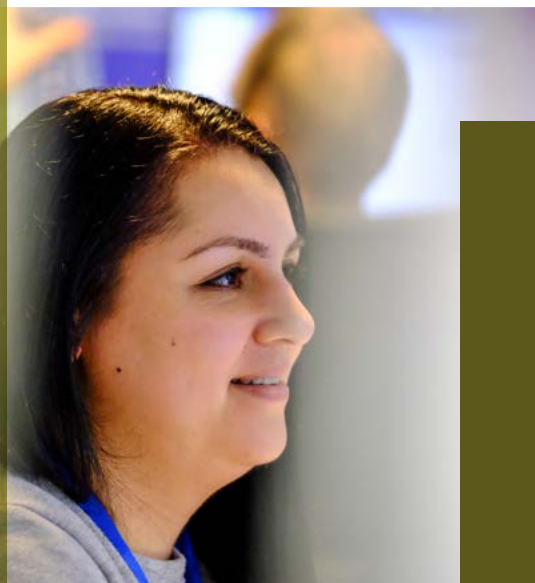


Our Vision

We will provide the most expert, trusted and valued protection to enable our members around the world to deliver healthcare.



GENDER PAY GAP REPORT 2019





In a year marked by significant transformation and change in our organisation, we are pleased to see our overall pay gap continue to close. We welcomed more female than male new starters over the past year, and we have more women in positions of leadership and lead roles across our medical, dental, underwriting, actuarial and legal teams. This is steady progress towards our aim of achieving greater gender diversity, through a long-term, sustainable approach.

However, our 2019 pay gap is still above the national average, and we have seen a widening of the overall bonus gap. Despite improvements, a larger proportion of women at MPS work in more junior or part-time roles compared to men, where remuneration levels are lower or pro-rated. The reasons behind this are complex.

In this report you will see what we are doing to address these issues, including some of the initiatives that are already having a positive effect, policies we have updated, coaching we have introduced, and networks we have established.

Why this matters

Members have always been at the heart of our business. We are a mutual organisation, owned by and run for the benefit of hundreds of thousands of members across the world – spanning continents, cultures, and a multitude of clinical fields and environments. Our heritage is rooted in this incredible diversity, which remains central to our culture today.

Put simply, in order to understand our members, our workforce needs to reflect them. We must attract the greatest number of quality candidates from a variety of backgrounds and experience. It is their different perspectives that help us grow, compete, and innovate for members.

But it's not just about the new people who join us. We are equally committed to creating a fair and inclusive workplace, ensuring opportunities are available to all and fostering the talent within our organisation. We firmly believe we are more successful as a company if every employee is empowered to fulfil their potential.

Bev Proctor

Executive Director, People and Culture

The gender pay gap and equal pay

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 are confident that men and women are paid equally for doing equivalent jobs at MPS. We do not discriminate on any basis. This includes recruitment, promotion, pay and bonus management.

All roles at MPS are evaluated and benchmarked against an external benchmarking database. **98.5%** of our employees are paid within the established pay ranges set for each role – with no individual paid below the market rate.

We pay new starters in the salary range for the role, with all employees being paid above the national minimum real living wage. Those with less experience, new to the role or in training start at the lower end of the salary range, moving through that range as their competency level grows.

Subject matter experts, high-performers or those ready for promotion tend to be paid at the higher end of the salary range.

Our Variable Pay Policy and Framework applies equally across genders.

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 mean and median 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. A gender pay gap exists in most organisations – the current national average is **17.9%***. Our goal is to close any gaps, reducing those to zero as much as possible.

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 track our pay and bonus data within each of these evaluation levels to monitor any pay differentials and the rationale, and to address these if required.

* Office of National Statistics – Gender pay gap in the UK: 2018

The shape of our workforce

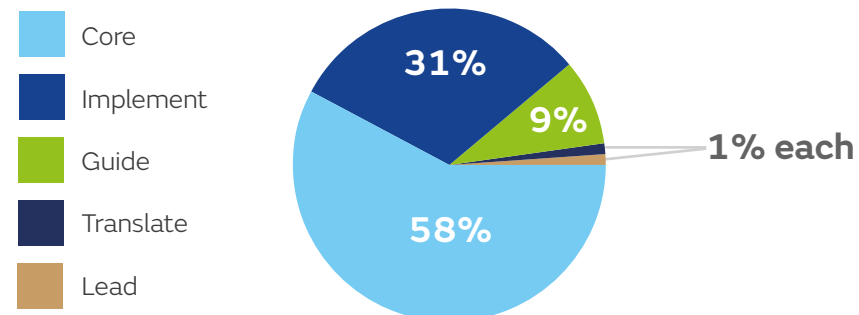
The tables and infographics below represent our overall median and mean gender pay and bonus gap of our UK workforce, as of **5 April 2019**. This is a UK requirement only, and this report does not include our international colleagues.



The majority of people work in three of the five evaluation levels – Core, Implement and Guide. They comprise **98%** of our workforce. Our senior leaders make up only **2%**.

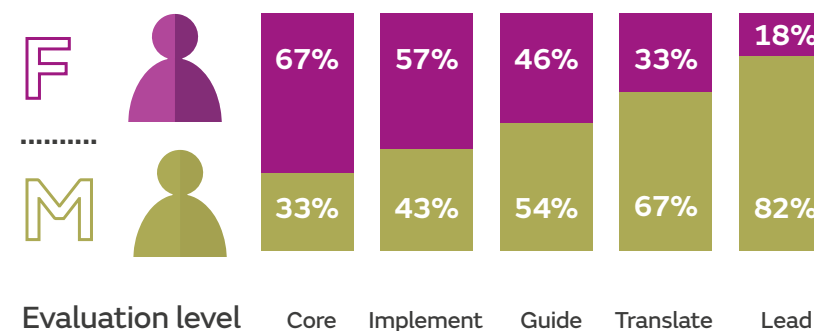
All employees by evaluation level (2019)

Total number of colleagues

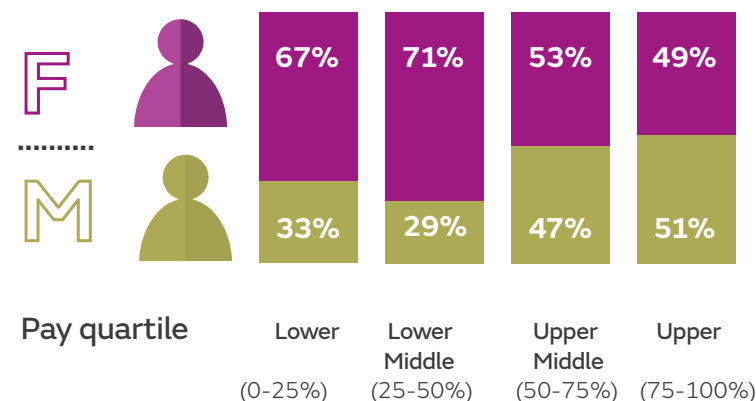


The following bands are metrics we are required to report. They represent the percentage of females and males paid in the gender pay distribution quartiles.

Employee distribution by evaluation level



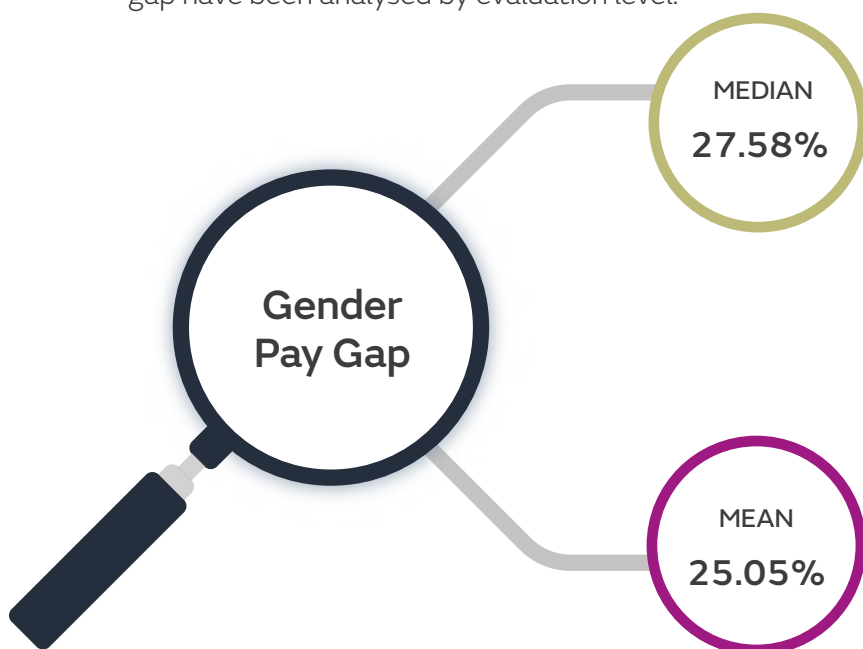
Gender breakdown by pay reporting quartiles



Difference in pay

MPS's 2019 median pay difference shows a marked reduction compared to both the 2018 and 2017 median pay difference. We also see a slight movement in the 2019 mean pay difference compared to the 2018 figure. However, this is still wider than it was in 2017.

For the above analysis to be more meaningful the **mean** and **median** pay gap have been analysed by evaluation level.



	2019 MPS	2018 MPS	2018 UK Average*	2018 Finance and Insurance Sector**
Median pay difference	27.58%	33.6%	17.9%	24.1%
Mean pay difference	25.05%	25.5%	13.1%	28.2%

* Office of National Statistics. Gender pay gap in the UK: 2018.

** UK Gender Pay Gap 2018 Results. Gender Pay gap reporting 2019. PersonnelToday.com.

The median pay gap at Guide level has improved significantly in favour of women. This is because we have more women in positions of leadership and lead roles across our medical, dental, underwriting, actuarial and legal teams.

We are also pleased to see the median pay gap difference within the Translate and Lead levels reduce to **0.28%** (from 3.35% in 2018 and 18.75% in 2017).

However, our median pay gap continues to be heavily influenced by a higher proportion of women working at Core level.

Again, a positive percentage represents where men are paid more. A negative percentage represents where women are paid more.

Median pay difference

Evaluation level	2019	2018	2017
Core	1.21%	-0.48%	-2.75%
Implement	0.03%	-5.99%	-2.75%
Guide	-32.82%	-6.52%	-4.37%
Translate/lead	0.28%	3.35%	18.75%

Mean pay difference

Evaluation level	2019	2018	2017
Core	6.75%	4.64%	6.0%
Implement	6.0%	-0.12%	0.32%
Guide	-2.98%	0.74%	1.80%
Translate/lead	14.74%	25.0%	28.10%

Difference in bonus

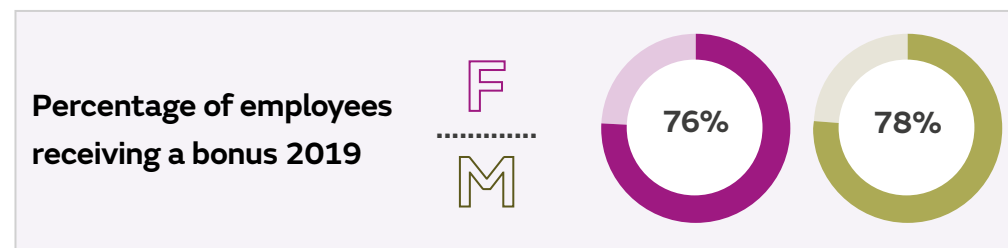
Several contributing factors meant that in 2019 men within MPS received a greater bonus overall than women.

	2019	2018	2017
Mean bonus difference	42.16%	34.0%	38.4%
Median bonus difference	44.82%	28.7%	42.7%

As expected, the bonus pay gap has widened this year due to the deferred bonus payment. Employees in Lead and Translate roles are only paid half of their bonus each year. They have to wait a further three years for the remainder of their bonus to become due, and payment is only made once financial criteria have been met. This is to ensure the senior leaders of the business make the strategic decisions which are in the long-term best interests of our members. This approach is typical in the financial sector.

Additional factors

This year a higher percentage of men received a bonus than women.



Within MPS employees are eligible for a bonus once they have passed their probation by 31 December 2018. The bonus is then prorated for the months they were employed in the year. More women than men were new starters in this reporting period, and so 63.5% of those ineligible for a bonus in their first year were female (which was driven by nothing else than their date of starting with MPS).

In addition, the widening bonus gap at Lead and Translate levels is due to deferred bonuses from three years ago being paid for the first time in 2019, which is further impacted by there being a higher proportion of men at this level.

Part-time v full time employment

We are proud of our flexible working and have 19% of our employees working part-time, of which 85% of are women. Bonus pay is calculated as a percentage of salary, with the percentage increasing with evaluation levels. As the calculation is based on actual salary received (and not on the full-time equivalent bonus), this further contributes to the gender bonus gap.





My career at MPS began in 2008 when I joined as a dentolegal advisor on a part-time basis, becoming a full-time employee in 2011. Prior to joining, I was a practising dentist in both NHS general dental and orthodontic practice.

Part of my work as a dentolegal advisor was to review the claims and complaints we handle on behalf of members and identify the 'root causes'. It was an honour to help members respond to and address professional challenges and, over time, I became fascinated in understanding the nature of risk as experienced by dentists across the world.

In 2017, the opportunity arose to join the Underwriting team who are responsible for identifying, mitigating and reducing risk – that both our members and the business are exposed to. Upon reading the job description, I wasn't sure I had the right skill mix at that time to take on such a different role. But colleagues in both departments encouraged me to pursue my interests, and so I put myself forward for the role.

I am now the Underwriting Policy Lead for Dental. I work closely with our dental, medical legal, actuarial and commercial teams to develop policies and products that evolve and adapt with emerging risks. I love my work – it is fascinating, challenging and rewarding in equal measure

Yvonne Shaw
Underwriting Policy Lead (Dental)



Our commitment to colleagues

As the biggest factor behind our gender pay gap is the balance of men and women across job levels, we continue to promote inclusivity and diversity in the organisation and ensure opportunities are available to all.

1. Talent and Succession Planning

We are committed to increasing the representation of women in more senior roles by ensuring the short-listed candidates comprise both male and females; at the same time, we encourage recruitment of males within our Core level.

We have also introduced a new resourcing system which enables better tracking and reporting of the candidate pool and talent. For example, with all external recruitment processes for senior leadership roles the shortlist includes a balanced representation of both men and women.

We continue to recruit and appoint on merit.

Several female colleagues have been promoted in the past year, and cross-functional secondments have provided stretch opportunities as a result of Talent and Succession Planning workshops. These aim to identify colleagues with high potential and put in place development opportunities which are equally accessible to all.

Women now comprise **25%** of the Executive team where previously it was **16%**.

In our medicolegal, dentolegal and claims management teams the senior leadership below the executive comprises **45%** female and **55%** male, with the highest paid employees on the team being women.

2. Understanding the issues

The Women's Inspirational Network launched in 2019 with a remit to understand the barriers that can prevent women from reaching their full potential, and to identify solutions to remove any obstacles.

3. Family friendly policies

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.

We have strong flexible working policy and want to encourage more staff to take advantage of this.

We have enhanced our support for people taking family leave (and returning to work) through programmes such as the Wellbeing Group and Parental Coaching. In the past year alone **20%** of those returning from parental leave utilised the coaching service.

4. Pay

We enforce the robust application of our pay policies and practices, to ensure no inequitable outcomes exist for either gender.

Salaries that are paid above the pay scales will continue to be managed in accordance with our pay policy and framework. We assess pay issues as they arise and ensure any pay gaps are addressed where necessary. The outcome of this action is visible from the reduction in the mean and median pay difference.

We have put measures in place which mean that we can monitor the gender pay gap in 'real time' from late 2019, which should provide us with valuable insights into the impact of any potential changes.



I have two young twin boys and am determined to be very involved in their lives while not compromising on my career development.

Thankfully MPS have been really supportive in agreeing flexible working hours which allow me to attend various appointments and do the school drop offs twice a week

As the head of a department, I obviously need to be in the office and attend meetings during much of the week. But being somewhere where your performance is judged by your outcomes and not time spent at my desk enables to do my best at work and at home. I also believe that improvements to gender equality in the workplace will only go so far unless both men and women feel financially, professionally and culturally able to request flexible working for family reasons

David Buckle

Head of Corporate Affairs



I joined MPS in 2005, and worked in and subsequently managed an administration function. Then in 2012, I took leave to start our family. During my period of parental leave, I was sent details of a Pricing Analyst vacancy – a role that would put my mathematics degree to good use. I applied and was successful at interview.

Returning to work after such a long time and to a completely new, technical role was extremely challenging; but, I was grateful for the flexible working arrangements that allowed me to take this next step in my career as well as give me valuable time with my family, too.

A few years later, and a month after returning from having my second child, I accepted a role as Senior Pricing Analyst. I am so pleased that I can continue to progress in my career at MPS. To support this, I was able to make use of the coaching MPS offers and I continue to benefit from flexible working arrangements

Sarah Middlebrough

Senior Pricing Analyst



Working in an historically male dominated profession I am pleased to say here at MPS we are above the industry norm when it comes to gender equality within Digital and Change.

There is however a lot more work to be done to achieve a true balance and to progress women in to leadership roles. I am pleased to see the introduction of, and be part of, the newly formed group MPS Women's Inspirational Network which will act as a support network to enable women to realise their potential and grow their careers further within MPS – 'strength lies in differences not similarities'.

With figures now showing that more women are graduating from university than men we should start to see externally influencing factors become less prominent and turn our focus internally to recruiting, retaining and growing these women

Amber Smale

Lead Data Warehouse Developer



We can do more

It's important to remember some of the most effective strategies for increasing diversity across our organisation may take time to net results. Although, we're proud of our work so far, we know there is more we can do.

Colleague survey

We recently introduced voluntary disclosure of ethnicity, sexual orientation and disability to our colleagues' personal profiles, to build up a better picture of our workforce and drive action to greater inclusivity.

Emerging Leaders

2019 sees the launch of our Leadership Fundamentals programme. This programme focuses on building the leadership and operational skills of all our current managers and in 2020 we will extend this as part of an emerging leaders programme. Gender balance will be a key focus to ensure all colleagues have access to this programme based on merit.

Flexible Working

Flexible working practices can either be an enabler or place barriers on individuals to entering or remaining in the workplace. In 2020 MPS will undertake an extensive review of our flexible working practices to ensure they support the business, follow and lead best practice and are fair for colleagues. Flexible working is also seen as a key way in attracting colleagues from different demographic groups to join and stay with MPS.

Corporate Social Responsibility

A key focus for MPS in 2020 is to further develop our approach on corporate social responsibility initiatives including opportunities for team and individual volunteering. The aim is to get close to the communities we are based in and add value to local charities and organisations that do good in society.

The Medical Protection Society Limited

medicalprotection.org

dentalprotection.org

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