. HESA does not accept responsibility for any inferences or conclusions derived from the data by third parties.

3 Conclusion

It is clear from the data analysed in this report that there is evidence of differential treatment of white and BME academics in terms of awarding discretionary pay points. White academics are more likely than their BME colleagues to be awarded discretionary points, although there is virtually no difference in terms of likelihood of whites and BME academics to be on the top main grade point, ie the highest pay point before DPs.

This finding is significant for two reasons. The first, and most important reason, is that it provides evidence of potential direct or indirect discrimination against ethnic minority academics in employment in UK higher education.⁴ It is a matter of concern that such wide

gaps exist between white and BME academics, and that they appear to be treated differently in the higher education labour market. Under the Race Relations (Amendment) Act 2000, public bodies, including higher education institutions, have a duty to eliminate unlawful racial discrimination and promote equality of opportunity and good race relations.

What increases that concern is the current process of implementing the pay and grading Framework Agreement in UK higher education, because the Framework involves all staff in UK higher education being employed on grades with contribution points above the pay points of the main grade. The Framework states that 'Action to foster more equal opportunities and to ensure deliver of equal pay for work of equal value is at the heart of this Framework Agreement',⁵. However a great deal will need to be done by employers to demonstrate to BME employees that new pay practices will be both fair and transparent.

The Race Relations (Amendment) Act 2000 places a requirement on all public authorities (including higher education institutions) to carry out impact assessments on the grounds of race. Impact assessment is the thorough and systematic analysis of a policy or practice to determine whether it has a differential impact on a particular group.

The Higher Education Funding Council for England says: 'Impact assessments are not one-off exercises but should be incorporated into a three-year cycle of institutional review as recommended by the Commission for Racial Equality (CRE). Results of assessments should be monitored and made available for internal and external stakeholders.'⁶

We note the recommendation in the joint guidance document on promoting equality of opportunity in HE institutions, *Partnership for Equality: Action for Higher Education*, published in February 2003 after being agreed jointly by employers' representatives and trade unions in UK higher education, which calls for institutional equality strategies that include a race equality policy and action plan formulated and implemented according to the Commission for Racial Equality's statutory code of practice.⁷ The *Partnership* document also states: 'The key process in ensuring pay equality is to conduct an equal pay audit.'⁸ In March 2002, the Joint Negotiating Committee for Higher Education Staff published *Equal Pay Reviews: Guidance for Higher Education Institutions*, which sets out how to analyse, diagnose and tackle any pay inequalities arising because of race, as well as gender and disability. We urge all UK higher education institutions to follow this guidance.

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Endnotes

¹ Universities academic salaries committees (1987), 23rd report, para 16.

² Although former centrally-funded institutions in Scotland have discretionary points for Lecturer and Senior Lecturer grades, there was insufficient HESA data for these grades to enable analysis.

³ Under the HESA rounding methodology, percentages calculated on populations which contain less than 50 individuals are suppressed and represented as '..'.

⁴ For further information, see 'The Unequal Academy' at <http://www.aut.org.uk/index.cfm?articleid=917>

⁵ Joint Negotiating Committee for Higher Education Staff, Framework Agreement for the Modernisation of Pay Structures, July 2003.

⁶ http://www.hefce.ac.uk/pubs/hefce/2004/04_37/

⁷ Para. 15

⁸ Para. 25.