



Gender Pay Gap

April 2018





Introduction from Paula Vennells

Over the past year we have made no secret of our ambition to ensure that Post Office matters even more tomorrow than it does today. And as well as building a successful business, we want to be proud of how we built it. That means being a great place to work, with a culture where all Post Office colleagues feel valued and respected in an environment which provides the right opportunities to ensure that they can reach their full potential – regardless of gender, race, sexuality, disability or other characteristics.

We continue to make progress. Our gender pay gap is 0.5% lower than last year, and smaller than the UK average. We are closer to our goal of filling 50% of senior manager roles with women, which was 39% in our last report, is 42% today. The number of women holding mid-level managerial roles has risen by a third in the last year. We provide tailored coaching and mentoring for female colleagues and run recruitment programmes to encourage more women to pursue careers in IT and Finance. Our commitment has been recognised by The Times as we made their list of Top 50 Employers for Women for the third time and we were finalists in the Diversity & Inclusion category at the UK Business Culture Awards.

However, we are not complacent. I am clear there is still work to do to ensure women at Post Office realise their potential and close our gender pay gap further. You can read more on our numbers in this report, along with the actions we are taking to reduce the gap, such as continuing to offer tailored mentoring to female colleagues and making sure we have 50/50 gender balanced shortlists for senior level vacancies and our next graduate intake.

Above all else, we continue to listen to our colleagues and understand what they need to help them to flourish. We will use these conversations, alongside the data in this report to improve again next year. Because it is the right thing to do – for the future of Post Office and our people.

Paula Vennells
Group Chief Executive

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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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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 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.



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Our Gender Pay Gap

These results are based on snapshot data as at April 2018

In summary:

- Both our mean* and median hourly gap has reduced
- Our median gender pay gap is 7.9%, (as compared with the national figure^ of 18.4%) and our mean gender pay gap is 17%
- The quartile figures also show that the main reason for the gap is the lower proportion of women in senior roles relative to men
- Another reason is part-time working – 45% of female colleagues work part-time, compared with only 12% male colleagues. This especially impacts the bonus gap

Our Pay Gaps

Overall hourly pay gaps	2017	2018
Median hourly pay gap	13.1%	7.9%
Mean hourly pay gap	17.5%	17.0%
Median bonus pay gap	16.8%	23%
Mean bonus pay gap	49.5%	54%

Quartile Pay Bands

Quartiles	% Males	% Females
Lower quartile (lowest)	32.3%	67.7%
Lower middle quartile	26.9%	73.1%
Upper middle quartile	45.9%	54.1%
Upper quartile (highest)	55.6%	44.4%

Percentage of colleagues receiving a bonus

% Males	90.73%
% Females	90.10%

*Definitions of the mean and median pay gap can be found in the glossary on page 11

^(Based on ONS results published as of December 2018)

We Challenge: to become a great place to work for everyone

Over the last year we've introduced the following activities to ensure we're taking meaningful action to reduce the gender pay gap and help our people reach their potential:

Recruitment and progression

- Our hiring managers are required to undertake unconscious bias training before beginning the recruitment process. This helps make sure that managers are making hiring decisions as objectively as possible and without making assumptions about candidates
- We partnered with the online recruitment company Vercida – who focus on inclusive recruitment – to help us reach the widest possible pool of talent and give prospective candidates an insight into the culture at Post Office
- Our executive search firms must provide us with gender balanced shortlists for senior roles
- We aim for 50% of our promotions into management roles to be filled internally and also focus on having gender balanced succession plans for these roles

Development:

- We partnered with Oxford University's Said Business School to offer Leadership Development to our high potential leaders
- 24 female senior leaders were given the opportunity to take part in 'Gravitas' workshops led by author and coach, Caroline Goyder, to focus on their impact and influencing skills
- We partnered with the 30% Club and Women Ahead to offer 20 of our high potential women the opportunity to take part in an external mentoring programme. As well as this, we offer internal mentoring opportunities for all colleagues

Culture:

- We promote agile and flexible working to support a better work/life balance for our people. This is something that colleagues can take advantage of on a formal or informal basis
- We have a number of internal, employee led networks that provide support and networking opportunities for colleagues, including: Women in Leadership, Women in Retail, Women in Finance and Operations, and Return to Work
- We included a gender diversity target on our business scorecard to reinforce our commitment to having more female senior leaders. Our aim was to have 40% of senior roles filled by women by the end of 2018. We exceeded this target and are now at 42%, and have since introduced a stretch target of 50% by 2020. This is something our senior leaders have overall accountability for

Case Study 1

Part-time working

At Post Office, we are committed to ensuring all our people are given opportunities to reach their potential and fulfil their career ambitions and, for some colleagues, being able to work flexibly is a key factor to be able to manage a demanding career alongside their personal commitments outside of work.



Public Affairs Director, Jane Hill, works part-time and shares her experience of how she makes it work as a senior leader in the business and why working flexibly isn't just for working parents or women.

Jane began working part-time after her father died and she wanted to spend more time caring for her mother. She continued to lead on Public Affairs for the Post Office for four years, before taking a year off to have her first child. Her role is high profile and demanding and she manages it successfully working a four-day week and leading a team of five colleagues.

Having successfully challenged the assumption that a senior position cannot be done on a part-time basis, Jane claims that trusting your team to handle issues in your absence is crucial. This is particularly important in her role liaising with many high profile stakeholders on behalf of Post Office – including the government.

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Jane said:

Once I'd made the decision that I needed to do this to balance my work and home commitments once my personal circumstances had changed, I had a good discussion with my line manager and worked part-time on a trial period.

Having a high performing and capable team was one of the things I highlighted to my line manager when making the case for working flexibly. I felt that I could really assure him that the standard of our team's work wouldn't be compromised with me being off one day a week.

I think it's important for us as a business to recognise that there are lots of reasons why a colleague may want to request a flexible working arrangement... and where we can, we should be supporting colleagues – men and women – to make these flexible working arrangements successful for themselves and their teams.”

Jane's advice to other colleagues:

Having confidence about working in a way that's different from the 'normal' 9-5 can be just as effective as working full-time with the right team around you. Once you've convinced yourself that it could work, do the same with your line manager. Talk to your manager about trying it out for a fixed period so that both of you can be sure that it will work – Jane offered to trial part-time working for three months. Give yourself permission to be off when you're off – it's important to remember why you made the decision to work flexibly and not end up working as much as you would if you were full-time.

Case Study 2

Coaching and mentoring

The benefits of having a mentor are well documented: from helping to develop leadership and management qualities, increasing confidence and helping individuals improve on a variety of skills, to helping expand your personal networks. At Post Office, we encourage colleagues at all levels, and in all parts of the business, to consider having a mentor for their own development.



Katie Ennis, from Post Office Change Team, has had various roles over her seven years in the business, and explains how the ongoing support of both informal and formal mentoring has been a valuable part of her career journey so far, and taught her valuable life lessons.

Each mentor Katie has had support from has taught her something different, but Katie says there has been one common piece of advice from them all – to be prepared! Advice that is simple but essential and has given her confidence. An informal mentor's simple words to "keep smiling" have helped her to maintain a positive mental attitude even when stress is high in her demanding and transient world of project management. And a formal mentor taught her to think about life goals as well as career goals – and that the two are not mutually exclusive.

Two years ago, Katie began putting the lessons she learnt from her own mentors to use by mentoring other people in the business. She undertook a Level 5 qualification in coaching and mentoring which gave her the confidence and tools to become a skilled mentor for those seeking support and has said that she's learned a lot from this rewarding experience too.

“Early in my career, my first mentor had a profound effect on my eventual career path – she introduced me to an influential person in project management, something I ended up having a real passion for and pursuing as a career. On reflection, I can see what an incredible opportunity this was.”

Katie's advice to other colleagues:

For those looking for a mentor, I would say think of it as a coaching relationship. Of course, a mentor can advise and guide, but only really you as an individual know how to solve the problem or take the next step. A good mentor will ask you the right questions so that you can work this out for yourself. Also, as a mentee you should be open and honest with yourself, and able to challenge yourself. Are you doing everything that you have within your power to improve, change and grow? Bring a sense of ownership to the relationship and willingness to take action on what the mentor is helping you with.

Becoming a mentor for others has given me the opportunity to pass on some of my knowledge, advice and career lessons to them, and watch them grow in confidence. Mentoring and coaching is really a two-way learning experience, and the mentees I have worked with have taught me the importance of listening and asking the right questions.”

We Commit:

to closing the gap

Last year we made the three commitments below to help us make progress in reducing our gender pay gap. Now we are moving in the right direction, we are going to continue:

- To have a greater focus on gender balanced shortlists in our recruitment processes, with the aim of filling 50% of senior manager roles with women
- To offer our female colleagues tailored mentoring and coaching schemes to support their career progression
- To offer greater flexible working opportunities for all, including investment and training in digital ways of working

And this year we are also going to make sure we are:

- Working towards an equal male/female split of early careers graduate roles
- Aiming for an equal male/female split when identifying 'High Potentials' during our talent and succession planning process
- Playing an active role in helping government establish a process that helps organisations identify if we have an ethnicity gap, as part of our wider commitment to supporting diversity and inclusion

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.

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.

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.

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.

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.

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.”

