

# Gender Pay Gap Report 2017

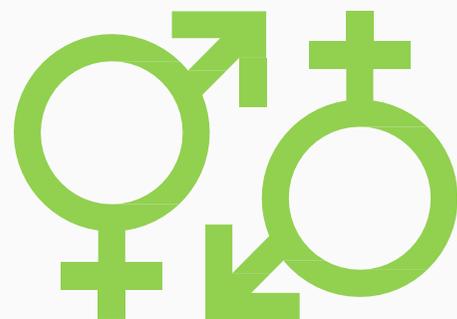
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## INTRODUCTION



**Paul Jenkins CEO**



Diversity and Inclusion is important to the Wescot Board and all of the Management Team, as an inclusive culture with a breath of diversity results in a better place to work, as well as leading to an improved company performance. **I am therefore really proud to say that we have a good gender balance with 59% females and 41% males.**

Fairness in reward has also always been central to the Wescot approach and, based on a thorough review of all roles, **I can confirm that men and women who carry out similar or the same roles are paid equally** when variations in experience, skills and performance are taken into account.

However, the proportion of females in senior roles is not as great as that across the business as a whole (52% of the highest paid quartile are female, against an average across the other three quartiles of 62%). **This does not mean that people are not paid fairly, but it does result in a Median Gender Pay Gap of 2.7% and a Mean Gender Pay Gap of 20.3%.**

We do have incredibly talented females in senior and managerial positions, but as well as continuing to ensure fairness we need to place additional focus on increasing the proportion of females in these roles to align with that seen across the business as a whole.

**The proportion of females and males who received a bonus is also consistent, being females 33.0% and males 31.9%**, reflecting the inclusive eligibility and consistency of application.

We intend to track our performance against gender diversity and inclusion metrics over time, and report regularly to the Board and employees on our progress.

In 2017 Wescot made a transformational step when it was acquired by Cabot Credit Management (CCM). Whilst these results reflect the period before this change in ownership, we have jointly worked with CCM to set our commitments for change, as although there is work to do to close the Gender Pay Gap, it is a goal we are all focussed on delivering.



**CEO**  
Wescot

## DEFINITION

### MEDIAN GENDER HOURLY RATE OF PAY



## MEDIAN

**The Median Gender Pay Gap shows the difference in the median (mid-point) hourly rate of pay between males and females over the measurement period.**

The median hourly rate is worked out by ranking the hourly rates of employees from low to high and identifying the mid point within the rank (male and females separately).

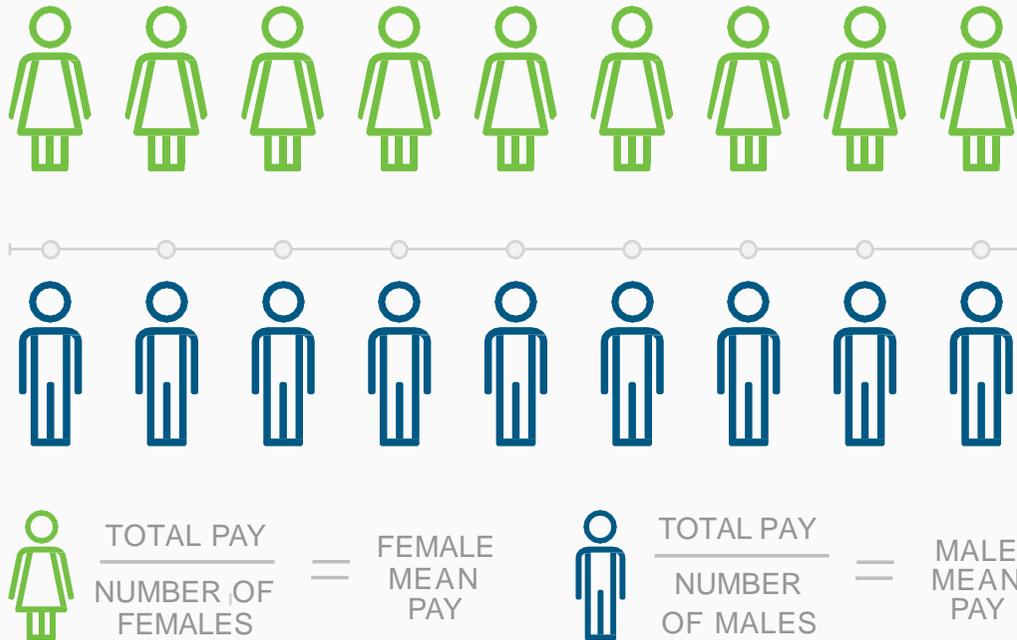
The Median Gender Pay Gap is the female median hourly rate subtracted from the male median hourly rate, divided by the male median hourly rate, multiplied by 100.

It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

'Pay' incorporates money payments received during the measurement period, which is the pay period in which the 5<sup>th</sup> April 2017 falls, including any bonuses related to that period.

## DEFINITION

### MEAN GENDER HOURLY RATE OF PAY



It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

## MEAN

**The Mean Gender Pay Gap shows the difference in the mean (average) hourly rate of pay between males and females over the measurement period.**

The mean hourly rate of pay is worked out by adding the hourly rates of pay for all employees and dividing by the number of employees (male and females separately).

The Mean Gender Pay Gap is the female mean hourly rate subtracted from the male mean hourly rate, divided by the male mean hourly rate, multiplied by 100.

'Pay' incorporates money payments received during the measurement period, which is the pay period in which the 5<sup>th</sup> April 2017 falls, including any bonuses related to that period.

## DEFINITION

### GENDER BONUS GAP

$$\left( \left( \underset{\text{Male}}{\pounds XX} - \underset{\text{Female}}{\pounds XX} \right) \div \underset{\text{Male}}{\pounds XX} \right) \times 100 = \mathbf{XX\%}$$



## GENDER BONUS GAP

**The Gender Bonus Gap compares the average bonus paid to females receiving a bonus to the average bonus paid to males receiving a bonus.**

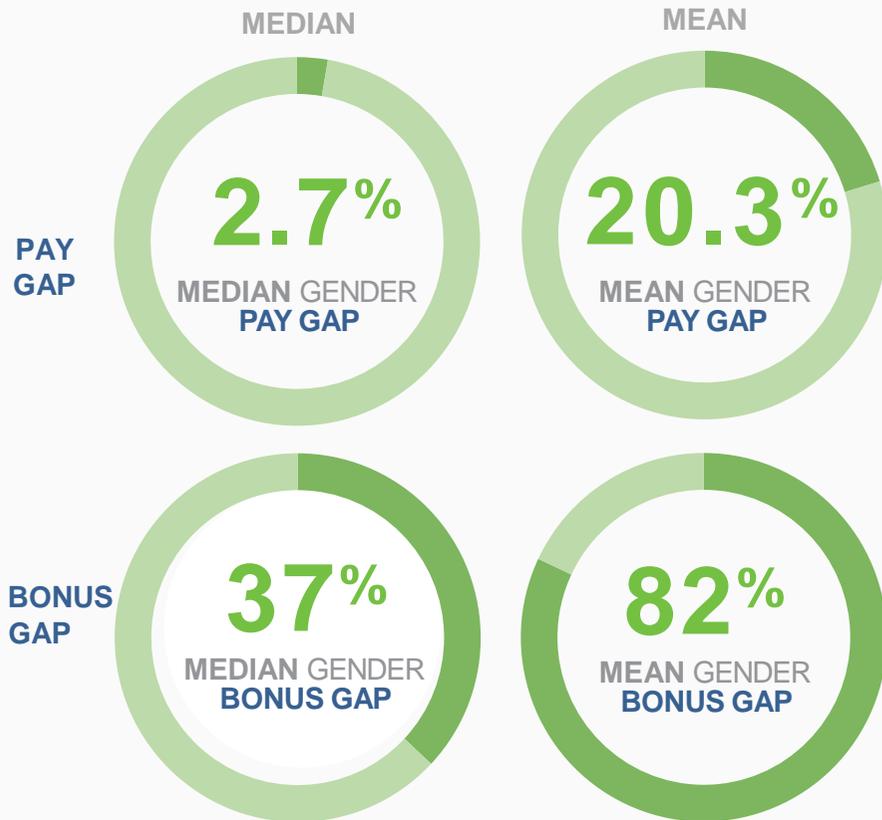
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It is important to note that gender pay gap is different to equal pay. Equal pay looks at the difference in pay between males and females carrying out the same or similar roles.

‘Bonus’ incorporates bonus payments in cash or other financial assets received across the ‘measurement period’, which is the 12 months prior to the pay period in which the 5<sup>th</sup> April 2017 falls.

## GENDER PAY & BONUS GAP



### Why is the Gender Bonus Gap higher than the Gender Pay Gap?

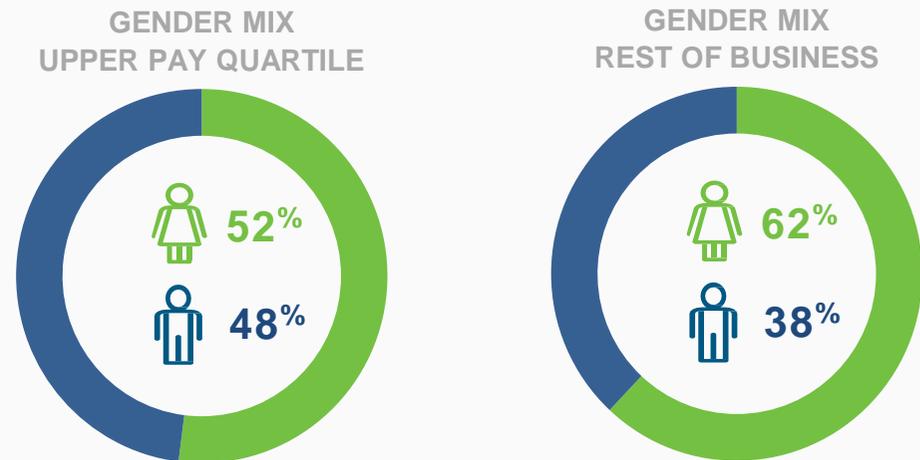
Bonus payments increase by seniority of role and are pro-rated for part time hours. Therefore, the Gender Bonus Gap increases compared to the Gender Pay Gap, reflecting that the proportion of males increases in senior roles and that a higher proportion of females are part time (with 87% of part timers female).

### Why is the Mean Gender Gap higher than the Median Gender Gap?

The Mean (average) as a calculation is more sensitive to the profile of males and females in senior positions than the Median (mid-point), which is more reflective of the 'typical' situation as it is based on a rank of employees. This leads to a lower result.

## WHY?

Although the proportion of females in the upper pay quartile is above 50%, this is less than the proportion across the other pay quartiles. This generates both the gender pay and gender bonus gap.



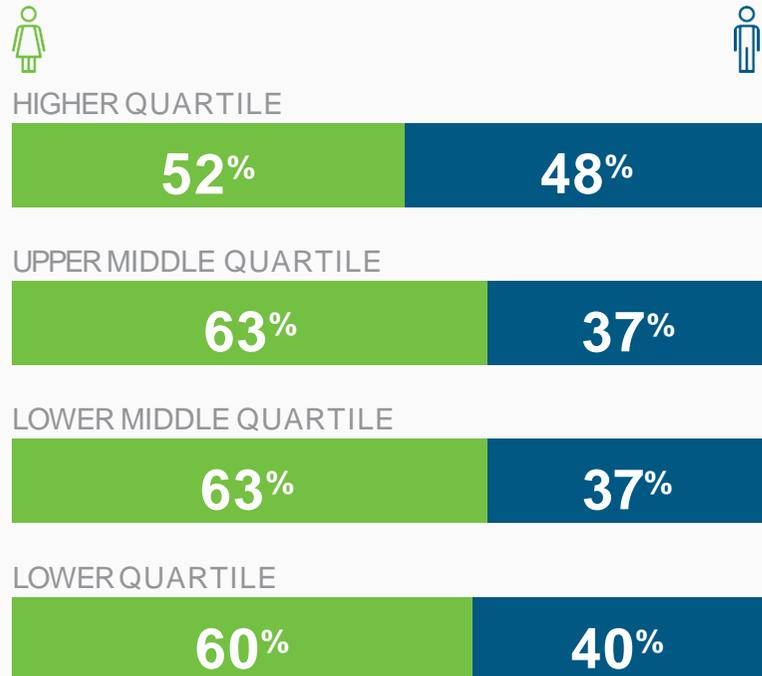
We can confirm men and women who carry out similar or the same roles are paid equally when variations in experience, skills and performance are taken into account.

## GENDER MIX

### OVERALL GENDER MIX



### GENDER IN EACH PAY QUARTILE



**Whilst the overall gender mix is 59% females and 41% males, the proportion of females is not as high in the Higher Quartile of pay.**

Employees have been sorted based on pay from the lowest to the highest and then split into quartiles.

We can confirm men and women who carry out similar or the same roles are paid equally when variations in experience, skills and performance are taken into account.

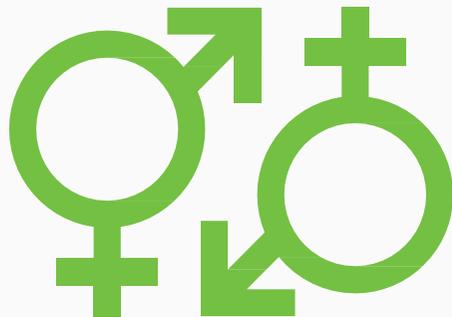
## GENDER MIX OF THOSE RECEIVING A BONUS



The proportion of females and males who received a bonus in Wescot is females 33% and males 32%.

This equality reflects the fairness we have in eligibility for bonus and performance assessment.

The measurement period is the 12 months ending 5<sup>th</sup> April 2017.



We can confirm men and women who carry out similar or the same roles are paid equally when variations in experience, skills and performance are taken into account.

## CONCLUSION

**We pride ourselves in having fairness in reward and we can confirm men and women who carry out similar or the same roles are paid equally, when variations in experience, skills and performance are taken into account.**

Whilst we have a good overall gender balance (59% females v 41% males), we recognise that the gender balance in more senior roles is less weighted to females, which has resulted in our 20.3% Mean Gender Pay Gap.

We are committed to improve the mix of males and females in managerial positions and specialist roles, specifically in Senior Management roles but also within technical departments such as Information & Technology.

## Business practice which supports fairness

- Recruitment is based on competency and our focus is on finding the best person for the role, regardless of their gender.
- Remuneration packages are linked to job family groupings, to ensure that they appropriately reflect responsibilities and required skill sets.
- As of April 17 all employees are eligible to participate in a bonus scheme, with the schemes in place aligned to the roles undertaken.
- A robust performance appraisal process is in place across the business to ensure that this is a fair and balanced assessment.
- Part timers form 22% of our workforce, of which 87% are woman.
- There is equal access to the training and development, regardless of gender.

## OUR COMMITMENTS We will seek to achieve our goal by implementing a number of initiatives:

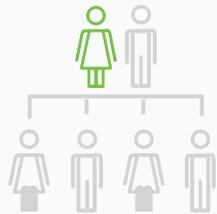
Together, we will look to take tangible actions to enable us to achieve our shared goal of improving the gender mix in senior positions and in specialist technical functions.

As well as commencing the initiatives outlined here, I ask that everyone play their part in supporting the achievement of these worthwhile goals.



### Making the most of female talent

- Aim for female participation on any Management Development or Apprentice programmes to be reflective of the proportion of females in the business as a whole.
- Link into the Cabot Career Re-ignition Programme, which supports women returning to work after a period of leave for childcare or other reasons.
- Aim for 50:50 gender mix in our internal and external succession plans for senior roles, by targeting female talent in the organisation.



### Inspire & support women

- Share stories of successful women within the business both internally and externally.
- Work across the broader Cabot group to develop an internal female mentorship programme to support women with their career development.



### Challenge behaviours

- Ensure that management training includes a focus on unconscious bias, across both gender and other areas of diversity, to help reduce any bias that may exist in the assessment, leadership and recruitment of women.



### Measure & reward progress

- Track our performance against gender diversity and inclusion metrics over time and report regularly to the Board and employees on our progress.
- Incorporate gender diversity goals within the objectives for senior management.

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