

MPS | VISION



GENDER PAY GAP REPORT 2018





We strongly believe having a diverse workforce and enabling everyone to perform to their full potential, is essential to our success



Beverley Proctor,
Executive Director of Human Resources

Respect and integrity are at the heart of how we work as an organisation. This includes how we attract and employ the right people, with the right skills and professionalism, who can deliver the excellent advice, support and defence our members have come to expect.

We pride ourselves on the dedication and expertise of our people and place great importance on recruiting and retaining the best. We strongly believe having a diverse workforce and enabling everyone to perform to their full potential, is essential to our success. The wider the mix of people in our business, the greater the mix of skills, experience, and perspectives we can draw upon.

This is our second gender pay gap report, outlining the pay and bonus differences between men and women across our organisation. This year we take a closer look at the data in more detail and give an update on the progress we've made.

It is also important to note that increasingly, gender no longer means just male and female. As a fully inclusive business, it is important that we recognise that a growing number of our colleagues and indeed our members may not identify simply as 'male' or 'female'.

For the purposes of this report we are limited by what we must detail from a regulatory standpoint, comparing the pay of only men and women. But I look forward to hearing feedback from colleagues on what we could do to make MPS a more inclusive community for all.

As you read through the report, you'll see that we continue to have a gender pay gap at MPS. Across the business as a whole, men are paid more on average than women.

Our gender pay gap is created by a lack of women in senior positions within the organisation. This situation is reflected across most large organisations in the country, and there are many societal and historical reasons that have prevented women from reaching higher paid positions. But this is no excuse, and it does not mean that we can't take steps to reduce this gap.

You will also see some improvements on our 2017 levels, which is positive and encouraging news. Read on to see a full list of the actions we're taking to tackle our gender pay gap.

We still have a way to go as an organisation, but I am pleased to see how our plans continue to make that goal a reality.

OUR PAY GAP FIGURES FOR 2018

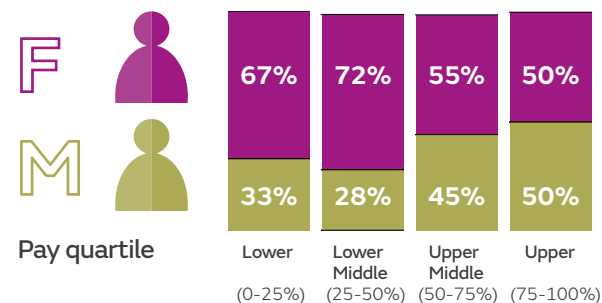
The tables and infographics below represent our overall median and mean gender pay and bonus gap of our UK workforce, **as of 5 April 2018**. This is a UK requirement only, and this report does not include our international colleagues.

	MEDIAN	MEAN
Gender pay gap	33.6%	25.5%
Gender bonus gap	28.7%	34%

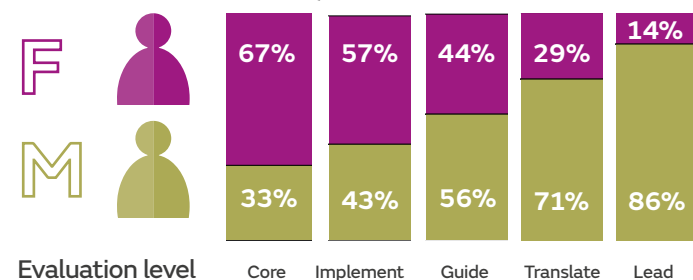


823 colleagues working in the UK
38% were male and **62%** were female

Gender breakdown by pay reporting quartiles



Gender breakdown by MPS evaluation levels



Key terms and measurements

The UK legislation governing gender pay reporting requires that we divide our workforce into four equally-sized quartiles based upon their hourly pay (called Lower, Lower Middle, Upper Middle and Upper pay bands). We then report the percentage of men and women within each quartile and calculate the differences in the pay and bonus they receive. These measurements represent our organisation's **gender pay gap**.

A positive percentage represents where men are paid more. A negative percentage represents where women are paid more. Our goal is to close any gaps, reducing those to zero as much as possible.

The pay gap and equal pay

It is important to stress that the gender pay gap is a measure of the average differences in hourly pay and bonus between male and female employees across the whole of an organisation, irrespective of their roles or seniority. It does not measure 'pay equality' – where men and women are paid the same for doing equivalent work.

We can confidently state that men and women are paid equally at MPS. We do not discriminate on any basis. This includes recruitment, promotion, pay and bonus management.

MPS evaluation levels

MPS uses a job evaluation system, which groups all colleagues into **five evaluation levels** – from Executives (Lead) to Senior Leaders (Translate), Middle Managers (Guide), Team Leaders / Subject Matter Experts (Implement) and Colleagues (Core). We monitor our pay and bonus data within each of these evaluation levels to see if a pay gap exists, and if so, understand the causes and rectify as appropriate.

A CLOSER LOOK AT THE NUMBERS



Colleagues

As of 5 April 2018, MPS had 823 colleagues in the UK, with the majority of people working in three of the five evaluation levels – Core, Implement and Guide. They comprise 97% of our workforce. Our senior leaders make up only 3%.

Pay

If we look closer at the mean pay differentials in each of MPS's role evaluation levels, the gap experienced by the vast majority of colleagues (97% of our workforce) is only 0% to 4.6%. This improvement on last year's figures is encouraging news, and evidences our robust application of equal pay policies.

A similar picture can also be seen in the breakdown of evaluation levels and the **median pay** gap:

Evaluation level	2018 MEAN pay difference	2017 MEAN pay difference
Core	4.64%	6.0%
Implement	-0.12%	0.32%
Guide	0.74%	1.80%
Translate/Lead	25.0%	28.10%

Evaluation level	2018 MEDIAN pay difference	2017 MEDIAN pay difference
Core	-0.48%	-2.75%
Implement	-5.99%	-2.75%
Guide	-6.52%	-4.37%
Translate/Lead	3.35%	18.75%

At each level the differential is not significant.

However, analysis of our gender pay gap at a total level is disappointing. The **mean pay** of all male employees was 25.5% greater than all females, with the **median pay** being 33.6% greater across the organisation.

What is causing this gap? We still have a higher proportion of women working in Core-level roles versus a higher proportion of men at Guide, Translate and Lead levels across the organisation. Although these are similar to many other professional services organisations in the UK, this position is not acceptable to MPS and we are committed to our action plan to address this imbalance.

Bonus

We are pleased to see that more people are receiving a bonus this year (91% of women and 88% of men), with bonus pay gaps reducing between male and female colleagues.

The **mean bonus pay** of all male employees across the organisation was 34% greater than all females (a decrease of 4.4 percentage points from 2017), with the **median bonus pay** being 28.7% greater (a significant reduction of 14 percentage points from 2017).

There are a number of factors that continue to impact our bonus figures:

- **New starters**

As of 5 April 2018, 73% of new starters were female with less than 1 years' service, which means they did not receive a bonus in 2018.

- **Part-time v full-time**

The calculation of bonus mean and median is based on the actual bonus received, regardless of the number of hours worked. However, part-time employees receive a prorated bonus based on the hours they work.

Overall 85% of MPS's part-time employees were female at the time of this reporting. Women who work part-time tend to be in roles at Core level, whereas men who work part-time tend to be in roles at Guide Level – and therefore paid on a higher, prorated salary. This, too, has an impact on our bonus gap figure.

POSITIVE STEPS IN THE RIGHT DIRECTION



We are pleased with the progress made over the last twelve months, and look forward to building upon this success and further closing our gap. To this end, we will continue to deliver on our action plan and adopt emerging best practice.

1. We remain committed to increasing the representation of women in more senior roles and will aim to ensure that shortlists of candidates include both men and women. At the same time, we will look to increase the representation of men within our Core level.
 - All external recruitment processes for senior leadership roles now must include a balanced representation of both men and women amongst shortlisted candidates.
 - We are introducing new tools to monitor our recruitment campaigns and ensure we attract the right balance in our candidate pools.
 - Further work will also take place on creating the right attraction and selection tools to ensure we continue to attract the right talent to the business.
2. We continue to develop our family-friendly policies, supporting both men and women equally, and allowing them to build a successful career without compromising on family or personal life.
 - There has been a key focus on the education and embedding of our family friendly principles across the business.
 - For employees who take a career break for family leave, we offer a personal coach who can provide support in readjusting to the workplace upon their return.
3. Salaries that are paid above the pay scales will continue to be managed in accordance with our pay policy and framework.
 - We continue to enforce robust application of pay policies and practices to ensure no inequitable outcomes for either gender.
 - We ensure that all pay policies and practices are applied fairly and consistently with all colleagues.
 - At the March 2018 pay review all leaders were challenged to justify any gender pay differentials across their teams. Differentials may exist for either gender due to experience, performance or qualifications for the role. However, the outcome of this activity is visible from the reduction in the mean pay difference across each of our evaluation levels.
 - We will continue to assess pay issues as they arise and ensure any pay gaps are addressed where necessary.
4. Throughout 2018, we will continue with Talent and Succession Planning workshops, identifying colleagues with high potential, and putting in place development opportunities equally accessible to all.
 - We completed talent reviews for all teams across 2017 and 2018, identifying the diverse skills and potential within our teams.
 - We continue to embed the principles on how the business is enabling the mobility of talent across the organisation.
5. We are identifying mentoring and networking opportunities for high-potential female workers.
 - We are introducing a Senior Women in Leadership Network within the business, which looks to establish internal mentoring opportunities between women in junior and senior roles.
6. We will further develop our gender analysis reporting to support the robust moderation process ensuring fairness and equity.
 - This capability has now been brought in-house, enabling us to further analyse the data, strengthen our gender pay action plans and assess this against other demographic dimensions for 2018 and beyond.

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