

ANALYTICS WITH IMPACT

THE MISSING MIDDLE

AIMS & OBJECTIVES

- To understand how to use Gapsquare for analytics with impact, to understand 'the missing middle'
- To look at the root issues which might be causing unequal workforce distribution in middle management positions
- To use analytics to improve hiring and career progression



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KEY TERMS & CONCEPTS YOU'LL LEARN IN THIS SECTION

Workforce Representation describes the make up of your workforce. It looks at the overall percentage and number of people in your workforce of a certain demographic group (i.e. BAME and white, men and women etc). In this context, as well as the percentage within different pay grades and parts of the company.

Pay Quartiles group your employees from lowest pay per hour to highest pay per hour and then splits them into four equal groups. The lower quartile, therefore, looks at the lowest paid 25% of employees, the upper quartile looks at the top 25% of pay etc.

Employee characteristics are the different categories into which you can group your employees, including **identity groupings** like gender, age, disability, ethnicity etc, and **company groupings** like tenure, department etc.

Career progression is the way in which employees are moving up through a company over time.

The Missing Middle refers to a particular group of employees in low and high pay quartiles, but not in the middle pay quartiles or middle management positions. It indicates that these employees are not progressing through the company.

Research and data shows us that pay gaps between women increase exponentially past the age of thirty, due to care responsibilities, external pressures and progression through the company. As a result, companies often see unequal pay occurring in their middle management positions.

The Missing Middle does not just apply to gender. It can also occur for particular ethnic groups as well as disability.

Unconscious Biases are social stereotypes about certain groups of people that individuals form outside their own conscious awareness. In this context, they can look like an **affinity bias** (feeling as though we have a natural connection with people similar to us) and **confirmation bias** (our unconscious tendency to confirm our own opinions and pre-existing ideas about people). They affect the recruitment and progression of equality groups.

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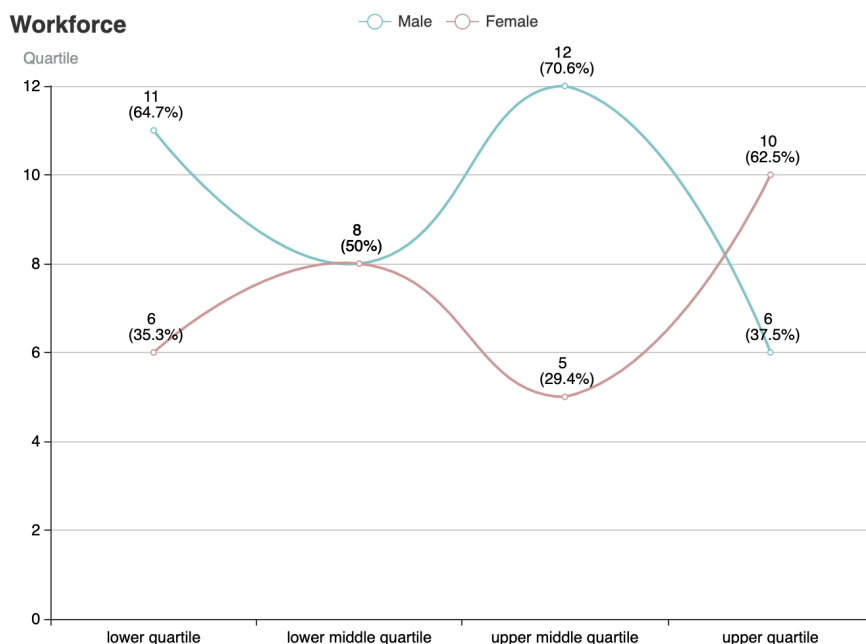
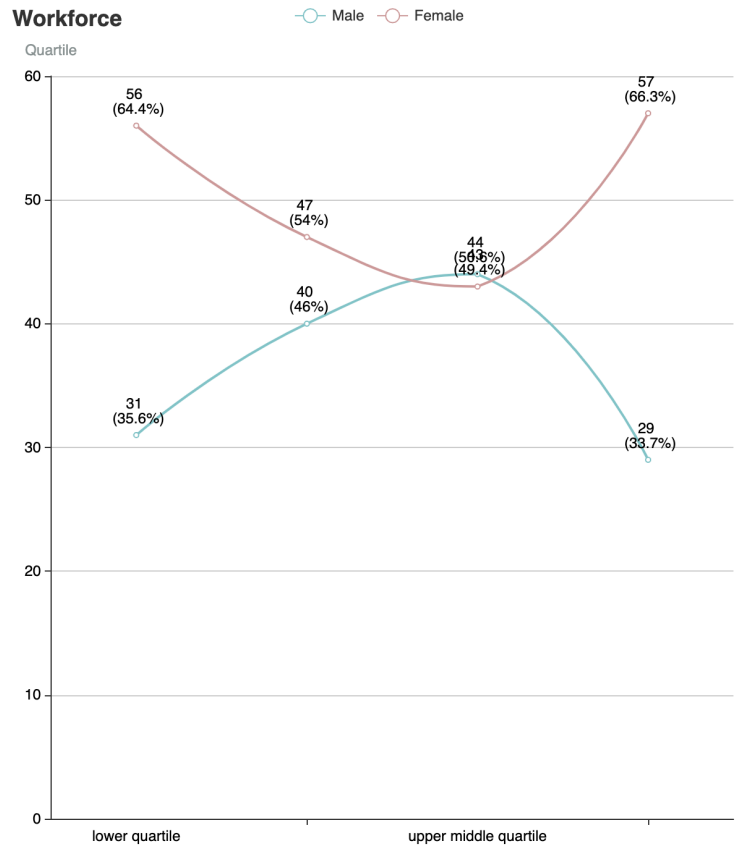
THE MISSING MIDDLE

A STEP BY STEP APPROACH

1) Select an employee characteristic which you would like to compare and click on the workforce tab. This will show you the percentage of employees in this characteristic in each pay quartile.

2) Look at the percentage of employees in each pay quartile. Note how they are spread across your organisation.

3) Look out for a lack of a certain employee characteristic in the lower middle and upper middle pay quartiles, or middle management positions. This indicates you have a missing middle.



This document will explain the reasons why you might be seeing a missing middle, how to use Gapsquare to identify why these issues are emerging, and which actions to take next.

If you see a missing middle in your data, there are next steps to take to identify why these issues are emerging.

They are:

- 1. Hiring Practices**
- 2. Career Progression**

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1. HIRING PRACTICES

KEY TERMS & CONCEPTS

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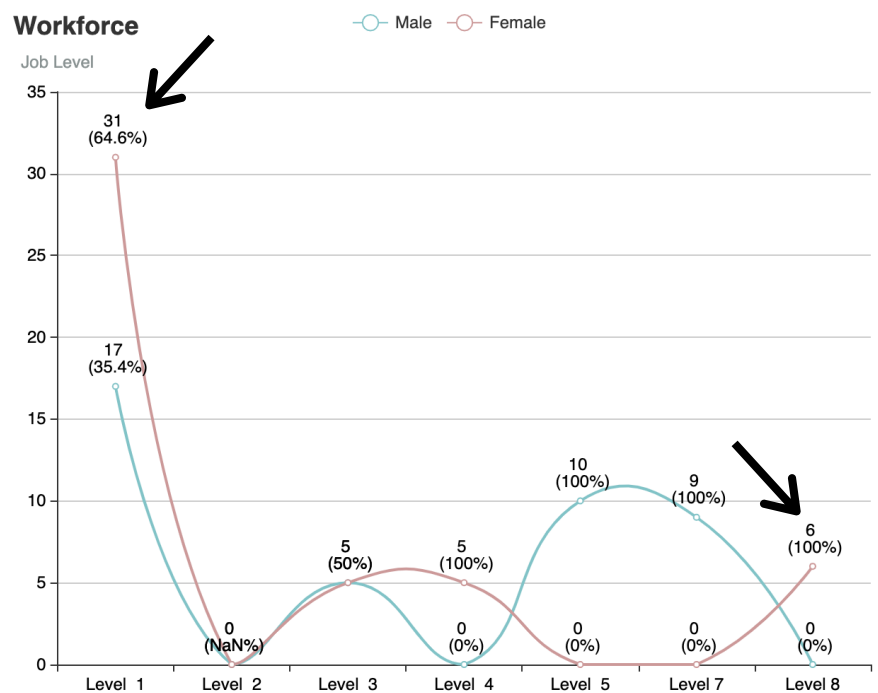
A STEP BY STEP APPROACH

1) Look at workforce representation across job level or department

2) Filter by tenure, and select employees with 1 year of service (or 6 months of service for a more detailed view). This will show you where your new hires are.

3) Click on the contribution tab to see if these hires are exacerbating the gap.

4) Look to see if you have particular employee groups entering low paying positions, and other employee groups entering high paying positions. If you see this, your hiring practices are exacerbating unequal representation in middle management - you have an issue with the missing middle.



TAKE ACTION

If you see a large contribution in one department, or role, this is where change needs to happen. Focusing recruitment into areas dominated by one particular employee group will improve parity and representation within your workforce. Focus on blind / unbiased hiring method, or target internal applicants to apply for roles.

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2. CAREER PROGRESSION & PIPELINE PROBLEMS

KEY TERMS & CONCEPTS

Career progression is the way in which employees are moving up through a company over time.

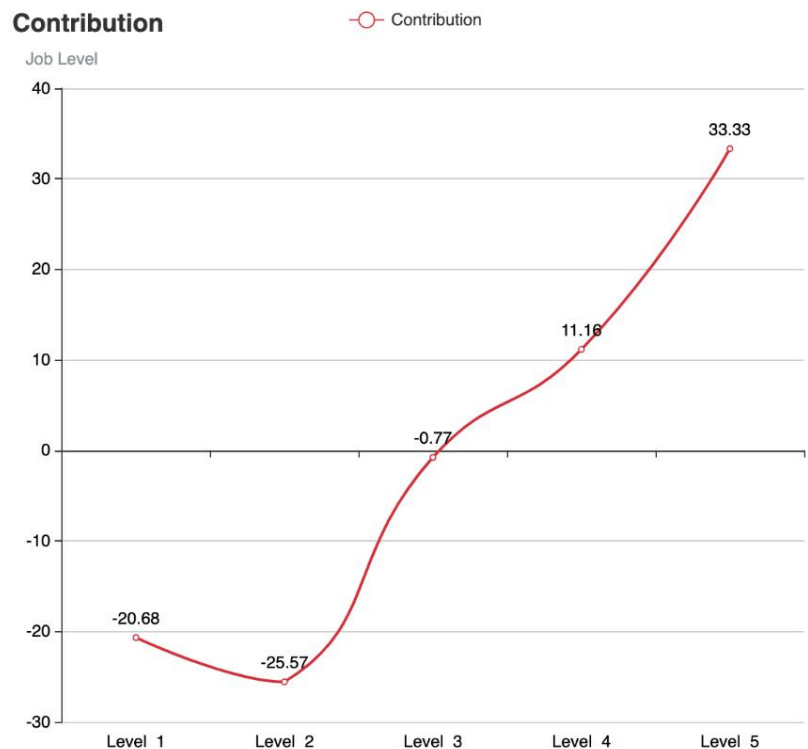
Pipeline is a way to refer to the trajectory or channel through which employees progress through a company.

A STEP BY STEP APPROACH

1) Click on the contribution tab and look across job level.

2) The job level which contributes most to your pay gap shows you point at which your employee group is not progressing into the next job level or pay grade.

3) Comparing this data with the data across previous years helps you understand career progression in more detail.



TAKE ACTION

This is an opportunity to re-evaluate how you promote, how you do performance reviews, how you benefit and comp structures may favour certain demographics, or how you support progression through understanding hold ups and how you can tackle these.

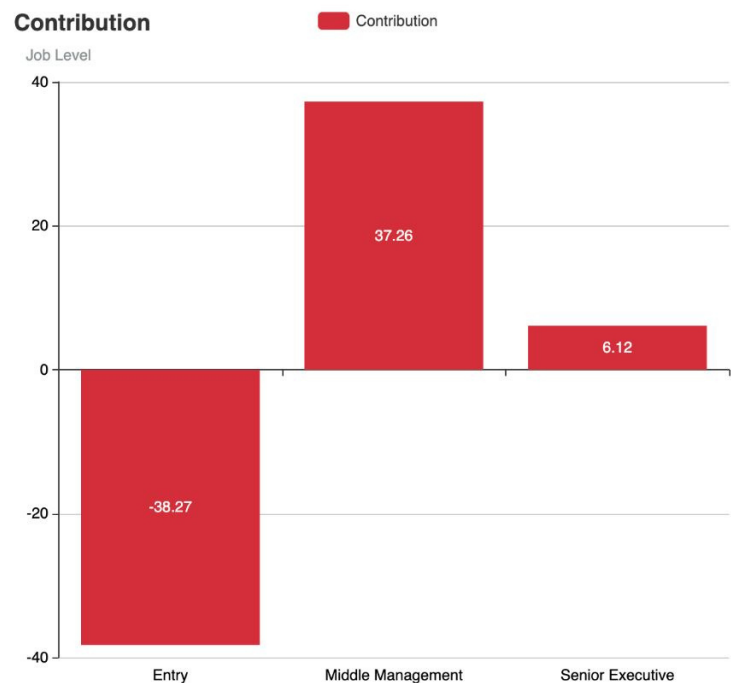
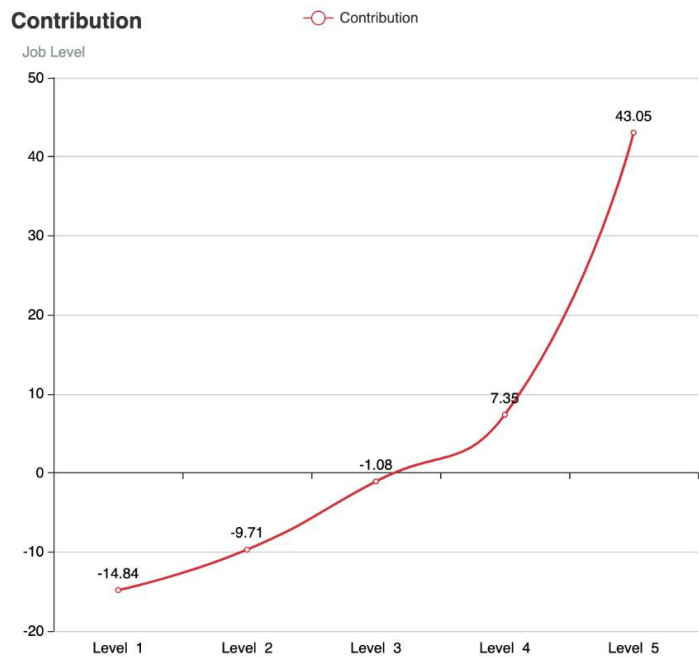
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LETS PRACTICE

This is an opportunity to re-evaluate how you promote, how you do performance reviews, how your benefit and comp structures may favour men, or how you support progression through understanding hold ups. It's also a chance to tackle these common issues.

Q: The two graphs below show the difference in the contribution of job levels between two different companies. What is the main difference between these two companies?

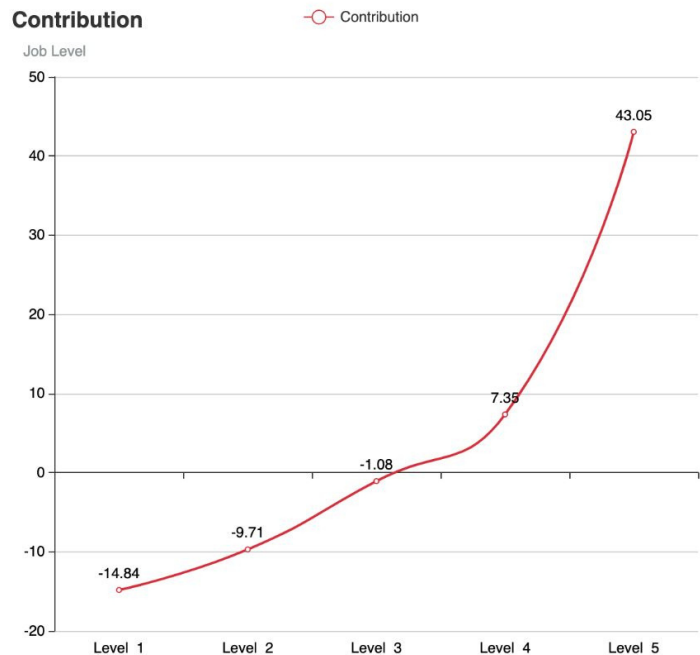


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LETS PRACTICE

A: The first graph shows that there are not enough women coming into top level executive management at the company. It is likely they have poor board representation and few female C-Suite executives.



A: The second graph shows the opposite - there is not an issue with top tier management, (the company may have recently hired some highly paid senior women), but there is an issue with middle managers.

There are not enough women being promoted, or being hired in the middle managerial positions. This is what is known as the missing middle.

