

# Gender Pay Gap Reporting – March 2019

## Context

From April 2017, all organisations that employ over 250 employees are required to report annually on their gender pay gap. The gender pay gap is defined as the differences in the average earnings of men and women over a standard time period, regardless of their role seniority.

As per the report published last year, this involved carrying out six calculations that show the difference between the average earnings of men and women in an organisation; it will not involve publishing individual employee data.

After carrying out the above calculations, we have found the following:

1. the mean gender pay gap (hourly rate of pay) is 34% lower for women
2. the median gender pay gap (hourly rate of pay) is 33.4% lower for women
3. the mean gender bonus gap is 6.2% higher for women
4. the median gender bonus gap is 1095% higher for women
5. the proportion of male employees receiving a bonus is 1.8% compared to 2.4% of females
6. Pay Quartiles by Gender:

	<u>Men</u>	<u>Women</u>
Top Quartile	92.6%	7.5% (women)
Upper Middle Quartile	89.6%	10.4% (women)
Lower Middle Quartile	87.5%	12.5% (women)
Lower Quartile	58.3%	41.7% (women)

## 2017 Vs 2018 Figures

The mean and the median gender pay gap have each decreased by around 1% in 2018 vs 2017. While the difference is minimal, during the time period in question several of our senior female members of staff have been away from the business on maternity leave. As Vital is a predominately male workforce, this has most definitely impacted on the pay gap reporting over that period.

What is interesting to note is that the mean and median gender bonus gap for women is higher than for men. The mean gap has gone from being 15.7% lower for women in 2017 to being 6.2% higher for women in 2018. In addition, the percentage of women in our top quartile has increased from 4.5% to 7.5%; this is a significant increase in a male dominated industry.

## Explaining the gap

Vital Energi is an engineering company, which as stated above, is a historically male-dominated industry. A low proportion of women within this sector and in STEM (Science, Technology, Engineering and Maths) education remains a significant challenge, with women comprising just 11% of engineering professionals and 24% of people studying core STEM subjects. Overcoming these challenges will require focus from government and businesses, as well as changing public perceptions around gender

roles in the workplace and at home. From Vital Energi's gender pay gap reporting, it's clear that work is still needed to help increase the percentage of women across the company.

**Key influencers on our gender pay gap**

- More men than women work at Vital Energi
- There are more men in senior roles, which attract higher salaries
- There are no woman on the board
- More younger, junior women are taking advantage of flexible working to support work life balance
- Vital Energi has made several acquisitions in the past meaning employees are TUPED into the business, resulting in a legacy of historic pay scales
- More men than women have in the past been TUPED into Vital Energi
- The Engineering industry has, historically, attracted more men than women, giving us a legacy of more senior and tenured males

We know that our gender pay gap is not a pay issue, but down to lack of female representation in certain roles; including STEM roles and leadership.

**Key Actions to Drive Change**

The main areas of focus for Vital Energi in making a change for the future are as follows:

- Further develop our graduate and apprenticeship programmes and highlight the multiple potential career paths within Vital Energi.
  - Females made up 1/3 of our 2018 graduate intake and at present make up over 1/4 of our apprentices. These figures are something we are really proud of. We believe and strive to grow and retain our own talent. Whilst we appreciate there is no quick fix, we believe that investing and developing our own talent, particularly focusing on encouraging women into the 'world of engineering', will have long term benefits.
- Provide access to mentoring, training and development opportunities to encourage and promote progression (for woman) into senior roles. This will not only benefit our apprentices and graduates, but will hopefully encourage and highlight the opportunities for progression and development for all women in the company.
- Focus on the 'Women in Engineering Day'. This will take the form of local and national events and will be promoted via social media.

**Conclusion**

This data is a valuable tool to help understand why our own business and our industry are missing out on female talent. Gender pay gap reporting is a critical step in our plans to attract, retain and develop a diverse talent population. There must be a collective effort to encourage more women into the Engineering industry, where they can enjoy rewarding, creative and flexible careers.

I, **Gary Fielding – Managing Director**, confirm that the information in this statement is accurate.

Signed:



Date: 25<sup>th</sup> March 2019