

# Same Value, Same Pay

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**Sounds simple, doesn't it? However, the Healthcare Businesswomen's Association (HBA) and Aon's June 2021 report on the European gender pay gap delivered data to show we are worse today than we were three years ago<sup>1</sup>.**

Furthermore, it showed that all countries within the Nordic region were falling short of the efforts to close the gap and were actually experiencing an increase in the pay gap<sup>1</sup>. There are however some green shoots of hope from organisations who are standing up and taking stock of their own contribution and starting to take responsibility to close their own gap, and these organisations are to be celebrated. Lundbeck is a pharmaceutical company focusing on the treatment for brain diseases, one of the top pharmaceutical companies in Denmark and has over 5,600 employees<sup>2</sup>. A project was launched from Lundbeck UK in 2019 to uncover their gender pay gap and put measures in place to start to close it.

This is a new undertaking for many organisations. To help with the learning curve, Lauren Alani (Ellis-Hill), HBA Europe Regional Director, Market Research, spoke with Lundbeck's Laura Coyle to explore how Lundbeck UK took stock and put appropriate measures into place.

**1. Laura Coyle, thank you for joining us. What's your role at Lundbeck?**

I have worked within the pharmaceutical industry for over 20 years. Following a recent secondment in marketing I am back doing a role I love. I am a District Sales Manager currently managing a team of nine key account managers, seven of which are women across the UK.

**2. On top of your day job you also led the gender pay gap analysis for Lundbeck, how did that come about?**

I had created and driven a diversity and inclusion group within Lundbeck and was on the HBA London Board acting as Director at Large for Programming, so was extremely passionate about gender parity across the healthcare industry. The HBA created a gender pay gap report and I was very shocked there was such a gap in our industry and that even with companies trying to drive incentives to reduce it there was little change. Lundbeck was too small a company to be required to report on this gap so it had never even been a topic of conversation. I was really keen to look at this internally and decided to speak with my HR Director and Country Manager. Both were hugely supportive and committed to allowing me to run the analysis. To be honest though, getting the figures is the easy bit, it's what comes after that is the most challenging part. How do you take the data, analyse what has driven the gap and then put in place solutions to reduce it?

**3. Prior to the analysis, what were the assumptions about where Lundbeck was likely to be in regard to gender parity?**

Working within a Danish company and being part of a Nordic business area with very forward-thinking governments when it comes to equality of women's rights, the general thinking is that the gender pay gap wouldn't be an issue we would have. Personally, from my experience within the HBA I assumed of course we would have a gap. The majority of our employees are women but most of the managers were men. I was guessing we would have an industry average pay gap but deep down I was hoping for it to be less.

**4. What were your findings?**

We found of course we had a gap and sadly it was slightly higher than what we had hoped. It is hard to do a true comparison because we were comparing ourselves with much larger companies, statistically the calculations would be different. The really interesting part was that when you analysed the data you could start to see and understand why there was a gap and thus the opportunities to change it.

### 5. Could you provide more context as to why there was a gap and what the opportunities were?

There were many reasons for the gender pay gap, some due to processes that were historical. For example, in the past Lundbeck women were awarded a basic percentage pay rise when they were on maternity leave whilst their male counterparts may have been awarded a higher percentage pay raises based on that year's performance, which created a gap over time. Women who had been on maternity leave could be forever behind their male counterparts and each year with percentage pay rises it increased further. We also found that when recruiting employees women typically asked for a lower salary. When this happened it again contributed to the gap and it continued to widen. There were other structural, hierarchical issues too in the past and some now. Most of our sales teams were dominated by women whilst the management team was dominated by men which again further caused a gap. This is slowly changing now that team diversity is a priority.

### 6. What were the main challenges you experienced?

The first challenge you will always get with a pay gap analysis is people will challenge the data and the way it was worked out because the results make us feel uncomfortable. The second challenge was trying to find good industry examples where initiatives have reduced the gap which we could implement within Lundbeck. And lastly, it is very tough to create your own ideas and solutions which will reduce the gap whilst ensuring that we are always rewarding our best people for the work that they do.

### 7. Did you experience any personal challenges that you needed to overcome?

When you work for a company you love for 20 years everything you do is personal. When I started the project I never considered that I would be part of the gender pay gap issue, but of course I was as a woman in the company. This part I found hugely challenging but drove me harder to create change. As a woman, when you realise you are working for a company where there is a gender pay gap, and let's be honest in healthcare that is almost every company, it makes you question how you are valued and what your worth is. Companies across healthcare need to realise the consequences of the gender pay gap are very personal and very far reaching, more than they realise.

### 8. To help employees looking to perform a similar analysis for their companies, what are the practical steps they should take?

The analysis is the easy bit, planning for what you do with the results is the hard bit. You need to look at all the stakeholders you need to have involved to create any change. Most importantly the executive and senior level need to have full

buy in otherwise you are unlikely to deliver any real change. You have to create an evidence-based value proposition which shows the stakeholders why we need to change, how we can go about closing the gap and the implications for the company going through the change and of course how much it will cost. This value proposition needs to speak to all of them in a clear and concise way, focusing on business needs and future profitability, but it also has to be deeply personal too because people are motivated financially but also ethically.

### 9. Is there any final advice you would give them?

You need to have the commitment from the stakeholders that the analysis is just the first step. They have to be committed to being brutally honest about the findings and committed to creating real change to drive the gap down.

### 10. Since performing the gender pay gap analysis for Lundbeck, what has changed?

In two years, we have reduced our gender pay gap by almost 5 percent. We took concrete measures to ensure we started to reduce it immediately. This has included changing the way we do salary reviews, benchmarking salaries across the company to ensure we pay appropriately and fairly, and ensuring that we review and recognise all our top performers are being rewarded for the great work they do regardless of gender. We have also ensured our recruitment processes are not indirectly putting off women and that we are not paying salaries based on what the individual thinks they are worth at the time of recruitment, but what that role contributes to the business.

## CONCLUSION

No one wants to think they are part of the problem, but unless you look, how do you know where you stand? At the Healthcare Businesswomen's Association, we work closely with our corporate partners to continue to spread awareness of the gender pay gap and continue to drive gender parity through networking, training, and leading on thought leadership content. The road to parity is fraught with challenges, such as ensuring the measures to close the gap are fair to all employees, which means it is paramount that senior leadership teams must carry the accountability for closing the gap.

We are proud of what Lundbeck UK has accomplished to date and thank them and Laura, for her leadership and drive, to help spread the word and to keep closing the gap.



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## REFERENCES

1. HBA report 2021. *Reducing the Gender Pay Gap to Drive Success in the Healthcare Industry.*
2. [www. https://www.lundbeck.com/global](https://www.lundbeck.com/global). Accessed September 2021