



# Gender Pay Gap

 REPORT 2017

## OUR COMMITMENT

We aim to ensure fairness in all that we do, it's a key value of ours and extends to all aspects of leading a business to great success through our most valued asset – our people. We are therefore committed to ensuring full compliance to the Equality Act 2010 (Gender Pay Gap information) Regulations 2017, to ensure any gender

pay imbalance that exists in our business is reduced accordingly.

Our gender pay gap analysis considers six calculations that identify the differences between the average earnings of men and women in our organisation. These calculations include the mean gender pay gap, the median gender pay gap, the mean bonus gap, the median bonus gap, bonus proportions and quartile pay bands. The report does not involve publishing individual employee data and identities are fully protected in this regard. Results are published on both our own website and a designated government website and considers data for the period 6<sup>th</sup> April 2016 to 5<sup>th</sup> April 2017.

It is important to remember that this report focuses on gender pay gaps, which is a measure between the average earnings of males and females within the business. It should not be confused with equal pay, which relates to equal pay for equal work between males and females.

MALE EMPLOYEES

 219

FEMALE EMPLOYEES

 141

TOTAL EMPLOYEES

 360

The data here shows our overall difference in male and female employees as a total, identifying that males make up 60% of our overall workforce.

FIXED HOURLY PAY

**35.52%**  
MEAN

**28.63%**  
MEDIAN

BONUS PAID

**53.76%**  
MEAN

**51.83%**  
MEDIAN

The fixed hourly pay is a calculation that considers the difference between the mean and median avg. hourly rate of pay of a male and female employee. The hourly rate of pay is based on 'ordinary pay' that includes basic pay, allowances (not expenses) and pay for leave, but excludes overtime pay, pay in lieu of leave, benefits in kind and any other payments referable to termination. Ordinary pay is calculated before deductions are made i.e. tax and National Insurance, but after salary exchange i.e. pension.

The calculation for our fixed hourly rate of pay identifies that our male colleagues are paid on average 35% more than females per hour (mean average) and 28% more per hour (median).

The bonus paid calculation identifies the difference between the mean and median bonus pay which was paid to male and female colleagues between 6 April 2016 and 5 April 2017.

The calculation for our bonus paid identifies that our male colleagues are paid on average 53% more bonus than females (mean average) and 51% (median).

## PAY AND BONUS GAP



**87%**

RECEIVED BONUS

**13%**

DID NOT RECEIVE



**86%**

RECEIVED BONUS

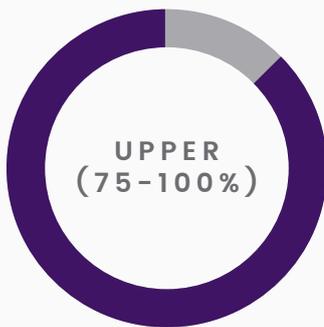
**14%**

DID NOT RECEIVE

**1%**

We currently have a 1% difference between the number of men and women being awarded a bonus for their performance up to the snapshot date of 5<sup>th</sup> April 2017.

## PAY QUARTILES

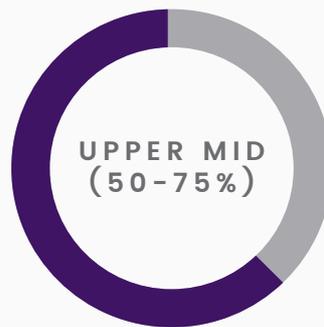


**81%**

MALE

**19%**

FEMALE



**67%**

MALE

**33%**

FEMALE

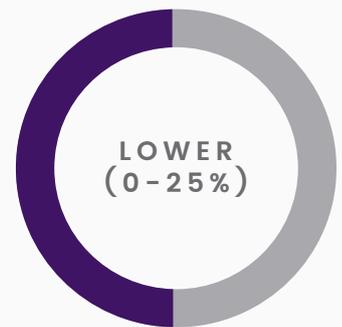


**43%**

MALE

**57%**

FEMALE



**50%**

MALE

**50%**

FEMALE

The above data helps to identify the proportion of each gender in equal quartile bands for April 2017, with each quartile containing **86 colleagues** (with the exception of the upper quartile, which contains 85 colleagues).

## WHY A GAP EXISTS

The AV industry is one that is historically renowned for having a higher male presence; for example, nearly 80% of our Twitter followers are male. Typically it is not common for females to enter into roles such as engineering or those which involve technical specialisms. The industry recognises this and there is increased activity around influencing and engaging women into the AV industry, for example, the introduction of the 'Tech she can charter' and women in AV (WAVE).

The results of our gender pay gap report have identified challenges, which will require focus to address our current gender pay gap, these being:

- **A higher proportion of males hold senior positions in our business.**
- **A disparity in bonus payments across all quartiles, although not in equivalent roles.**

Our initial analysis for lower and lower middle quartiles identify that we have a healthy balance between the number of males and females employed within these two sectors. We do however, identify that the weighting of males vs females in the upper and upper middle quartiles is unbalanced, where we employ more males than females in our senior paid roles. We have reviewed our mean gender pay gap and mean gender bonus gap by pay quartile band and the gap is lower than the figures identified for the total gender pay gap, confirming that a key driver to our gap is the unequal population of males and females, particularly at a senior level.

In addition, further analysis identifies that the bonus pay gap results do not take into account a number of factors which will naturally skew the results, these being:

- **Whether the employee is part time or full time and the effect of bonus values being paid on a pro rata level. Our part time workforce is made up of females only.**
- **The actual performance of an individual against target. We reward performance regardless of gender.**
- **Individual bonuses vs. team bonuses.**
- **Actual bonus paid as opposed to the actual opportunity an individual has to earn a bonus.**
- **An individual's length of service which will affect bonus payment criteria such as profit related pay.**

We are a fast-paced business with ambitious plans for growth and we are delighted to work with our people to build a strong and fair business moving forward. Acquisitions have played a significant part in increasing our headcount, particularly through TUPE transfers. We accept that with these activity types, along with new locations for offices, there will be natural variances in pay, alongside terms and conditions of employment, which could contribute to ongoing gender pay gaps for us. We will work hard to ensure we redress any imbalances that may arise in such circumstances and where appropriate.

### MEAN GENDER PAY GAP

**15.1%**

UPPER QUARTILE  
PAY DIFFERENTIAL

**4.0%**

UPPER MID QUARTILE  
PAY DIFFERENTIAL

**3.9%**

LOWER MID QUARTILE  
PAY DIFFERENTIAL

**5.2%**

LOWER QUARTILE  
PAY DIFFERENTIAL

### MEAN GENDER BONUS GAP

**42.53%**

UPPER QUARTILE  
PAY DIFFERENTIAL

**7.59%**

UPPER MID QUARTILE  
PAY DIFFERENTIAL

**8.36%**

LOWER MID QUARTILE  
PAY DIFFERENTIAL

**6.58%**

LOWER QUARTILE  
PAY DIFFERENTIAL

We would never actively seek to discriminate in any activity we undertake and feel confident that any gender pay gap is not caused by males and females being paid differently where they are carrying out the same role under the same terms and conditions of employment.

## OUR COMMITMENT AND ACTION PLAN TO CLOSE THE GAP

We are always striving to ensure we operate fairly at Midwich and support the ongoing development of our people. Encouraging improvements in diversity and inclusion and rectifying any gender pay imbalance is high on our priority list.

### GENDER PAY GAP

**In light of the findings from the quartile analysis, we believe that if we focus our efforts on ensuring equal representation of genders at all levels, this will naturally reduce the gap we are experiencing.**

We appreciate with an impressive retention record for some of our people, reaching well into 30+ years' service, this naturally introduces a legacy of pay rises that may be out of sync with general market rates demanded for such roles. In such circumstances it is not uncommon to freeze such levels of pay until the market / colleagues catch up.

We acknowledge that office locations will play a significant part in varying hourly rates of pay, alongside any honoured payment terms following TUPE transfer processes.

**We will continue to encourage flexibility in relation to how we work, an approach that has enabled us to retain some excellent talent by creating new roles where female staff have returned from maternity leave and they have not wished to return to their original full-time roles.**

### GENDER BONUS GAP

**Overall, we believe there is a higher gender bonus gap because:**

- There are more males than females employed at a senior level and they tend to have the opportunity to earn much higher bonuses.
- We have more part time female staff than male. The gender bonus gap does not recognise if an individual is working part or full time. In line with the snapshot data, 10% of female staff are part time and 0% of male staff are part time.
- There is a higher proportion of females than males in roles which do not traditionally carry a significant bonus element.



We will look to reduce our mean/median gender pay gap by focusing our efforts on equal representation of genders at all levels.

## RECRUITMENT AND RETENTION

Midwich will continue to operate a 'best person for the job' strategy when recruiting and this will be based on an individual's experience, skill and knowledge. For every vacancy we have, candidates (whether already employed or new candidates) from any background have a fair and open invitation to apply, and it is important that we continue to adopt this method so that we have a pool of best candidates.

We are very proud with our proven track record of recruiting from within, nurturing our internal talent and encouraging an environment of succession planning. Throughout our business we can identify continuous success stories for both genders and this is something we will continue to do.

To ensure we attract the best person for the job and retain the right talent in our business, we will:



Regularly review our recruitment processes to ensure any bias remains eliminated.



Continue to use appropriate recruitment advertising software that allows for candidates of any background to apply.



Provide supportive guidance to recruiting managers to ensure candidates are selected appropriately.



Continue to be open to exploring flexible working arrangements where possible, thus reinforcing a healthy approach and balance to work and family life.



Continue to support females through maternity as an enabler to retaining their talent in our business.



Identify the next talent pool and ensure this has a healthy mix of genders.



Leadership development and winning mindset coaching for the next tier of our senior management team, ensuring they have the right skills and mindset to move our business and our people forward to greater success.



Personal development plans that support confidence building and identification of development needs.

### DECLARATION

I confirm that the gender pay gap data provided in this report is accurate.

Stephen Fenby, Group Managing Director  
Midwich Ltd, March 2018