

POST  
OFFICE

# Gender Pay Gap 2020



# We care

**Being an organisation that values diversity is really important to us. We believe that all Post Office colleagues deserve access to great opportunities, regardless of gender, race, sexuality, disability or other characteristics.**

Over the past year we've worked hard to implement initiatives and processes to help us to close our gender pay gap; we've made good progress over the past year, closing our median gender pay gap by 2% since our last report.

Our priority is to maintain momentum and continue to take steps toward our goal of appointing women to 50% of senior manager roles.



Now we must challenge ourselves to close the gender pay gap further. We must also focus on achieving our target of moving from a 44% share to a 50% share of Senior Manager roles being held by women; something we're well on our way to achieving – since our last report women were appointed to 55% of all upward promotions.

I'm looking forward to working in partnership with colleagues over the coming year to continue to build a diverse inclusive workplace. Every colleague deserves equal opportunities to thrive within Post Office, regardless of gender, race, sexuality, disability or other characteristics.

## Introduction from Nick Read

I want to start by saying how pleased I am that our efforts to close the gender pay gap at Post Office have paid off. Our median gender pay gap is now 2% lower than last year and less than the UK average.

I'm grateful to colleagues across Post Office, who have worked tirelessly to remove unconscious bias from our recruitment processes, taken part in training and challenged recruiters to produce diverse shortlists.

Needless to say, there is more to do.

**Nick Read**  
Group Chief Executive Officer





## What is the gender pay gap?

The gender pay gap measures the difference in the average pay between male and female employees. It is expressed as a percentage of men's earnings.

It differs from equal pay, which is the comparison of men and women paid the same for the same, or equivalent work or work of equal value.

The difference between gender pay and equal pay is important to understand; a gender pay gap doesn't necessarily signify unequal pay.

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

# How is it measured?

## Mean gender pay gap

The difference between the average hourly pay rate of men and women, expressed as a percentage of men's pay. It involves adding up all of the hourly pay for men and women separately and dividing the result by how many males and females are full-pay relevant employees.

## Median gender pay gap

The difference between the median hourly pay rates of men and women, expressed as a percentage of men's pay. It involves listing all of hourly pay in numerical order for the full-pay relevant employees, the median is the middle number.

## Mean bonus gender pay gap

This is the difference between the average bonuses paid to relevant employees in the 12 months leading up to April 2020, expressed as a percentage of the average bonus received by men during that period.

## Median bonus gender pay gap

This is the difference between the mid-point bonuses paid to relevant employees in the 12 months leading up to April 2020, expressed as a percentage of the median bonus received by men during that period.

## Bonus proportions

The proportions of male and female (relevant employees) who were paid bonus pay during the relevant period.

## Quartile pay band

The breakdown of quartiles is calculated by listing the rates of pay for all full-pay relevant employees across the business from lowest to highest. These are separated into four evenly distributed groups called quartiles. The quartiles (from the lowest to highest) are called the lower quartile, the lower middle quartile, the upper middle quartile and the upper quartile.



# Our gender pay gap

Our results are based on data taken at the 'snapshot' date as at 5 April 2020, which is the process used to measure the gender pay gap.

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

## Percentage of colleagues who received a bonus

	2019	2020
Males	92%	92%
Females	93%	92%

## Our pay gaps

Overall pay gaps	2019	2020
Mean hourly pay gap	16%	15%
Median hourly pay gap	12%	10%
Mean bonus pay gap*	47%	41%
Median bonus pay gap*	33%	27%

\*The 2019 bonus pay gap figures have been updated following a review of gov.uk guidelines. This update has resulted in a 1% change (increase) in the mean bonus pay gap for 2019 and a circa -7% change (reduction) in the median bonus pay gap for 2019.

## Quartile pay bands

Quartiles	% Males	% Females
Upper quartile (highest)	59%	41%
Upper middle quartile	60%	40%
Lower middle quartile	34%	66%
Lower quartile (lowest)	36%	64%

# Understanding our gap

We have seen a slight improvement in our mean and median hourly pay gap (1% reduction in mean and 2% reduction in median). The Office for National Statistics reported the median pay gap for all UK employees at 15.5% for 2020. When this is compared to Post Office Limited's median of 10%, we're circa 5.5% below the National figures.

Taking the mean and median bonus pay gap adjustment into consideration, Post Office has seen a circa 6% reduction in both the mean and median bonus pay gap.

This is due in part to a greater increase in the average bonus payments for females than males at a senior management level.

We continue to see further improvement in our gender ratio at senior level, however, we still have more men than women in our most senior management roles.

We have also seen a decrease in our gender ratio at operational level due to continued franchising of branches, where roles are predominately filled by women.

## Looking ahead

With the gender pay gap now in its third year and the ethnicity pay gap imminent, equality, diversity and inclusion remain a priority for Post Office.

This year we have been working hard to define our diversity and inclusion strategy, which includes objectives and targets to achieve by 2024, alongside a clear road map and actions for the next 18 months.

We look forward to seeing the impact that this additional focus on equality, diversity and inclusion has on our future pay gap reporting.



# Our challenge:

## to become a great place to work for everyone

We will focus on three key areas to support gender equality across the business, below are some highlights.

### Recruitment and progression:

- We have introduced gender and ethnically diverse shortlists and interview panels. We will continue to identify and remedy points where unconscious bias can occur throughout the recruitment process
- Our hiring managers continue to undertake mandatory unconscious bias training before they begin the recruitment process. This helps ensure that managers are making hiring decisions as objectively as possible and without making assumptions about candidates. Over the past year, 163 colleagues have undertaken this training, with a total of 1,182 since it started
- An equal gender split in our yearly apprentice and graduate intake continues to be a priority. In the Financial Year 2019/20, 67% of our intake were female and 33% were male. We have also provided 52 development opportunities through our apprenticeship schemes for our internal colleagues and new hires. In the 12 months leading up to March 2020, 57% of Post Office colleagues completing apprenticeships were female and 43% were male

### Development:

- Our Talent, Diversity and Inclusion Director is working with each Group Executive member to identify their top talent and challenge where this is not a diverse list
- Fifteen of our female senior leaders and high-potential employees 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.
- On International Women's day we held an internal event that included a welcome from our CEO, Nick Read, inspirational stories from our female leaders, a Q&A panel session with some female directors and an interactive session designed to build confidence and gravitas
- We offer all leaders the opportunity to complete the People Management Fundamentals Programme, so that they can develop their leadership capability, and learn about the best-practice skills and behaviours that make a great people manager. This learning is endorsed by the Chartered Management Institute, and accreditation certificates are awarded upon completion

### 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 also continued to review informal working arrangements to support colleagues as they have had to adapt to balancing the demands of home schooling, caring responsibilities and supporting isolated family members due to remote working arrangements
- We have a number of internal, employee-led diversity networks that provide support and networking opportunities for colleagues, including: Affinity (Women at Post Office), Be You (Disability and Wellbeing), Post Office Ethnic Minorities (POEM) and Prism (LGBT+ network group)
- We included a gender diversity target (50%) on our business scorecard to reinforce our commitment to appointing more women to Senior Leadership roles. This is something our senior leaders have overall accountability for, it currently stands at 41.4%



# Early careers development

## Launching careers

**Graduate Recruitment and Apprentice Programme Lead, Alison Gallagher explains how Post Office helps people begin and develop their career journeys at Post Office.**



## New recruits

We offer graduate and apprenticeship schemes to attract high quality talent into the business to ensure that we encourage fresh ideas and new perspectives. We also offer apprenticeship schemes to upskill and retain our existing talent.

We have rotational and IT graduate programmes available, which last two years and include three placements across the organisation. After this, graduates are then supported to source permanent roles within the business. It's important to provide these opportunities so that our graduates can gain an understanding of the different business areas, which helps them to develop an understanding of which area they may like to specialise in, ultimately enabling them to map out their career path.

A diverse apprentice and graduate gender split continue to be a priority for yearly intakes.

The gender split for graduates recruited in the Financial Year 2019/20 was 66% female and 33% male. The year prior (2018/19) was 62% female and 37.5% male. Since January 2019, we have recruited 9 apprentices, with 44% being female and 56% being male.

## Buddy up

On joining the scheme, graduates are encouraged to informally buddy up with a graduate from a previous intake, who has been through the process and can offer first-hand experience and provide one-to-one support. We also have an internal mentoring programme to support our colleagues through their chosen career path.





## Development

Our graduates are all encouraged to take part in career development activities whilst on the programme, with a range of trainer-led courses such as stakeholder management, personal branding and powerful presentations.

Post Office graduates also have the opportunity to attend a London business forum and towards the end of their placements, they will be offered career development workshops.

## Apprenticeship schemes

We recruit a small number of apprentices to a variety of roles, with eight apprentices employed across our Finance, Supply Chain and HR functions and with a 50/50 gender split.

It's important that we offer existing colleagues the opportunity to upskill within their current roles, so we offer 40 different apprenticeship programmes from Level 2 Customer Service Apprenticeships through to a Level 7 Executive MBA Apprenticeship.

We currently have 150 colleagues undertaking programmes, and 60% of these are women.

## Future commitments

Our aim is to recruit, develop and retain talent, enabling us to better support our customers and postmasters.

We're proud that over 50% of our early careers and development programmes have been undertaken by women, developing a pipeline of future female leaders.



Graduates with trainer Graham Hill

# We commit: to closing the gap

Over the last few years, we have launched initiatives to help us to reduce our gender pay gap. Many of these initiatives are ongoing and are built into our diversity and inclusion strategy.

Over the coming year we plan to launch additional initiatives and we are looking forward to seeing the results of these efforts reflected in future gender pay gap reports.

We will continue these initiatives, as well as making further commitments in the year ahead to enable us to make progress in continuing to decrease our pay gaps over time. We look forward to seeing the results of these efforts reflected in our pay gap reporting results in years to come.

- We will introduce a more consistent approach to reviewing talent and performance to ensure that we're promoting the right people internally.
- We will be open about our career pathways and fair in our approach to reward and recognition.

## Recruitment

- We will continue to focus on gender-balanced shortlists and interview panels in our recruitment processes, with the aim of appointing women to 50% of senior manager roles
- We will continue to work towards a 50/50 gender split of appointments to internal promotions, particularly at a senior level
- We will maintain an equal gender split in early careers graduate and apprenticeship roles
- We will continue to work in partnership with our employee-led women's networks

## Development

- We will continue to strive for an equal male/female split when identifying colleagues with high potential during our talent and succession planning process.
- We will ensure that we have diverse talent pipelines across the business with tailored development plans to support with individuals' skills gaps.

## Culture

- We will continue to offer flexible working opportunities for all, including investment and training in digital ways of working
- We will share our diversity and inclusion strategy with colleagues
- We will gather and monitor data about gender diversity

We look forward to reporting on our progress in our next gender pay gap report.





