



## GENDER PAY REPORT 2017



This document has been published in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

- 1. Introduction.** In light of the recent government regulations regarding mandatory gender pay gap reporting, this report provides both the data to comply with legislative requirements and an accompanying narrative to help explain the findings and the Royal Automobile Club's analysis of the findings.
- 2. Foreword.** The Royal Automobile Club was founded in 1897 with the primary purpose of promoting the motor car and its place in society. Today, the Royal Automobile Club is one of the foremost private members' clubs in the world with a diverse membership, an extensive events programme, and two beautiful and unique clubhouses, alongside first-class accommodation, dining and sports facilities.

As an IIP Silver accredited organisation, the Club recognises staff as our greatest asset. The Club is committed to continuing to build a fair, diverse and inclusive culture where staff aspire to work and

are rewarded and developed on individual merit, regardless of ethnicity, gender, age, disability, religion or sexual orientation. Fair is one of our core leadership behaviours and Respect one of our values.

3. **Summary.** This report contains the Gender Pay Gap (as at 5 April 2017) for the Royal Automobile Club), as required by the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The Club recognises the implementation of mandatory gender pay gap reporting as an important step towards transparency and greater equality for women in work.

The Club has a mean gender pay gap of 11% favouring men and a median gender pay gap of 6% favouring men. This is below the national average mean gender pay gap (17.4%) and median gender pay gap (18.4%) reported by the Office of National Statistics in 2017.

#### 4. Gender Pay Report - Profile and Results

- a. **Requirements.** Mandatory Gender Pay Gap Reporting regulations require organisations with 250 or more employees to report their pay gap as at 5<sup>th</sup> April (snapshot date) with the following information;
- i. mean gender pay gap: the difference between the mean (average) hourly rate of pay that male and female employees receive.
  - ii. Median gender pay gap: the difference between the median hourly rate of pay for male and female employees
  - iii. mean gender bonus gap: the difference between the mean (average) bonus pay that male and female employees receive.
  - iv. median gender bonus gap which is the difference between the median bonus pay that male and female employees receive.
  - v. the proportion of men and women who received bonuses
  - vi. the number of men and women according to four equal quartile pay bands.
- b. **The Club's Gender Profile.** Data collected on employees as of the snapshot date on 5 April 2017 shows the following workforce gender breakdown

Male	366
Female	247
<b>Total no. of staff</b>	<b>613</b>

Of the total 613 employees as of 5 April 2017 (which includes part time employees) 60% were male and 40% female.

##### **Part time Employees**

In this instance, part time work is any employee (excluding zero hour workers) working 34 hours a week and under. (in accordance with the government definition)

Male	19
Female	41
<b>Total no. of staff</b>	<b>60</b>

Women within the workplace make up the majority of part time employees at 68% compared to their male counterparts at 32%.

**c. Gender Pay Results**

- i. The mean gender pay gap in hourly pay for the Club is 11% more favourable to men
- ii. The median gender pay gap in hourly pay for the Club is 6% more favourable to men.
- iii. The mean gender bonus gap for the Club is 32% more favourable to men
- iv. The median gender bonus gap for the Club is 16% more favourable to men
- v. The proportion of male employees in the Club receiving a bonus is 78% and the proportion of female employees receiving a bonus is 76%
- vi. Pay quartiles by gender (these quartiles are set out in the reporting requirements)

Quartile Pay Bands	Male	Female
Pay Band A: Lower Quartile	60%	40%
Pay Band B: Lower Middle Quartile	50%	50%
Pay Band C: Upper Middle Quartile	59%	41%
Pay Band D: Upper Quartile	69%	31%

- d. Commentary.** The mean and median pay gaps are both significantly below the national averages as reported by the Office of National Statistics. Reading across the data, it is clear that the underlying reason behind the pay gap is due to the lower representation of women in more senior leadership roles. Recent statistical analysis by the ONS recognises that nationally, some of the gender pay gap can be explained by differences in tenure, working pattern, occupational and age. For example, the gender pay gap is significantly greater in employees over the age of 40. They have assessed this could be due to childcare, as the employment rate for women with dependent children is 73.7% with 51.% of jobs being part time against 92.4% for men with 90% of jobs being full time. Extrapolating this into the hospitality industry, employees in management roles are typically expected to work long hours on early and late shifts sometimes at short notice which can be less conducive to flexibility and childcare commitments.

Another explanation for the higher representation of men pay bands C and D could be Occupation-related. The Club has 4 job operational families - Kitchens, F&B, House and Sports. Pay is relatively higher in kitchens at the moment due to wage inflation driven by talent shortages. Statistics show that men make up anywhere between 60 and 80% of chef numbers in hospitality; therefore this will influence the number of male staff in the two upper quartiles.

The mean and median gender bonus gap at the Club is reflective of the proportion of male to female staff in the upper middle and upper quartiles where there are significantly more men in performance bonus earning positions currently. This reflects the same trend in the UK economy with senior management still being predominantly (79%) male (Research by Grant Thornton, 2016).

The proportion of men at the Club who received a bonus in the 12 months up to 5 April 2017 was 78%, while for females this was 76%. This may seem anomalous with the previous paragraph however the figures for 2017 have an irregularity which will not be present in future reports. These figures take into consideration a '53<sup>rd</sup> week' Christmas bonus which was paid to most staff. This payment is no longer made, so it is expected that the next report will show a bonus distribution more closely aligned to the bonus gender pay gap with a

majority of male staff receiving a bonus compared to female staff. Performance bonus arrangements are based on the same criteria for all staff regardless of whether they are male or female and are based on company performance and achievement of individual objectives.

**e. Club Secretary's Statement**

*Although we are pleased that the Club's gender pay gap report compares favourably with that of the whole economy, the organisation is committed to reducing the gender pay gap and bonus gap and as such has taken the following steps to ensure a commitment to fair pay:*

- a. A pay framework has been introduced to ensure that there is a fair, consistent and transparent approach to rewarding all employees. Pay is attached to a job role, not to individuals, which is both internally and externally benchmarked against the market.*
- b. There are levels and job families within the pay framework to group roles within the Club that have similar responsibilities.*
- c. Succession plans are being developed proactively to monitor the development of talented staff, regardless of gender, to ensure they have the best opportunity of being promoted*
- d. Maternity pay has just been increased in order to encourage retention of female staff going on maternity leave. Measures are in place to encourage managers to create opportunities for females returning from maternity leave to be offered flexible working*
- e. Managers are encouraged at the point of recruitment to consider all working patterns that could be made to work whether the role is junior or senior, including job shares, compressed and annualised hours*

*Although these initiatives are aimed at reducing the gender pay gap, the Club is aware that it may take some time before the effects of these are felt. We are, however, committed to ensuring all employees are given equal opportunities to progress in their careers and success in the Club and welcome the opportunity to annually review the progress that the Club makes in achieving true equality.*

*I, Miles Wade, Club Secretary, confirm that the information in this statement is accurate.*

Signed

*Miles Wade*

Date

*6 March 2018*