

CARE.  
CHALLENGE.  
COMMIT.



APRIL 2017

# Post Office Gender Pay Gap



# We Care

At Post Office, we care about our people and honestly challenge each other to make it a great place to work for everyone.

## Introduction from Paula Vennells

Our commitment to being a diverse and inclusive business is something that I'm hugely passionate about.

From a business perspective, diversity and inclusion fosters greater innovation, high levels of employee engagement, improves our connection with our customers and helps us to attract top talent. It is also absolutely the right thing to do; everyone ought to feel confident that their unique contribution to our business is respected and valued.

That's why we fully support the publication of the gender pay gap figures and believe it is an important measure to see how we are making progress towards our diversity targets.

We are completely committed to making improvements based on this report. You can read more about the actions we are planning to take to close our gender pay gap and help colleagues realise their potential in this report.



These include:

1. Greater focus on gender balanced shortlists in our recruitment processes, with the aim of filling **50%** of senior manager roles with women.
2. Continuing to offer our female colleagues tailored mentoring and coaching schemes to support their career progression.
3. Greater flexible working opportunities for all, including investment and training in digital ways of working.

“ Everyone ought to feel confident that their unique contribution to our business is respected and valued.

I'm very proud of what we've achieved over the past year to ensure that the Post Office remains a great place to work. Through listening and investing in our people we have taken some significant strides forward, becoming a Times Top 50 Employer for Women, a Disability Confident Leader, as well as winning the 2018 Employee Engagement Diversity and Inclusion award. We have seen a positive increase in the number of women in senior manager roles from 35% in 2015 to 39% today. We have established a robust job evaluation process and reward strategy which is free from gender bias and we've also piloted a recruitment process that uses anonymised CVs.

However, I am not complacent. There is still much more we can do to continue to build a truly inclusive and diverse workplace at Post Office, and I feel excited and optimistic about our plans for the year ahead.

The data in this report is accurate and in line with the government reporting regulations.



**Paula Vennells,**  
Group Chief Executive

WE HAVE SEEN A POSITIVE INCREASE IN THE NUMBER OF WOMEN IN SENIOR MANAGER ROLES FROM 35% IN 2015 TO **39%** TODAY.

**39%**

WE ARE COMMITTED TO DOING EVEN MORE WITH THE AIM OF FILLING **50%** OF SENIOR MANAGER ROLES WITH WOMEN.

**50%**

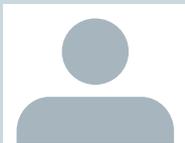
# What is the Gender Pay Gap?

Gender pay is not the same as equal pay. Equal pay is about ensuring men and women are paid the same for work of equal value, as set out in the Equality Act 2010. At Post Office we support equal pay through a robust job evaluation process that is free from gender bias.

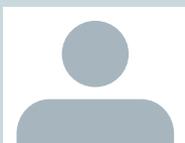
The gender pay gap relates to the difference between the gross hourly pay of all men and the gross hourly pay of all women across the organisation. The difference between gender pay and equal pay is important to understand as you can have a gender pay gap without having equal pay issues.

At Post Office we recognise that more needs to be done to reduce the gender pay gap and we are committed to doing so.

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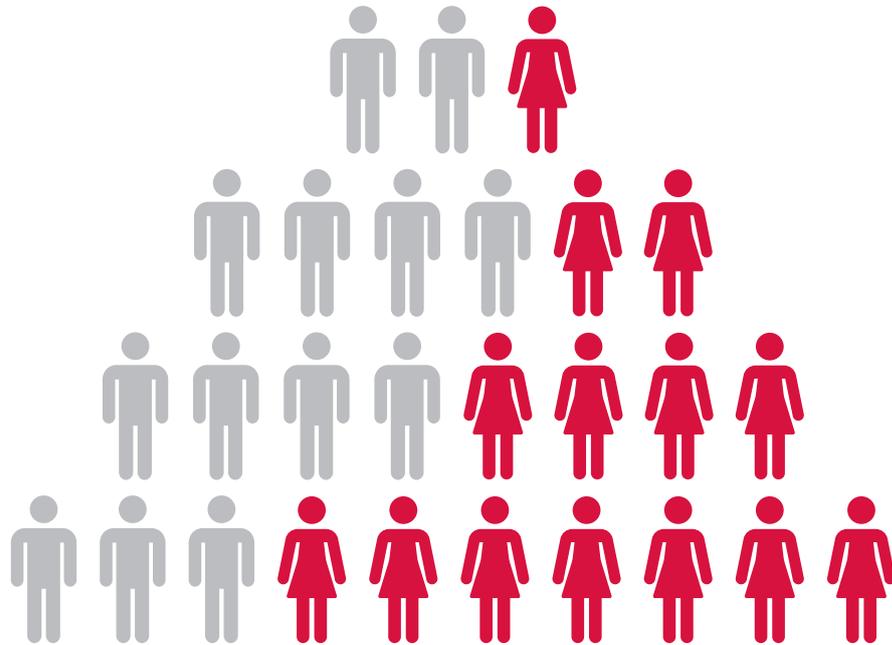
OUR VALUES UNDERPIN OUR ORGANISATION. WE ARE CONTINUALLY CHALLENGING OURSELVES...



...TO MAKE SURE WE ARE DELIVERING AGAINST OUR COMMITMENT TO DIVERSITY, AND TREATING PEOPLE EQUALLY AND FAIRLY

## The Gender Pay Gap

is the difference between the gross hourly earnings of all men and the gross hourly earnings of all women

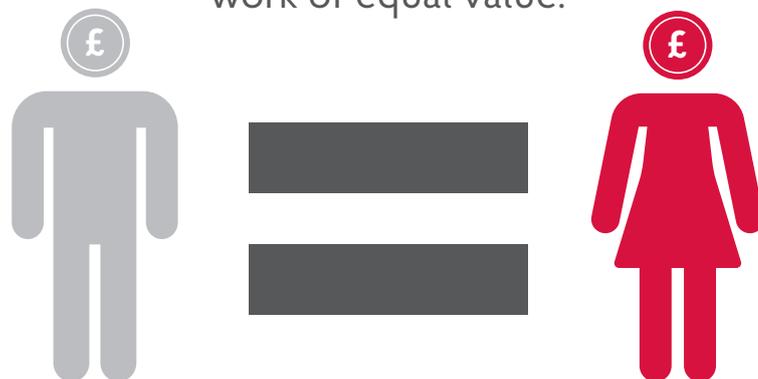


The main factor in the Post Office gender pay gap is that the higher paid roles within the organisation are mostly filled by men.



## Equal Pay

is men and women being paid the same for doing work of equal value.



At Post Office we support equal pay through a robust job evaluation process that is free from gender bias.

# Our Gender Pay Gap

Under Government legislation, all businesses in the UK, England and Wales with more than 250 employees must disclose their gender pay gap by April 2018. We believe the gender pay gap is an important measure to see how we are making progress towards our diversity targets. The legislation gives us the opportunity to recognise our diverse workforce and the opportunities we offer as a business for our people to develop and thrive, while feeling included and bringing their whole selves to work.

Our overall gender pay gap at Post Office as at 5 April 2017 is 13.1% on a median\* basis (17.5% using mean\* pay). Our review has shown that our gender pay gap is influenced by the demographic profile of our organisation (the representation of men and women within roles across an organisation). Although the same amount of men and women receive bonuses, we have a median\* bonus pay gap of 16.8%, which is also driven by the demographic profile of our organisation. Our mean bonus pay gap (49.5%) is higher than the median because the senior roles, which are eligible for higher bonuses, have a greater impact in this calculation. A breakdown of our results are shown below.

Out of a population of just over 5,000 people, just over one third of our business is made up of women in our frontline customer-facing roles. Nearly 40% of the total number of men in the organisation are paid in the top quartile, in senior management roles. Although women are well represented across much of the business, the fact that the lower paid roles within the organisation are mostly filled by women is a major reason for our gender pay gap.

At Post Office we are committed to having more women holding senior roles across the organisation. We will continue to develop our working culture so that flexible working options such as part-time and job-shares, which have been proven to attract more women to apply for senior roles, are more widely offered. We also want to continue to reduce -and ultimately remove - any unconscious bias which can lead to unconscious discrimination in recruitment and promotion within our business. We believe these action plans over the long term will help close our gender pay gap.



“ The main reason for our gender pay gap is that there are more women than men in lower paid roles, but fewer in higher paid ones.

\*You can find definitions of the median and mean gender pay gap in the glossary.

### Our Pay Gaps

#### Overall hourly pay gaps

Median hourly pay gap	13.1%
Mean hourly pay gap	17.5%
Median bonus pay gap	16.8%
Mean bonus pay gap	49.5%

#### Quartile Pay Bands

Quartiles	% Males	% Females
Lower quartile (lowest)	29%	71%
Lower middle quartile	28%	72%
Upper middle quartile	49%	51%
Upper quartile (highest)	62%	38%

 93.2%

Percentage of female colleagues that receive a bonus compared to male colleagues

 91.8%

# We Challenge:

## to become a great place to work for everyone

At Post Office, we care about our people's happiness and wellbeing. We've invested in our people to ensure we are a great place to work but, we can still do more. Below you'll find information on some of the current initiatives and policies we've put in place to support and foster gender diversity.



### Women in Leadership

Our value of Care is fundamental to our business. Our work on gender equality started when our Women in Leadership network was created many years ago. Since then, the network has grown and challenged the business' standards, making us a Times Top 50 Employer for Women. We have also become a signatory of HM Treasury's Women in Finance Charter and a member of Women in IT Awards.

For more information on our Women in Leadership network, please visit <https://www.onepostoffice.co.uk/secure/our-post-office/diversity-and-inclusion/>.

### Accessibility and Fairness

To help move towards a more balanced intake of men and women, we have introduced new ways of working in our recruitment processes both externally and internally. We actively encourage our agencies to provide gender balanced shortlists. We have also launched a new accessible careers page, a recruitment guide and training modules, which includes unconscious bias training as a mandatory requirement for all hiring managers. In an effort to eliminate any potential gender bias in different areas of the organisation, we have also introduced a pilot project with anonymous CVs that we are monitoring closely.



### Flexible and Agile Working

In addition to providing support networks for our people, we also ensure that we foster an inclusive culture at Post Office that allows every individual to thrive regardless of their personal situation. Our flexible working policy enables our people to balance their work commitments with home life, by offering a range of part-time working patterns as well as working from home, to support this.

“ We firmly believe that reward and recognition should attract and retain the best talent to help us achieve our objectives.

### Talent & Early Careers

At Post Office we provide an environment where our people have the chance to learn, grow and thrive. We believe everyone has control of their own careers and expect our people to seize all the opportunities they can to develop themselves and others.

More than 60% of our Early Careers intake are young females. Our goal is to nurture young talent to grow into senior leaders within 3-5 years through our General Management Graduate Scheme and Apprenticeship Scheme.

For that reason, and as part of our Women in Leadership Programme, we organise annual events to support and nurture female talent by providing networking opportunities for members and access to mentors and buddies across the organisation.

### Reward, Recognition and Remuneration

We firmly believe that reward and recognition should attract and retain the best talent to help us achieve our objectives.

Our reward and recognition package is fair, equitable and competitive. We pride ourselves on having a bias free job evaluation process. We benchmark externally taking into account internal factors e.g. the strength of the brand or the unique nature of a role. We ensure our package offers wide ranging benefits that allow our people to make choices which fit in with their lifestyle; including health, wellbeing and family.



60%

MORE THAN 60% OF OUR  
EARLY CAREERS INTAKE  
ARE YOUNG FEMALES.



TO HELP MOVE TOWARDS A MORE BALANCED  
INTAKE OF MEN AND WOMEN, WE HAVE  
INTRODUCED NEW WAYS OF WORKING IN OUR  
RECRUITMENT PROCESSES BOTH EXTERNALLY  
AND INTERNALLY.

# We Commit:

## to closing the gap

As you can see, we have already implemented a number of diversity and inclusion initiatives to ensure Post Office is a great place to work for everyone. We are aware we need to do more to reduce our gender pay gap. We are continuously looking to improve the effectiveness of these initiatives and develop new plans to address this.

### Our commitments

We actively encourage diversity and foster a culture of inclusivity which is important for the growth of our business. All our people at Post Office are expected to do the same. Everyone has a responsibility to make both a personal commitment and set a standard for others to follow.

### Our commitment to closing the gender pay gap is about doing even more:

1. Greater focus on gender balanced shortlists in our recruitment processes, with the aim of filling **50%** of senior manager roles with women.
2. Continuing to offer our female colleagues tailored mentoring and coaching schemes to support their career progression.
3. Greater flexible working opportunities for all, including investment and training in digital ways of working.

For more information on our diversity and inclusion initiatives please visit <https://www.onepostoffice.co.uk/secure/our-post-office/diversity-and-inclusion/>.



WE OFFER OUR FEMALE COLLEAGUES TAILORED MENTORING AND COACHING SCHEMES TO SUPPORT THEIR CAREER PROGRESSION.



WE OFFER GREATER FLEXIBLE WORKING OPPORTUNITIES FOR ALL, INCLUDING INVESTMENT AND TRAINING IN DIGITAL WAYS OF WORKING.

# Glossary of key terms

## Mean pay gap

is the difference between the average hourly pay rate of men and women. This is often expressed as a percentage to give the gender pay gap in hourly pay as a percentage of men's pay. If it is a positive number this means that men get that percentage more than women, as this figure is reported in favour of men.

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## Median pay gap

is the difference between the median hourly pay rates of men and women. This is often expressed as a percentage to give the median gender pay gap in hourly pay as a percentage of men's pay. If it is a positive number this means that men get that percentage more than women, as this figure is reported in favour of men.

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## Quartile pay band

is the breakdown of pay bands into four equal parts (quartiles). The figures in each quartile show the proportion of men and women in each of those pay band categories.

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## Equal pay

is ensuring men and women are paid the same for work of equal value (set out in the Equality Act 2010).

## Gender pay gap

is a measure looking at the difference in the gross hourly pay for both men and women across the organisation and is expressed as a percentage of men's earnings.

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## Job evaluation

is a way of determining the value, or worth, of one job in relation to other jobs in an organisation. It is a systematic comparison of jobs to assess their relative worth, in order to establish a rational pay structure.

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## Shortlists

are used throughout recruitment processes. A shortlist is a list of selected candidates, used to make a final decision. At Post Office, we focus on diversity and inclusion when making recruitment decisions and part of this is by having gender balanced shortlists.

“ We actively encourage diversity and foster a culture of inclusivity which is important for the growth of our business.

