

Gender Pay Gap Report

2018

Introduction

Last year we were pleased to take part in the gender pay gap reporting regulations, which came into legislation in April 2017 and require UK employers with more than 250 employees to report on the following data:

- Mean gender pay gap
- Median gender pay gap
- Headcount - % of males and females in each quartile of the data
- Mean gender bonus pay gap (not applicable to us in this reporting period)
- Median gender bonus pay gap (not applicable to us in this reporting period)

As an organisation that is committed to fostering and maintaining a diverse workplace, we are pleased to report our data for the second year. The legal requirement is to provide a snapshot of our pay data from 5 April 2018, however we have also reviewed our 2019 data and will be looking at proactive steps over the coming months to continue to address any areas where we want to see change.

Please note, as per 2017's report, the regulations do not define the terms 'male' and 'female'. In cases where an employee does not self-identify as either gender, the regulations state that an employer may omit the individual from the calculations. For the purposes of publishing our gender pay gap externally, the HR records (which provide a non binary option) have been used and anyone identifying as neither male or female is categorised as an Underrepresented Gender Minority (UGM) and included alongside our female statistics.

What is the gender pay gap?

The gender pay gap shows the difference in the average pay between men and women in the workforce. It is different to equal pay, which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

The gender pay gap is reported as a mean and a median number. The mean (average) number is the sum of the salaries by gender divided by the number of employees. The median is the middle value in the list of salaries. While the mean is traditionally used to measure a midpoint in a data set, it has the disadvantage of being affected by any single value being very high or very low compared to the rest of the sample.

Our gender pay gap data - April 2018

MEAN	MEDIAN
17.6% (↑3.3% from 2017)	15.6% (↓3.7% from 2017)

% OF MEN & WOMEN IN EACH PAY QUARTILE				
	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
MEN	45%	53%	54%	73%
WOMEN	55%	47%	46%	27%

In analysing the reportable data, note that salary data includes basic pay, allowances, pay for piecework, pay for leave and shift premium pay. It only includes monetary payments, so, anything that is not money (such as benefits in kind or securities) is excluded. It does not include pay related to overtime, redundancy or termination of employment, pay in lieu of annual leave or pay which is not money.

We are required to report salary data after salary sacrifice, which at ThoughtWorks means after personal pension contributions. We continue to be aware that this directly impacts our data depending on the amount an individual chooses to personally contribute to their pension. In addition, while we did not run a formal, company-wide bonus scheme for the purposes of this report, next year's data will include elements such as variable pay, bonuses and commission which were introduced in the year 2018/2019.

The data also accounts for part time hours and salary.

The analysis of our gender pay gap continues to show a significant underrepresentation in the Upper Quartile (more senior roles) and a higher representation of women in the Lower Quartile. As we recruit more women either into graduate roles or into senior roles, over time we expect that more equal representation of women in these quartiles would result in a narrowing of our gender pay gap.

Background

In April 2018, 43% of our UK business was comprised of women, an increase of 1% on 2017. For the past four years we have continued to hire a minimum of 50% women and underrepresented gender minorities (UGMs) at graduate level and as women continue to progress in their careers at ThoughtWorks, our hope is that the gender pay gap we currently see in our business will begin to narrow over time. This has already started to show some effect, with the number of men increasing in the lower quartile by 4% on 2017's results. Nevertheless, we must acknowledge that continuing to hire more women at graduate level will continue to have a direct impact on the proportion of women in our lower pay quartile and it may well take a few years for this to truly impact our gender pay gap data in the upper quartiles. It is however the right thing to do and will support our gender pay gap aspirations in the longer term.



Given that the number of working women in the technology sector is significantly lower than most other UK work sectors - just 17% of those working in Technology in the UK identify as women - we are proud of where we stand today but by no means do we feel our work is done.

Whilst our hiring aspirations are good, we also need to better support and retain women already in more senior tech roles at ThoughtWorks. We know that the tech industry as a whole is poor at this, with evidence to suggest that women leave the tech sector at a 45% higher rate than men, with one survey citing family as a primary reason for leaving the industry*. We want to lead the way in offering more flexible working conditions for all of our colleagues and whilst we do currently support a range of flexible working options, we recognise that it can be more challenging for our Professional Services workers who often mirror the ways of working on their respective client sites. However, we remain committed to supporting the needs of our colleagues alongside those of our clients. Our data shows that men in the upper quartile has increased by 3%, reflecting the attrition we have seen from some women leaders in the business and this reiterates why retention and engagement is critical.

However, we have made a start and we know we have some great examples of flexibility on client sites right now. Earlier this year we made the decision that all new client engagements, where travelling to the Client requires overnight accommodation, will work on a 'four days on site, one day off site' arrangement to provide more flexibility for our teams. We are working on how we embed this and make this successful for us and our Clients. Applications for all other forms of flexibility for example change in hours, part time, job sharing etc continue to be open to all. On this point, a high proportion of our part-time workers are in Professional Services and critically have been able to make arrangements that work for them that can accommodate their families and other responsibilities outside of work.

What else are we doing?

As per last year's report we continue to maintain a number of initiatives which are also targeted at areas which we think will affect our gender pay gap data as well as that of future women in tech, not limited to ThoughtWorkers. This includes:

- An enhanced parental programme
- A scholarship programme
- Community partnerships
- Increased representation at training, development and leadership programmes
- Raising awareness of and tackling bias in our culture

In addition, we have also started to look for visible inequalities within our grade communities, taking interventions outside of our bi-annual review process to ensure our women and UGM workers are being fairly compensated in relation to our men. It is part of our longer-term compensation strategy to remove any unfairness we see in our salary bands and this work will be ongoing.

DECLARATION

We declare that to the best of our knowledge our data has been calculated according to the requirements of The Equality Act 2010 **(Gender Pay Gap Information) Regulations 2017.**

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REFERENCES

*Women In Tech**

*Forbes ***

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