

# City & Guilds Group Gender Pay Gap Report

This is the City & Guilds Group's second Gender Pay Gap report based on data taken as at 5 April 2018. We are pleased to report a reduction in our gender pay gap in all areas - pay and bonus. We have also seen an increase in the number of women in the upper pay quartile and we believe this is due to our investment in recruitment processes – Recruit Right which includes manager training.

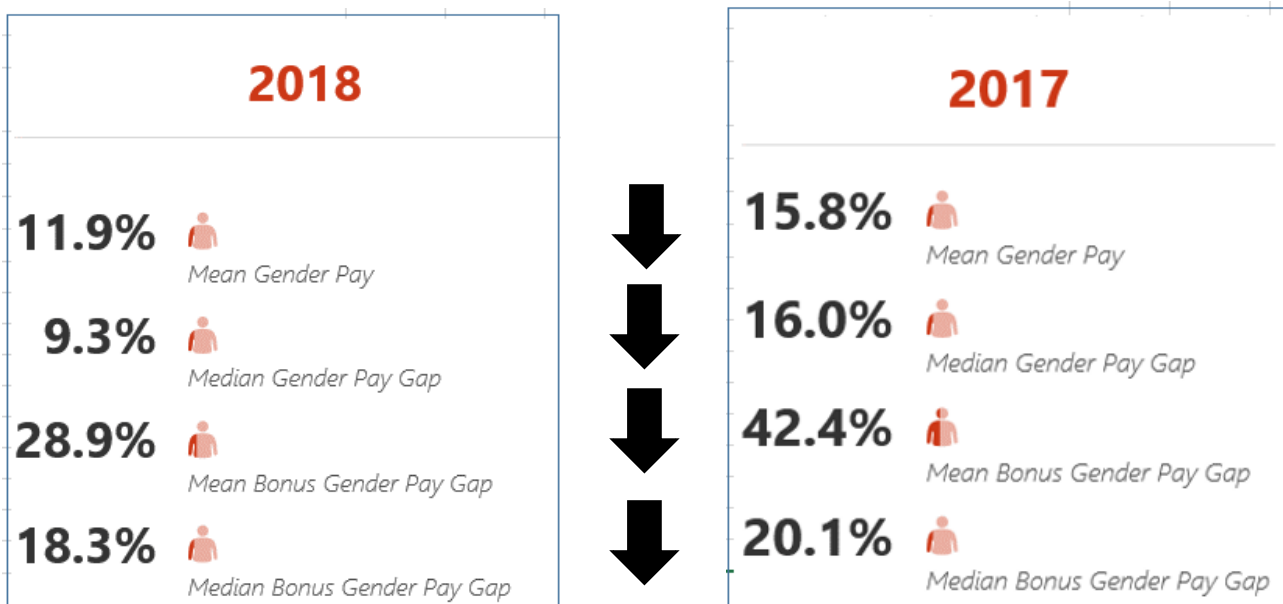


## Introduction

The City & Guilds Group are committed to reduce the gender pay gap. We will continue to look for strategies to reduce the gap and work with our stakeholders to ensure that our processes are robust and free of bias.

For details of the context and method of calculation of the gender pay gap please see Appendix A.

## Gender Pay Gap



### Mean Pay Gap

This year's mean pay gap has reduced by 3.9% to **11.9%** since last year.

### Median Pay Gap

This year's median pay gap has reduced by 6.7% to **9.3%** since last year.

## Mean Bonus Gap

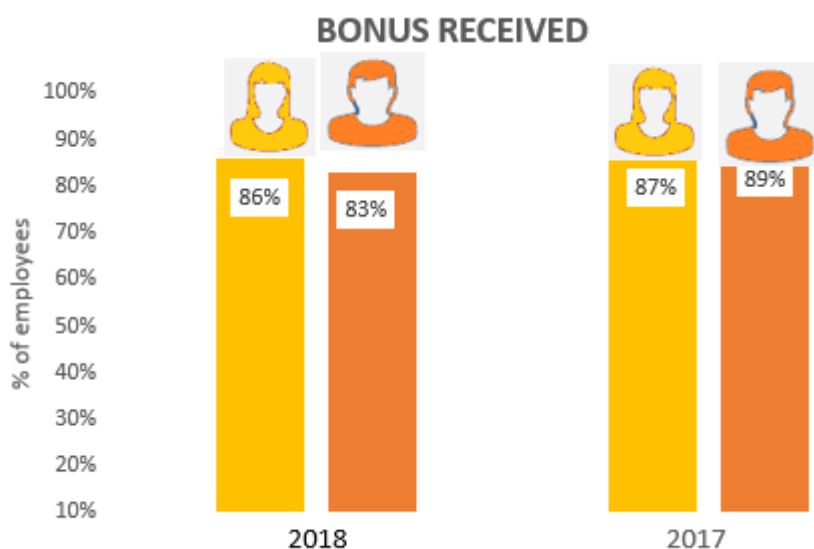
The mean bonus gap is still high but has reduced by 13.5% to **28.9%** since last year. Most of this can be attributed to the fact that's LTIPS (Long Term Incentive Plan) payments to our Senior Executive Team have not been made.

## Median Bonus Gap

The median bonus gap has reduced by 1.7% to **18.3%** since last year. This is reflective of the fact that the number of females that received a bonus in this year has increased.

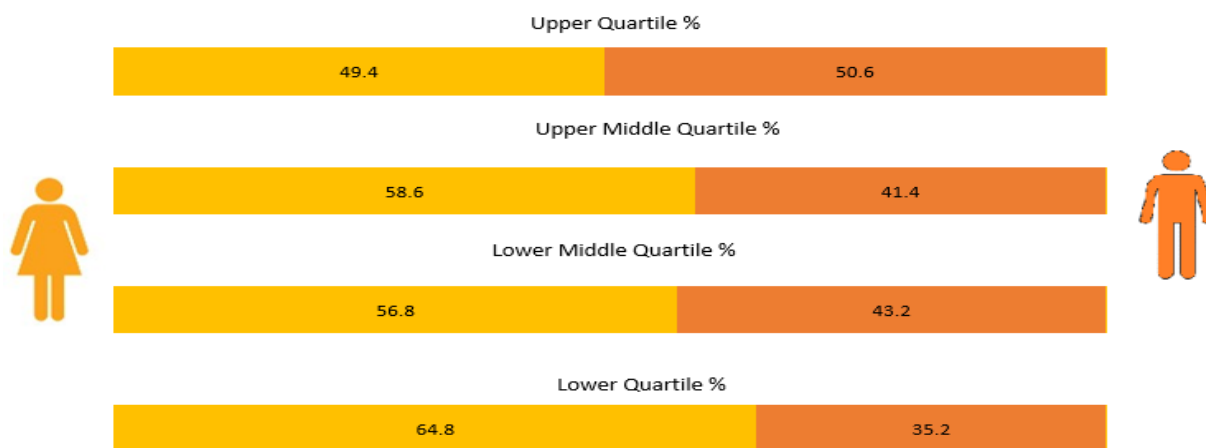
## Proportion of males/females receiving a bonus

The percentage of males that received bonuses was **83%**, which has reduced 6% from last year, and the percentages of females receiving a bonus was **86%** which has increased by 1%.



## Pay Quartiles

### 2018 PROPORTION OF MALE AND FEMALE EMPLOYEES IN EACH PAY QUARTILE



### Key changes:

- The number of females paid in the lowest quartile has reduced by 5.5% and the number of females in the lower middle and upper quartile has increased. The upper middle quartile is the only quartile that has seen a decrease in the number of females, but it is assumed based on our internal analysis that these females have progressed into the upper quartile.
- 71% of our upper quartile moves were by female employees and 8 out of 10 of our highest earning starters were female. This indicates that our promotion processes are more open to females as is our recruitment for senior roles.

# What are the City & Guilds Group doing to tackle the gender pay gap?

## Six Effective Actions

In August 2018, the Government Equalities Officer (“GEO”) published guidance on the effectiveness of actions companies have taken to improve recruitment and progression of women to reduce their gender pay gaps. The GEO identified six actions which they believe to be effective. The City & Guilds have benchmarked ourselves against these actions and found we are either already compliant with the recommendations or working towards them.

### **1) Include multiple women in shortlists or recruitment and promotions**

We shortlist based on skills, preferences and attitude regardless of gender.

### **2) Use structured interviews for recruitment and promotions**

The City & Guilds Group use structured interviews with pre-set questions that are used for all candidates. This is part of our ‘Recruit Right’ approach. This helps manage unconscious bias challenges which is part of our EDI strategy

### **3) Use skill-based assessment tasks in recruitment**

The City & Guilds Group use skill-based assessment for some of our roles and also game-based assessment for candidates to identify their natural preferences and working style are aligned to our organisation.

### **4) Appoint diversity managers and/or diversity task forces**

The City & Guilds Group have an EDI (Equality, Diversity and Inclusion) Board that has laid foundations over the last two years and leads various initiatives across the Group. Our Group CEO is the Board champion and he leads a virtual team of EDI champions

### **5) Introduce transparency to promotion, pay and reward processes**

We have a published pay policy with guidelines on promotion, pay and reward processes. Our Recruit Right approach supports consistency and transparency in the recruitment process.

## 6) Encourage salary negotiation by showing salary ranges

We have market-based pay ranges for each role that are around the median of the market, ranging from 90% to 110% of the market median. We do not publish salary ranges per role. Salaries are decided in accordance with our published pay policy and salary progression is based on a combination of annual pay reviews, performance and promotions.

## Equality, Diversity and Inclusion (EDI)

We have an ongoing EDI strategy driven by our Head of HR Professional Services, and with the support of our EDI Champions we are canvassing staff for their EDI experiences and views. From this we are developing and implementing plans to improve the EDI employee experience.

## Learning and Development Initiatives

We have a range of e-learning courses aimed at increasing diversity and encouraging more women to apply for promotion in the organisation.

## Family Friendly Policies

A key part of our offer is making the workplace more flexible so that women can progress their careers while combining work with family commitments, therefore we offer a range of family friendly policies.

## Unconscious Bias Training

The City & Guilds Group have rolled out unconscious bias training as part of our Recruit Right process and offered training to managers. This helps raise awareness of implicit bias and is useful in all EDI areas, not just gender pay.

## We have also planned the following steps:

### Equal Pay Audit

We have scheduled an Equal Pay Audit for the summer of 2019, we will then analyse the data for emerging themes. The last Equal Pay Audit in 2016 show no areas of concern.

### EDI Pay Gap Figures

In the coming year we will start testing and producing pay gap figures for ethnicity and disability for future reports, which is not a statutory requirement, but is in line with City and Guild Group's commitment to equality, diversity and inclusion.

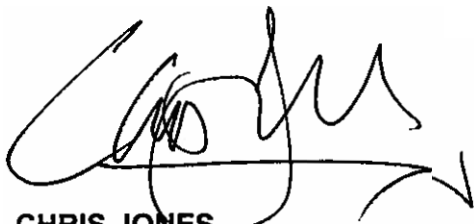
### Gender Pay Gap Strategy and ongoing review of employee engagement processes

We will continue to develop our gender pay gap strategy and will continue to examine our processes such as recruitment, induction, promotion, exit interviews and flexible working to identify any barriers to gender equality and these will inform priorities for action in 2019/20.

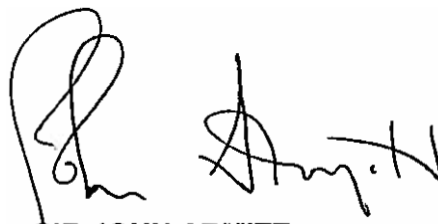
## Concluding Comments:

This year we can see positive signs of improvement, with the gender pay gap reducing in all areas and the number of women in the upper pay quartile increasing. We are promoting more women and recruiting more women into higher paid salaries. We believe this is a result of our EDI programme initiatives particularly Recruit Right for both internal and external recruitment and promotion processes.

The City & Guilds Group will continue to strive to reduce the gender pay gap and will remain steadfast in our commitment to reduce it.



**CHRIS JONES**  
Group CEO



**SIR JOHN ARMITT**  
Chairman

March 2019



## Appendix A

### Report information

The above report provides an analysis of the City & Guilds Group gender pay report and narrative as required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, and highlights the policies and processes we have in place to deliver further improvements.

The gender pay gap is a measure of the difference in pay between the average hourly earnings of male and female staff and is subject to a prescribed method of calculation. This is not to be confused with an equal pay review/audit, which would assess equal pay for work of equal value and would look in more detail at matters such as gender pay gaps by grade or department. An equal pay audit will be carried out later in the year.

The report is based on all UK-based staff, excluding those working in The Oxford Group as it is below the reporting threshold of 250 employees. The total number of staff included was 946, 43% of which were female and 57% of which were male.

### Method for calculations

The data presented in this report represents the gender pay gap information for the City & Guilds as at 5 April 2018, in the form of six reports below:

1. Mean<sup>1</sup> pay gap
2. Median<sup>2</sup> pay gap
3. Mean bonus gap
4. Median bonus gap
5. Proportion of males/females receiving a bonus
6. Proportion of males and females in pay quartiles

<sup>1</sup> Mean - the mean represents the average value within the data (i.e. add all the numbers together and divide by the number of items in the set).

<sup>2</sup> The median figure is the exact middle figure when the data is ordered in a list from the highest to the lowest value.

The method for the calculations in these reports are compliant with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 which means all percentage pay gaps are expressed as the difference between female and male pay as a percentage of male pay using the following calculation:

$$\frac{\text{male hourly rate} - \text{female hourly rate}}{\text{male hourly rate}}$$