

# Gender Pay Reporting 2017

## Executive Summary

As a progressive employer who believes equality is one of the key pillars of a successful business, we have undertaken this report to comply with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which shows:

A mean gender pay gap of **12.8%**.

A median gender pay gap of **14.1%**.

A mean bonus gender pay gap of **10.7%**.

A median bonus gender pay gap of **-48.6%**.

The proportion of Males receiving a bonus is **48%** and for Females is **42%**.

The proportion of each gender in each quartile pay band:

Quartile	Lower	Lower middle	Upper middle	Upper
Female	25.8%	10.1%	15.6%	9.4%
Male	74.2%	89.6%	84.4%	90.6%

## DECLARATION

I hereby confirm that the information provided in this report to be accurate.



**Tony Corcoran - Company Secretary**

23 March 2018

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## INTRODUCTION

Alpla UK Ltd is required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 before the end of the Tax Year 2017/18. As a progressive employer who believes fairness in all we do is one of the core foundations to our business approach, we hereby explore the results of Alpla UK Ltd findings:

This statutory requirement involves carrying out six calculations that show the difference between the average earnings of males and females in our UK organisation. We can use these results to assess:

**the levels of gender equality in our workplace;**

**the balance of male and female employees at different levels;**

**how effectively talent is being maximised and rewarded.**

The challenge for Alpla UK Ltd and across Great Britain is to eliminate any gender pay gap.

## GENDER PAY GAP CALCULATIONS

### **1. The Mean Gender Pay Gap**

Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but large or small pay values can dominate and distort the answer. The mean gender pay gap for April 2017 was 12.8%, much lower than the overall UK average for all employees of 18.1% as determined in 2016.

Alpla UK Ltd offers all employees the right to join its Group Personal Pension Plan and many of those that have chosen to do so, self-invest via a salary sacrifice payroll option, again open to all qualifying employees, and the gender gap is calculated post-sacrifice. We find it interesting that the pre-sacrifice gap increases to 13.3% as proportionately males self-invest more than female employees to maximise their pension investment opportunity, even though 77.7% of male employees are full scheme pension members, compared to 82.05% of female employees who are full scheme members.

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There are 2 main drivers behind the mean gender pay gap, the largest of those being shift working, as all our operational sites are 24/7. As a customer focussed manufacturing company, 66.47% of all Alpla UK Ltd's employees work shift working, 89.44% of whom are male. Females working these shift work patterns receive exactly the same remuneration as male comparators. Whilst there is no occupational reason for male dominance in shift working roles, we have found it extremely difficult to attract and retain a higher density of females to our operational sites/roles, especially those requiring a process/technical and/or engineering bias.

The second key driver reflects the lower representation of females at senior levels within the organisation and especially our difficulty in recruiting females in operations, technical and engineering disciplines.

## **2. The Median Gender Pay Gap**

Median averages are useful to indicate what the 'typical' situation is, i.e. in the middle of an organisation and are not distorted by very large or small pay rates. The median gender pay gap for April 2017 was 14.4%.

Once again shift working pay rates were the main driver in the gap due to the significantly higher number of males in shift working.

As a median the lower representation of females at senior levels within the organisation is much less pronounced.

## **3. The Mean Bonus Gender Pay Gap**

Whilst this can be a good measure where bonus payments are common across an organisation, large or small bonus payments can dominate and distort the answer where such payments are not prevalent across the business, which is the case for Alpla UK Ltd. However, the mean bonus gender pay gap for the 12 months to 5 April 2017 was 10.7%.

Firstly bonus schemes within Alpla UK Ltd are not limited to Senior Management as 57.7% of the workforce received a bonus payment in tax year 2016/17 inclusive of which 87.45% were paid to males and 12.5% to females, broadly recognising the shift working split across several operational sites within Alpla UK Ltd.

The key driver of the gap is again twofold, firstly the lower representation of females at senior levels within the organisation and secondly the scope of the bonus achievement payments across UK operations, where some sites with greater female employee representation had not participated in such KPI metric bonus schemes in that tax year.

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## **4. The Median Bonus Gender Pay Gap**

Median averages are useful to indicate what the 'typical' situation is, i.e. in the middle of an organisation and are not distorted by very large or small bonus payments. The median bonus gender pay gap for April 2017 was -48.6%.

What this represents is that the median bonus pay value actually paid to females was higher/greater than at the same point paid to males.

## **5. The Proportion of Males and Females Receiving a Bonus Payment**

As achievement of bonus payments is based on various business performance metrics, the proportion of those who receive a bonus payment can be skewed from those who were eligible to participate in a bonus scheme. For the payments which were made in 2016/17 tax year inclusive, 42% of females received a bonus payment of the 14.01% of females who could participate in a scheme, compared to 48% of males who received a bonus payment of the 85.9% of males who could participate in a scheme.

## **6. The Proportion of Males and Females in Each Quartile Pay Band**

The proportion of each gender in quartile pay bands for April 2017 shows:

Quartile	Lower	Lower middle	Upper middle	Upper
Female	25.8%	10.1%	15.6%	9.4%
Male	74.2%	89.9%	84.4%	90.6%

As outlined above, not related to the value of the role or person within the organisation and those employed on shift working patterns skews our figures given the high proportion of 24/7 shift working employees (over 66%) against other day working employees and the ongoing difficulties in recruiting females to these operational roles. The proportion of each gender in quartile pay bands is quite different:

Quartile	Lower	Lower middle	Upper middle	Upper
Female	24%	6.2%	3.4%	2.2%
Male	76%	93.8%	96.6%	97.8%

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## **Alpla UK Ltd - ACTION PLAN**

### **Recruitment and Retention**

Unfortunately fewer females study and work in science, technology, engineering and maths [STEM] disciplines in the UK, and as these skillsets form a large part of our organisational needs, we will continue to consider both sexes applications for advertised roles. In the medium to longer term our aim is to recruit/develop more female employees into our operational focused functions as well as our Senior Management Team. In order to achieve this aim we will:

Support national activities from Government and education/training providers to encourage increases in female participation in STEM subjects in and around our local workplace communities and beyond.

Review our recruitment and retention strategies to ensure they focus on attracting female talent in key areas whilst maintaining Equal Opportunities for all.

Continue to attempt to break down the stereotypical barriers and beliefs that traditional manufacturing should be a male dominant environment by increasing our links with schools and other educational/training providers.

### **Bonus Systems**

A review of our bonus systems has shown that whilst there was a gender positive outcome, the results highlighted that the majority of our female employees have not participated in such a scheme and this also applies to a significant minority of males too. There have been both cultural and local operational past reasons for this occurring, however Alpla UK Ltd has made several representations to widen the scope of inclusivity and provide a UK-wide framework for all. Our aim still remains the same.

### **Pay Systems**

In determining pay and reward for our employees, we balance a number of factors, including the economic climate, company-wide performance as well as external market for the roles that we offer. Whilst our reward systems have always ensured full compliance with equal pay, we do intend to integrate gender pay gap considerations into future reviews.

For use on [www.alpla.com](http://www.alpla.com) and for internal UK employee distribution

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