

Pell Frischmann

Gender Pay Narrative

Reporting date: 5th April 2020

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1. Foreword

We care for our people and recognise that they are one of our greatest assets. We want to attract, develop and retain the best talent available to ensure we create workplaces where every employee can contribute their full potential, in delivering our organisation's business objectives. We want to ensure our workforce is diverse and inclusive with a culture that remains open, collaborative, professional and respectful and open to embracing difference.

We have a mean gender pay gap of 39.77% and a median gender pay gap of 35.29%, both of which favour males. These figures are higher than the national figures reported by the Office for National Statistics, 2020. This gap is reflective of the fact that men are over-represented within organisations in the Engineering sector like Pell Frischmann. Females currently represent 27% of our overall workforce. Last year 11 females were hired, representing 20% of our new hires. 28% of employee promotions were female.

We continue to build upon key initiatives already in place across our organisation. We continue to actively focus on increasing the proportion of female candidates identified for new roles and developing alternative recruitment pipelines.

We continue to ensure our HR policies encourage and support flexible working within the organisation, having relaunched our Flexible Working Policy to ensure that what we have in place works for everyone. We are planning to launch a mentoring programme with an emphasis on females to nurture potential senior management capability.

Our HR Team, is actively challenging the way positions are offered, with the emphasis on designing work patterns and location that work for both for the candidate and the organisation. This new approach to recruitment supports greater awareness of unconscious bias across our hiring managers, who now have unconscious bias training as part of our Core Content training on our Learning Management System (LMS). The HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture.

We know we have a lack of female representation in various STEM (Science, Technology, Engineering and Maths) roles. We recognise this is reflective of the sector in which we operate and which have traditionally been male-dominated. We are continuing to build networks to support early recruitment opportunities with female ambassadors attending career fairs and helping to inspire and engage young people through our partnerships with local schools and colleges.

We actively encourage learning and development opportunities for females as part of RSBG's (parent Company) Academy, providing overseas opportunities and exposure to the senior leadership group, supported by informal mentoring.

We continue to encourage greater female representation across the organisation through a variety of initiatives and are committed to maintaining the momentum we have experienced over the last year, as we strive towards a more gender balanced organisation.

2. Gender Pay Gap

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales and Scotland with at least 250 employees as of the 5th of April 2020 snapshot date. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, **with the aim of eliminating the gender pay gap**:

Mean Gender Pay Gap	Median Gender Pay Gap	Gender Bonus Gap	Mean Gender Bonus Gap	Median Gender BonusGap	Pay Quartiles
Difference between average hourly earnings of males and females	Difference between median hourly earnings	Proportion of males and females employees receiving bonus within the 12 month period	Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

As of the 5th April 2020 payroll, our mean gender pay gap stood at 39.77% favouring males, with our median gender pay gap at 35.29%:

Mean Hourly Pay Difference

	Full Pay Employees
Male Hourly Rate	£24.08
Female Hourly Rate	£14.50
Pay Gap	39.77%

Median Hourly Pay Difference

	Full Pay Employees
Male Hourly Rate	£20.90
Female Hourly Rate	£13.53
Pay Gap	35.29%

These are above the national mean (14.4%) and national median (15.5%) as reported by the Office for National Statistics, 2020.

The underlying reason behind the gap is predominantly due to the lower representation of women in more senior management roles in our organisation. The Engineering sector is typically male-dominated and this is reflected across our organisation. We know we have a lack of female representation in some of our more senior roles which is contributing to our pay gap as we have a predominance of qualified male specialists in higher-paid roles. We are confident that men and women are paid equally for doing equivalent jobs across our business.

While females currently represent just 27% of our overall workforce, we are pleased that 13% of our Senior Management and Executive roles are currently being undertaken by females.

3. Bonus Payments and Participation

Our mean bonus gap currently stands at 67.73% favouring males, with our median bonus gap favouring males at 58.79%. We have a slightly higher proportion of male employees receiving a bonus:

Mean Bonus Difference

	Median Bonus	Number receiving a bonus	% Bonus Distribution
Female	£1,218.75	4	4.0%
Male	£3,776.64	22	8.0%
Bonus Gap	67.73%		

Median Bonus Difference

	Median Bonus	Number receiving a bonus	% Bonus Distribution
Female	£1,250.00	4	4.0%
Male	£3,033.00	22	8.0%
Bonus Gap	58.79%		

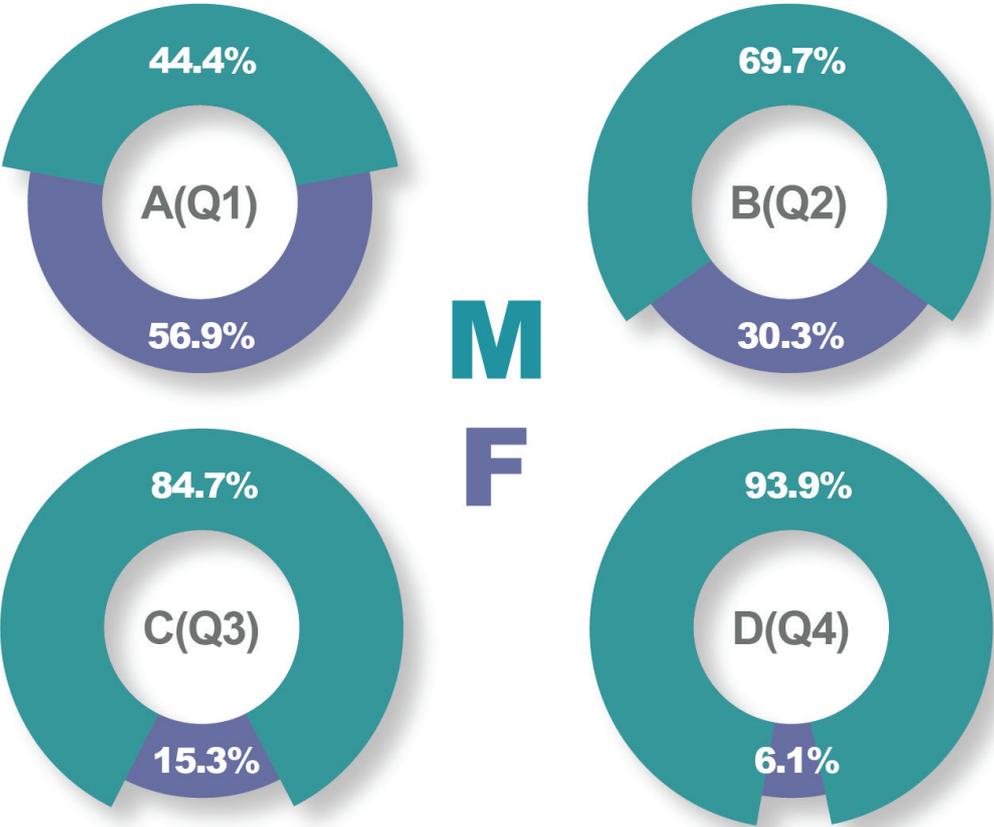
There is a large variation in bonus payments as our bonus scheme is not companywide. Typically commencing at Technical Director level, as previously stated, we continue to support female employees and promote where possible supported by dedicated development plans.

Previous Bonus reporting included senior females holding Board level positions. Due to an organisational restructure, these roles have been moved into another business entity which has impacted the overall outcome negatively.

4. Career Paths and Earnings

Our gender distribution by quartiles, as defined by the regulations, show us that female employees continue to be overrepresented in the lowest pay quartile and then become more underrepresented across the top three pay quartiles.

Gender Distribution by Pay Quartiles



HR Strategy

Our philosophy is to attract and retain high calibre individuals and to leverage their unique talents to enable us to deliver world-class solutions to our customers.

We continue to actively create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. We proactively keep in touch with those on Maternity leave to provide a source of support and guidance and are pleased that we saw a 100% return rate in 2020. This is also supported and encouraged by providing flexible work patterns in accordance with our Flexible Working Policy.

We ensure that all our HR policies and tools proactively support flexible working across the organisation as we believe that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation.

We recognise the motivational importance of positive senior role models to inspire confidence and success and we are proud that over 13% of our senior management roles are occupied by females. We acknowledge that our strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation across all job levels, and that we actively ensure our hiring managers reflect our strategic approach to diversity.

Recruitment

We continue to adopt more proactive recruitment approaches to deliver a greater gender balance in potential candidates presented. We continue to develop alternative pipelines as we proactively engage with the job market, ensuring our female graduates attend Careers Fairs. We continue our partnership with local schools and colleges, promoting STEM subjects in education and offering career advice to prospective new hires.

Development

Employee Development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. Our training programmes continue to support achievements and success for all our colleagues. As part of this we continue to run an apprenticeship programme designed to build our internal engineering capability and had 12 apprenticeships during 2020, 33% of whom were female, as we continue to proactively encouraging women to join at this entry level.

We have moved our Learning Management System and Performance Development Review (PDR) process online to provide better support and flexibility for remote learning while facilitating greater communication and collaboration across our workforce. We have developed an Equality, Diversity and Inclusion (EDI) Strategy supported by a pro-active EDI working group and continue to focus on creating more positive working relationships and an inclusive environment driving greater employee engagement. We will operate a mentoring programme across the organisation, with a particular emphasis on females, to nurture potential senior management capability. These programmes showcase our level playing field for engagement.

5. Year on Year Comparison

When we compare year on year trends for Pell Frischmann, we see a slight widening of the gender pay gap at both the mean and median. We also see a widening mean and median bonus pay gap, which is much more pronounced at the median. We note decreasing bonus participation for both males and females compared to the previous year. This is a direct consequence of the previously stated organisational structural change. However, senior females displaced from Pell Frischmann remain engaged in post at Board level within the restructured organisation.

	2018	2019	2020	2020 Vs 2019
Mean Gender Pay Gap	37.88%	35.00%	39.77%	4.78% ↑
Median Gender Pay Gap	36.11%	34.18%	35.29%	1.11% ↑
Mean Gender Bonus Gap	48.15%	58.50%	67.73%	9.23% ↑
Median Gender Bonus Gap	-32.21%	-29.96%	58.79%	88.75% ↑
Males receiving bonus	13.15%	10.03%	7.61%	-2.42% ↓
Females receiving bonus	6.40%	5.56%	3.77%	-1.78% ↓

6. Closing remarks



We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential, as we try to move towards a more gender balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our corporate values, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.