



Gender Pay Gap 2019

We Care



We continue to make progress. Our gender pay gap is 1.0% lower than last year, and remains less than the UK average. We are moving towards our goal of making sure 50% of senior manager roles are held by women – this was 42.5% in March 2019.

Introduction from Nick Read

When I joined Post Office as CEO in September 2019, I was delighted to become the leader of an organisation that prides itself on being a great place to work. I'm committed to making sure we have a culture where all Post Office colleagues feel valued and respected. It's also very important to me that we keep offering the right opportunities to ensure that everyone can reach their full potential – regardless of gender, race, sexuality, disability or other characteristics. We're pleased to see that what we've done over the last year is making a difference. Our mean gender pay gap is 1.0% lower than last year, and remains less than the UK average.

Key achievements

We've had in place for some time now, tailored coaching and mentoring for female leaders to support the development of internal talent, which we are pleased to see has made an encouraging difference. Since our last report, 64% of internal promotions to senior management level roles have been filled by females. The uptake in females for our early career schemes has also followed suit, with our graduate scheme at 66% and our apprenticeship schemes at 50% at the latest intake.

More work to do

We continue to work towards our goal of making sure 50% of

senior manager roles are held by women. However due to people changes during the year, this has only progressed by 0.5%. We do recognise that some of our measures aren't where we want them to be. While this can be attributed to some fundamental changes in the demographic make-up of our business, there's still more we're committed to doing to support women at Post Office realise their potential and close our gender pay gap further. You can read more on our overall numbers in this report, along with the actions we're taking to reduce the gap, including continuing our push on unconscious bias training for hiring managers and supporting flexible and agile working wherever we can.

Our commitments

It's important that, as a commercial business driven by a social purpose, we ensure we are as relevant tomorrow as we are today. I'm really looking forward to seeing what more we can achieve together. Our business will continue to focus on improving for our customers and our postmasters, but we'll also strive to remain a great place to work.

Nick Read
GROUP CHIEF EXECUTIVE OFFICER



What is the Gender Pay Gap?

The gender pay gap measures the difference between the average pay of male and female employees, and 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 as a gender pay gap doesn't necessarily signify unequal pay.

At Post Office, we 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. 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 gender pay gap

The difference between the mid-point hourly pay rates of men and women, expressed 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.

Mean bonus gender pay gap

This is the difference between the mean bonuses paid to men and women in the 12 months leading up to April 2019. This is then expressed as a percentage of the mean bonus received by men during that period.

Median bonus gender pay gap

This is the difference between the mid-point bonuses paid to men and women in the 12 months leading up to April 2019. This is then 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 employees across the business from lowest to highest. These are separated into four evenly distributed groups of the percentage of males and females in each group. 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 2019, which is the process used to measure the gender pay gap.

These tables show our overall mean and median gender pay and bonus gap based on hourly rates of pay, and bonuses paid in the year to 5 April 2019.

They also show the proportion of males and females in each of the pay band categories and the amount of males and females who were paid a bonus in the year to 5 April 2019.

Our pay gaps

Overall pay gaps	2018	2019
Mean hourly pay gap	17.0%	16.0%
Median hourly pay gap	7.9%	11.9%
Mean bonus pay gap*	53.5%	47.0%
Median bonus pay gap*	23.0%	33.0%

Quartile pay bands

Quartiles	% Males	% Females
Lower quartile (lowest)	31.0%	69.0%
Lower middle quartile	30.8%	69.2%
Upper middle quartile	52.3%	47.7%
Upper quartile (highest)	61.1%	38.9%

Percentage of colleagues who received a bonus

	2018	2019
% Males	90.7%	91.7%
% Females	90.1%	93.0%

*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.



Understanding our gap

We have seen a slight improvement in our gender pay gap. However, we still have more men than women in our most senior management roles.

We have also seen a reduction in the number of females employed at junior levels in the organisation level due to continued franchising of branches, where roles are predominately filled by females.

We have seen a decrease in our mean gender bonus gap, which can be attributed to an increased ratio of females to males at the top level of the organisation.

However, we have also seen an increase in the median bonus gap, as bonus payments are not pro-rated on hours worked (for the purpose of the gap calculations as per government guidelines) and many of our part-time employees are females, which impacts the gap.

Looking ahead

Following the resignation of Paula Vennells in April 2019, and the appointment of a male CEO, we are anticipating that this will have an impact on the gender pay gap in future reports.

We challenge to become a great place to work for everyone

These are some of the steps we have taken to support gender equality across the business

Recruitment and progression

- Our hiring managers continue 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. Over the past year, 130 individuals have undertaken this training, with a total of 932 since it started
- We challenge our executive search firms to provide us with gender-balanced shortlists for senior roles.
- We have worked hard to develop our 'Early Careers' offering, to encourage more graduates and apprentices to join us, with the aim of recruiting and retaining more talent at Post Office.
- Our September 2018 intake of graduates consisted of 66% women. For apprentices who have been specifically recruited we have a 50/50 gender split across the business

Development

- Twenty six of our 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 offer all leaders the opportunity to complete the People Management Fundamentals Programme, so 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 a number of internal, employee-led networks that provide support and networking opportunities for colleagues, including: Women in Leadership, Be You, Post Office Ethnic Minorities (POEM) and Return to Work
- We included a gender diversity target (50%) on our business scorecard to reinforce our commitment to having more female senior leaders. This is something our senior leaders have overall accountability for, and it currently stands at 42.5%. Read on to learn about the career journey of one our senior female leaders and how she progressed through the organisation

My Post Office path to success



Network Development Director, Tracy Marshall shares her Post Office career journey, from her experience on the Post Office Graduate Programme in 1998, to senior leadership.

Graduate scheme

I joined Post Office on a graduate scheme back in 1998, straight from university. The graduate scheme stood out at the time as it promised a real in-depth overview of the organisation and allowed you to work in the corporate environment, as well as out in the field to spend time in branches and with customers.

First steps

After completing the graduate scheme, I went straight into a branch manager role in a busy Directly Managed Branch, which was a real eye opener and provided me with some significant grounding as a manager. There were challenges along the way, but it gave me a great insight into the needs of our customers and front line operations, as well as really testing my people management skills. It has certainly stood me in good stead for every other role I've had since.

Career development at Post Office

I've worked in a variety of network related roles ever since – from a junior project manager, working up to leading larger projects, to larger

Tracy's advice

If we're going to attract and retain talent within the organisation, then it's hugely important that we provide people with opportunities to develop and experience new areas of the business if they wish to. Having opportunities for development has always helped me stay motivated at work, feel as though I'm valued and have a strong desire to stay with the business. It's important to bring new blood into the organisation, but having some longevity and consistency is also vital.

programmes of activity. I've enjoyed leading diverse and big teams, the responsibility that brings and the satisfaction of delivering huge change and benefits for the business.

I've always been very driven to learn in order to succeed, and conscientiously look out for ways to develop. I've been very lucky to have had some amazing line managers who have encouraged my development and have wanted to stretch me.

Agile working

I enjoy the working environment here and am lucky enough to have some flexibility to be able to work at home as well as working in the office. Flexibility is key and is something that I encourage across my team too.

Mentoring support

I have had a number of mentors over my career which has been really useful – just to talk to someone impartial about what's going well or what's not, to use them as a sounding board, and to listen to their experiences. I also mentor others and enjoy being able to provide a friendly ear, and to share my insights and experiences.

Launching careers



Graduate Recruitment and Apprentice Programme Lead, Laura Neal explains how Post Office helps people begin and develop new career journeys at Post Office.

New recruits

We offer graduate and apprenticeship schemes to attract high quality talent into the business, to ensure we have fresh ideas and new perspectives coming in, as well as 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 our graduates can gain an understanding of the different business areas, and enable them to develop an understanding of which areas they may like to specialise in, to map out their career path.

In the latest round, we recruited nine graduates, of which 66% were female.

Buddy up

Upon joining the scheme, graduates are encouraged to informally buddy up with a previous graduate in the business, who will have been through the process and can offer first-hand experience with empathy and provide one-to-one support.

Apprenticeship schemes

We recruit a small number of apprentices in a variety of roles, with eight 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 female.

Future commitments

Our aim is to recruit, develop and retain quality talent, enabling us to better support our customers in line with our values to care, challenge and commit. We're proud that over 50% of our early careers and development programmes have been undertaken by females and hope this continues, with the aim of developing and retaining our female talent into senior leadership roles.

Our current apprentices, pictured below



We commit to closing the gap

Over the last few years, we have made several commitments to help us make progress in reducing our gender pay gap. We will be continuing these initiatives as well as making further commitments in the year ahead to enable us to make further progress.

Recruitment

- To continue to focus on gender-balanced shortlists in our recruitment processes, with the aim of filling 50% of senior manager roles with women
- To work towards a 50/50 equal gender split in the number of internal promotions, particularly at senior level.
- To continue our recruitment achievements of maintaining at least an equal male/female split of early careers graduate and apprenticeship roles

Development

- To continue to offer our female colleagues tailored mentoring and coaching schemes to support their career progression
- To continue aiming for an equal male/female split when identifying 'High Potentials' during our talent and succession planning process
- To encourage more than 100 women to undertake our People Management Fundamentals Programme, which is endorsed by the Chartered Management Institute

Culture

- To continue offering greater flexible working opportunities for all, including investment and training in digital ways of working
- To continue the good work with our female employee-led networks, including our Women in Leadership group, where our women identified as having high potential and senior female leaders are brought together to inspire and motivate each other to further fulfil their potential





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