

# SHL UK 2020 Gender Pay Gap Report



**SHL.**

People Science. People Answers.

This report has been prepared in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

Snapshot date: 5 April 2020 (private sector)  
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# SHL UK Gender Pay Gap Report

## Gender Pay Gap and Equal Pay Explained

The **Gender Pay Gap** is the difference between what male and female employees are paid at all levels in an organization. This is expressed as a percentage of the average earnings of male and female employees. As an example: If a company has a gender pay gap of 20%, that means that for every £1, males are paid, females are paid just 80p on average.

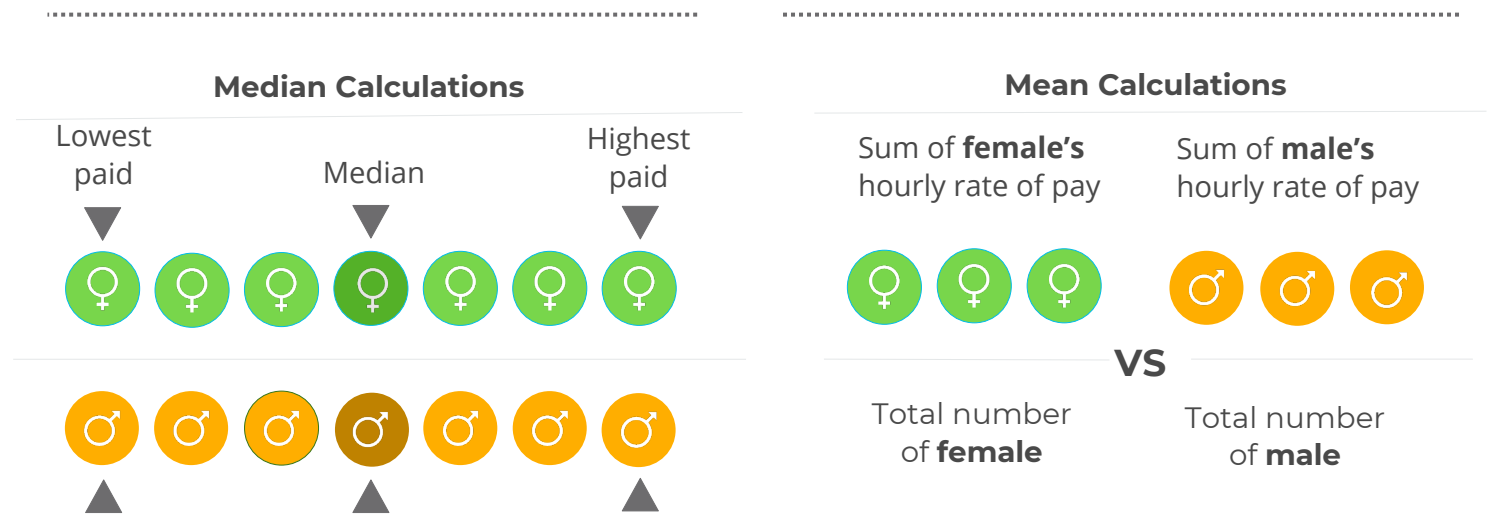
**Equal Pay** is a different issue. Equal Pay is the legal requirement to pay males and females the same for equal work and experience, which the Equality Act governs.

## Common causes of Gender Pay Gaps

The causes of the gender pay gap are complex and overlapping and differ by organization and industry. Several factors must be considered including, crucially, a lack of females in senior positions. However, organizations need to explore these fully and take appropriate action to reduce gender gaps.

## Calculating the Median and Mean Pay by Gender

UK-based organizations must follow the calculation methodology set out by the Government Equalities Office to report their mean and median gender pay gap, bonus gap, and distribution across pay quartiles.



The **Median** is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of male wages and the employee in the middle of the range of female wages.

The **Mean** is calculated by adding up the wages of all relevant employees and dividing the figure by the total number of employees. The mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.

# At a Glance: SHL UK Gender Pay

The tables below show our overall median and mean gender pay and bonus gap based on hourly rates of pay as at the snapshot date of 5 April 2020 and bonuses paid in the year to 5 April 2020.

| SHL UK               | Median | Mean    |
|----------------------|--------|---------|
| Gender Pay Gap       | 4.0%   | 16.5%   |
| Gender Bonus Pay Gap | -1.6%* | 52.6%** |

The proportion of males and females receiving a bonus payment



| Proportion of males and females in each quartile band | Male | Female |
|---|------|--------|
| Upper   | 61%  | 39%    |
| Upper Middle  | 42%  | 58%    |
| Lower Middle  | 55%  | 45%    |
| Lower   | 47%  | 53%    |

\* The 2020 Median Gender Bonus Gap decrease was due to more female employees receiving a bonus.

\*\*The 2020 Mean Gender Bonus Gap increased due to SHL introducing an enhanced incentive plan in the Commercial Sales function, with a higher number of males represented.

## SHL's Actions to Close the Gender Pay Gap:

Over the course of the last 12-18 months, we have implemented the following actions:

- Introduced a performance framework and philosophy based on continuous conversations between employees and managers, as well as 360 feedback from peers.
- Implemented consistent Job Architecture to harmonize job families, job levels and grades, and pay structures globally. The next phase of this is building out Career pathing.
- Reviewed and applied additional checkpoints in our people processes and practices to minimize unconscious and unintended biases in our:
  - Talent sourcing and recruitment programs.
  - Development, promotion, and compensation programs.
- Enhanced flexible working arrangements during the global COVID pandemic.
- Prioritized our commitment to drive meaningful change through inclusion for our people and customers.
- Continued to support and promote shared parental leave.
- Created the first Global Gender Pay Equity Report for the SHL Board of Directors and Executive Team to review and monitor company-wide progress.

**We remain committed to creating a more balanced, inclusive organization with equal opportunities for females and males to succeed at every level in our company.**

# In Focus: SHL UK Gender Balance

## Proportion of males and females across our UK workforce

Our entire UK business has a gender-balanced workforce of about:



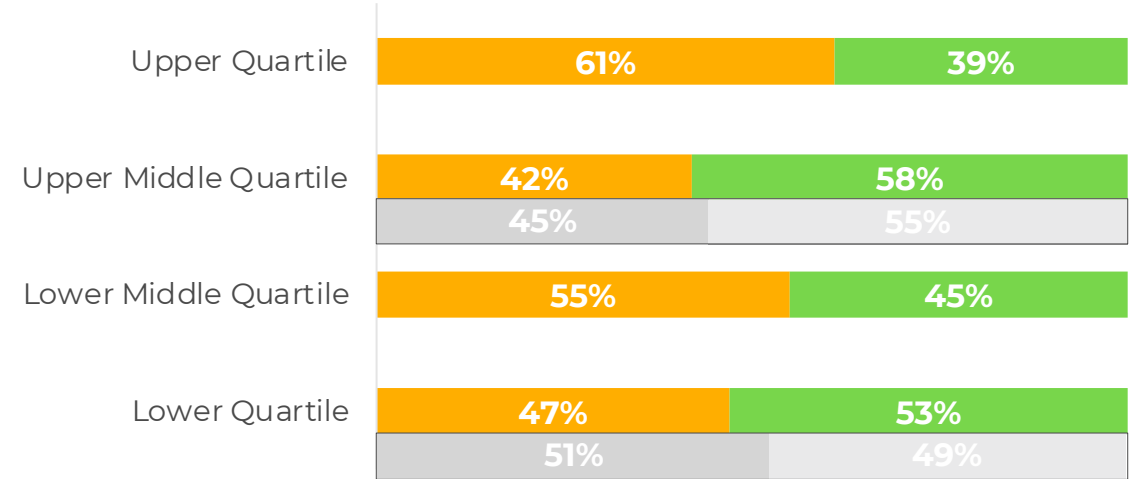
**50.9% Males**

**49.1% Females**

However, the data shows that fewer women are in senior positions, where pay is the highest.

These comparisons showcase an important talent challenge: the ongoing need to ensure that we continue to strengthen career paths, target development initiatives, and continue to evaluate and review promotions to senior and leadership positions objectively.

## Proportion of Males and Females in Quartiles



The percentage of males and females in each pay quartile: 2020



2019

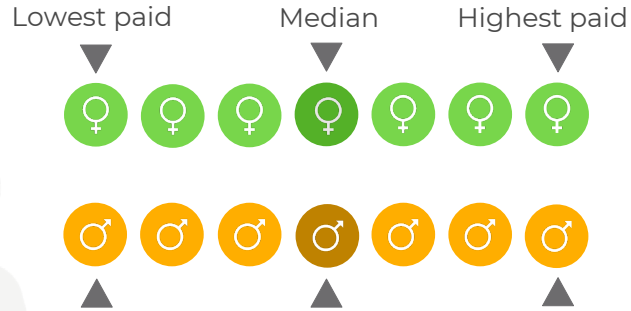


### What We Know:

- Female representation grew in the lower quartile between 2019 and 2020.
- The increased percentage of females in the upper middle quartile is the result of encouraging female promotions to more senior roles.

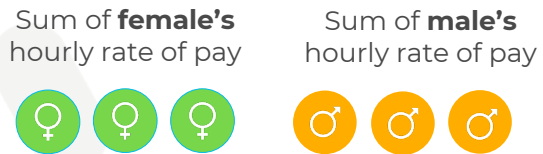
# In Focus: SHL UK Gender Pay Gap

## Median Calculations



**Median Gender Pay Gap**  
The difference between the median hourly pay for male and female employees in our April 2020 payroll.

## Mean Calculations



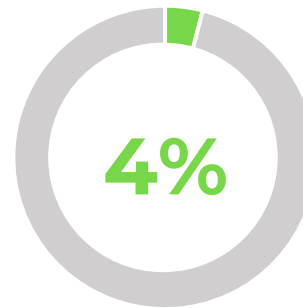
VS

Total number of **female** vs Total number of **male**

**Mean Gender Pay Gap**  
The difference between the mean hourly pay for male and female employees in our April 2020 payroll.

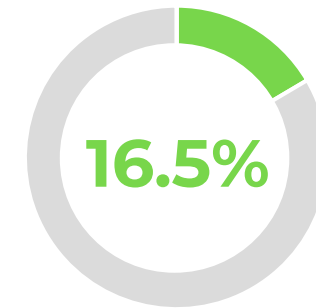
The UK Mean Gender Pay Gap among all employees was 15.5% in 2020. SHL's Mean Gender pay Gap is higher than UK data.

## Median Gender Pay Gap



4.7%\*\* change from previous year

## Mean Gender Bonus Gap



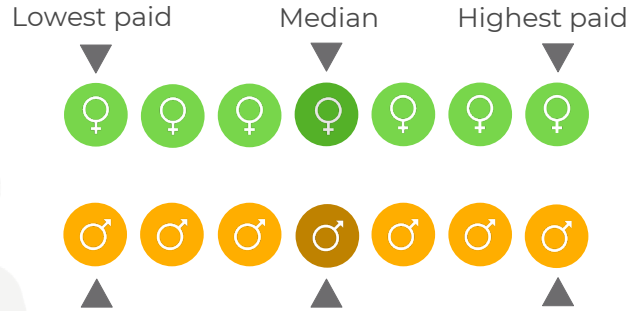
4%\*\* change from previous year

### What We Know:

- Females earn an average of 16.5% less per hour (excluding overtime) than males
- For every £1 males are paid, females are paid just 83.5p on average.
- The main reason for the Gender Pay Gap is that we had more males than females in senior, high-salary roles, which increased from the previous year.

# In Focus: SHL UK Bonus Gap

## Median Calculations



### Median Gender Pay Gap

The difference between the median hourly pay for male and female employees in our April 2020 payroll.

## Mean Calculations

Sum of **female's** hourly rate of pay



Sum of **male's** hourly rate of pay



VS

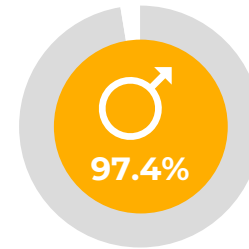
Total number of **female**

Total number of **male**

### Mean Gender Pay Gap

The difference between the mean hourly pay for male and female employees in our April 2020 payroll.

## Proportion of Workforce that Received a Bonus

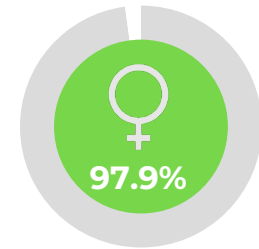


Median Gender Bonus Gap

**-1.6%**

**-17.5%\*\* change from previous year**

The decrease in Median Gender Bonus Gap was due to more female employees receiving a bonus.



Mean Gender Bonus Gap

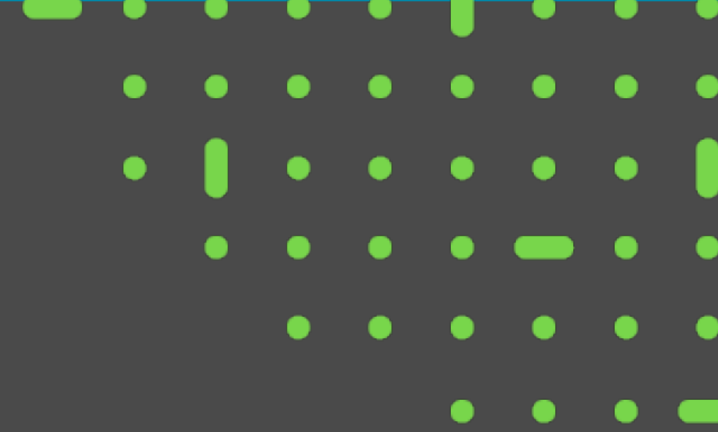
**52.6%**

**-19.1%\*\* change from previous year**

The increase was a result of SHL introducing an enhanced incentive plan in the Commercial Sales function, which has a higher number of males represented.

### What We Know:

- Our Gender Bonus Gap reflects our pay philosophy – in common with many companies in the market, employees at a more senior level have a larger percentage of their pay that is variable. This approach, combined with having more males in senior roles, drives our Gender Bonus Gap.
- In roles that are bonus eligible, females and males are equally likely to receive a bonus.



# Thank You

SHL.

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