

# **Hogarth Worldwide: Gender Pay Gap Report 2018**

**March 2019**

## **Introduction**

At Hogarth we strive to create a working environment where everyone is treated equally regardless of gender, ethnicity, age, religion, sexual orientation or disability. We pride ourselves on creating a diverse and balanced workforce (for example 34% of our UK workforce originates from outside of the UK) as we believe this is a true representation of Hogarth's values, work and ethos.

The "Gender Pay Gap" is defined as the difference between the average earnings of all men and women in an organisation. This is a separate issue to equal pay, which is the ethical and legal requirement for people carrying out the same or similar work to be paid equally, regardless of gender. Thus an organisation can be entirely compliant with equal pay legislation, but still have a Gender Pay Gap if the different genders in the workforce are not equally distributed as far as seniority and experience are concerned. It is now a requirement for all UK companies with over 250 employees to publish their Gender Pay Gap data.

## **Results**

In the UK we have a gender balanced workforce. 51% of our workforce are women and 49% are men. However, there are fewer women in the UK at the senior executive level where pay is highest and consequently we have a Gender Pay Gap. Our female representation at executive level is primarily non-UK based and forms part of our Global Leadership Team (GLT).

We are pleased to report an improvement (i.e. a reduction) in our pay gap figures in 2018. The continuing existence of a pay gap reflects the lower proportion of women in upper pay bands in the UK. Our bonus gap is an anomaly as no STIP payment (Short-term incentive programme) was paid during

the reporting period. It is therefore realistic to anticipate the bonus gap to increase in 2019 as a disproportionate number of senior roles are currently held by men. This is something we have been addressing, which is reflected in the reduced overall pay gap for 2018.

<b>Gender Pay and Bonus Pay Gap</b>		
Difference between men and women	Mean (average)	Median (middle)
Gender Pay Gap	21.4%	20.0%
Gender Bonus gap	-3.5%	0%

Gender	Proportion Who Receive a Bonus	Pay Quartiles	No. of Employees	Males	Females	Split
Male	3.7%	Quartile 1	225	80	145	36 : 64
Female	8.5%	Quartile 2	225	96	129	43 : 57
		Quartile 3	225	133	92	59 : 41
		Quartile 4	225	142	83	63 : 37

### Statement

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Richard Glasson**

CEO



**Jeremy Thompson**

CFO



## **Hogarth Worldwide: A Global Business**

At Hogarth, we pride ourselves on being a global business. To give a representative picture of Hogarth Worldwide we have also chosen to share our worldwide consolidated position. Globally our mean Gender Pay Gap stands at 16% compared to 17% previously. This is more favourable than our UK gender pay gap because there is a better balance of female employees in more senior roles employed outside of the UK.

### **Our Commitments**

In our March 2018 Gender Pay Gap Report, Hogarth committed to improving the gender balance of our management and senior leadership teams, which is the key to tackling our Gender Pay Gap. We know that our Gender Pay Gap is not an equal pay issue but one of representation issue in senior roles.

The following ongoing commitments reaffirm our position on this:

- We have always recruited and will continue to do so solely based on merit. We believe opportunities should be available to all and we will continue to challenge ourselves to be as inclusive as possible and to never discriminate
- To encourage flexible working wherever practically possible. We will continue to ensure we take a consistent approach to ensure career development is not in any way impacted by factors such as taking any form of parental leave such as for maternity, paternity or adoption. During 2018 we had 27 female employees on formal flexible working arrangements (and 4 male employees)
- To continually review all relevant Hogarth UK policies, practices and procedures so they are consistent with objectives of reducing the Gender Pay Gap over time
- We will continue to carefully measure our progress both under the umbrella of the mandatory reporting and with further internal measures, including mid year Gender Pay Gap Reporting

## **Initiatives undertaken since 2017 (March 2018) Report**

- Unconscious bias training provided to UK managers in 2018
- Maternity policy review undertaken and enhanced pay policy launched in 2019
- A thorough review of the mechanism of our pay review structure to ensure that the process does not risk gender related bias
- Diversity and Inclusion Council launched in 2018
- Sponsored Affinity Groups, including 'Mums for Mums' in the UK, which aims to support working parents through parental transition courses, group discussions and talks from experts on numerous parenting topics
- Increased utilization of the apprenticeship levy
- An enhanced and expanded SMT (Senior Management Team) including 50% appointed on a rotational basis and over 40% female representation

We believe that the above initiatives have started to and will continue to improve our gender pay gap in the coming years.

## **Ongoing initiatives**

Hogarth is also committing to a number of additional initiatives in the UK and globally. We anticipate the impact of these initiatives to produce a gradual improvement over the coming years:

- New pay review structure being launched in March 2019 following review
- Relevant training to our Global Leadership Team which currently has a 44% female representation at a global level
- Supporting employees who would like to join Bloom (a professional network for women in communications) by providing membership subscriptions for conferences and events
- Analysis of data from online and face to face exit interviews to identify common themes for employees leaving Hogarth that could influence the Gender Pay Gap.