



BARNETT
WADDINGHAM
beyond the expected

Reporting the UK Gender Pay Gap

Our analysis | April 2018



What is the gender pay gap?

The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation. Reporting on the gap is a legal requirement in the UK.

At Barnett Waddingham, our goal is to be a forward-thinking business, providing high quality independent solutions to help our clients understand and manage their financial risks and business uncertainties.

Our business is about people and we are exceptionally proud of our loyal staff who are committed to delivering an efficient and effective client service.

We are committed to continue to deliver opportunities for women; to ensure Barnett Waddingham is a place where women want to join and where they thrive equally with their colleagues, based on their choice and merit, and not on any conscious or unconscious bias. We have recently recruited a new Non-Executive Chair of Management Board, Elizabeth Renshaw-Ames, who will challenge our business activity and decisions, and as an advocate of diversity and inclusion is keen to ensure that we not only continue to maintain our strong values and do the best for our clients, but also to ensure that we are a fair employer who provide opportunities to all.

Women currently make up 30% of leadership and senior management roles.

In this report, we provide an update on our gender pay gap information from our first report in 2017. We will explain what actions we have been taking to ensure we support women in their career choices, alongside our future plans. It is good to see that a number of the metrics suggest a decrease in the gender pay gap, but we recognise that our objectives are much broader than simply moving the dial – we want to challenge ourselves to be an employer of choice and one where all our people feel able to give their best and be supported in their endeavours.



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I was so proud to be offered, and then to be confirmed, in the role of Chair of the BW Management Board- after facing up to my internal fears that the Partners didn't know me and therefore wouldn't vote for me. Being Chair of the Management Board involves using my skills, experience and insight to help the leaders of the Firm make good decisions and to lead the Board in leading the Firm into the future. This is a privilege, responsibility and a pleasure to work with such talented colleagues, whilst at the same time building my own career in a new non-executive direction.”

ELIZABETH RENSHAW-AMES
Non-Executive Chair

About us

We are proud to be a leading independent UK consultancy at the forefront of risk, pensions, investment and insurance.

We act for a wide range of clients, large and small, in both the private and public sectors including 15% of FTSE350 firms with a defined benefit pension scheme. Initially the firm provided actuarial consultancy only, and we have worked hard to diversify our services, bringing in employees with different skills to enhance our offering to a broader range of clients in the Trustee, Corporate, Insurance and Self-Invested Pension markets.

Barnett Waddingham continues to go from strength to strength and we now employ over 1,000 employees. Key to our growth are referrals from professional contacts and our existing clients. Our primary focus is to continue to provide the personal, quality, tailored approach that has made us successful and has led to our high level of client retention. We seek to build stable and long-term working relationships with clients, supported by happy, motivated staff.



..... We believe that we will be more successful if we work together to achieve our common objectives, than working alone. If there is success, we all share in it - and if there is a problem then we are all responsible for putting it right. We work to help all of our people achieve their ambitions so we are all working together for the benefit of our clients.

Measuring the pay gap

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

The regulations require us to report on our employee population as at the snapshot date of 5 April 2018. Our organisation is structured as a partnership and, in line with the regulations, the partners are not included in the gender calculations; partners are not employed and as such have a different remuneration structure. However, we appreciate it is important to be open and transparent about the gender pay gap and have therefore analysed these figures too which are shown below the employee data

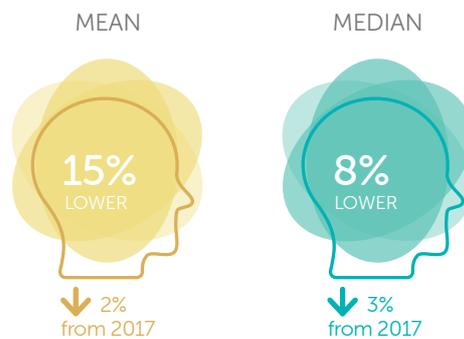
Gender pay reporting is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful, and against our belief to pay people unequally because they are a man or a woman.

Mean and median gender pay gap

The mean gender pay gap is the difference in average hourly rates of pay that male and female employees receive. This gives an overall indication of the gender pay gap by taking all hourly rates of pay and dividing by the total number of people in scope.

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

Women's hourly rate is:

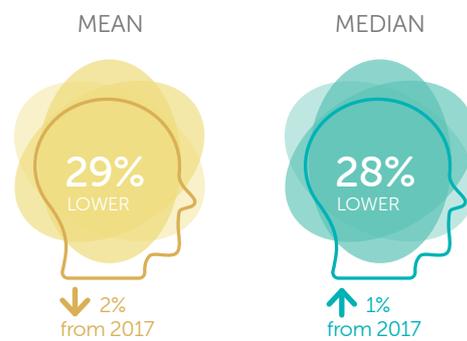


Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive.

The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by men and women.

Women's bonus pay is:

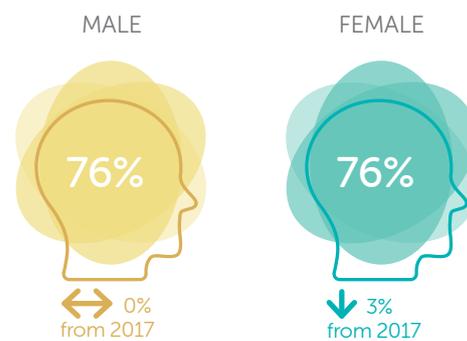


Proportion of males and females receiving a bonus

This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2018.

Our company bonus scheme eligibility is not based on status, purely performance. The reasons these percentages are not higher is due to the growth in our employee numbers and many of our employees included in the gender gap calculations were not employed with us when the main company bonus was paid out back in the summer of 2017. When we look at the percentage of eligible employees paid a bonus under our company scheme, this would be in the high nineties.

Proportion received bonus pay

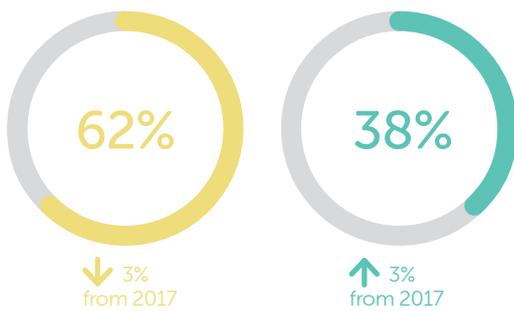


Measuring the pay gap

Proportion of males and females by pay quartile

This is the percentage of male and female employees in four quartile pay bands, (dividing our workforce into four equal parts).

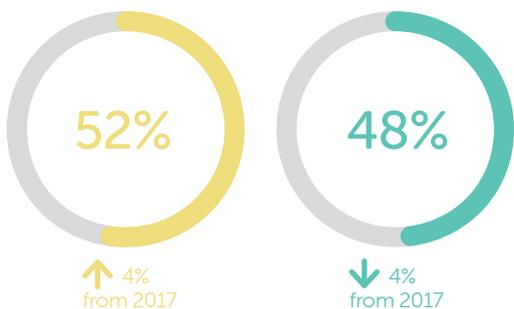
Upper quartile



Upper middle quartile



Lower middle quartile



Lower quartile



Male  Female 

Partners

Including partners in the analysis makes a large difference to the pay gap because (at 5 April 2018) we have 53 male partners and 15 female partners.

Mean and median gender pay gap

Women's hourly rate (partners only) is:



MEAN



MEDIAN

Women's hourly rate (employees and partners) is:



MEAN



MEDIAN



MARCUS WHITEHEAD
Managing Partner

“Including data on partners, although not required, is important to ensure our gender pay figures are open and transparent. We believe it is important to the success of our business to ensure we have good diversity across the business, including at the most senior levels. The gender pay reporting requirement has helped us focus on these challenges and encourage open debate at partnership level on how we improve this. This report outlines some of our initiatives already underway and we will continue to review these and consider what else we can do.”

Why do we have a gender pay gap?

We have a gender pay gap because there are more men in senior roles in the organisation. While women make up 49% of our organisation, at our most senior levels we have 70% men to 30% women.

- We appreciate the main reasons for this are historic concerning the inherent gender challenges in the actuarial profession, meaning more men have tended to sit in more of the senior roles.
- We also have a large administration function which employs a large proportion of our lower paid roles and this area currently employs more women.
- Personal choice plays a part. Proportionately more female staff have chosen to have a career break or work part time. This is not a barrier to progression but for some the choice is for a less demanding role and we are happy to support people in their choices.

Gender bonus gap

With respect to our median bonus pay gap, this is driven by two factors: a higher proportion of men (than women) in our Associates role where bonus targets are higher for these roles. The second factor is that a larger proportion of men are in consulting roles than women and these roles generally attract higher levels of annual bonus in line with the market. In addition, figures can be distorted by different levels of recruitment since the bonus pay date.



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Throughout my nearly 39 years in business I have always been challenged to think about how I might be better. I eventually (after support to develop my self belief - which can be as much of a brake as the views of others!) took this as a compliment, that others thought I was worth investing in, and relished the opportunity to try new things, to attend training courses and to develop new skills.

I had few women role models to look up to but I definitely had a number of women looking at me to see whether I could succeed amongst predominantly male peers. I have never wanted to be the same as them as I believed (and still do) that it is diversity that brings benefits as women often view things differently and have different attributes to bring to the table. I have always felt supported in my desire to develop and add value on a wider stage both in the past and now at Barnett Waddingham, but I do recognise that this is down to the culture (and the individuals) and doesn't apply in all businesses. It is worth recognising the positive culture we work in that wants women (and men) to develop, thrive and be their best and while there are occasionally behaviours towards, or assumptions about, women that need to be challenged even in a business like ours, it is great that these are few and far between and we can be part of a great team. We just need more women in the team!!”

JANE GALVIN
Partner and Chief Operating Officer

What action are we taking?

We are pleased to see that we are making progress on our gender pay figures, but we also know we still have work to do. Meaningful change takes time and we know we need to continue to drive this from the top of the organisation.

Diversity and inclusion

A key part of our people strategy is focused on diversity and inclusion. Our Diversity and Inclusion strategy has four aims:

- Create the highest performing teams through the development of our people
- Recruit, retain and promote diverse talent
- Equip our people with the skills to lead inclusively
- Establish mutual accountability and trust

These objectives will be realised through our ongoing People Strategy and Plans, which outline our actions for the next five years.

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At Barnett Waddingham, we want to have a diverse and inclusive workforce as we believe that this will provide us with high performing teams that will be the driving force behind our continued success. An essential part of this is developing teams who give and welcome different opinions, perspectives and cultural reference; bringing a real richness in our day to day activities, which will achieve better business results, for both ourselves and for our clients. It will also enable us to access a wider talent pool without any boundaries or bias.

Our people strategy is focused on delivering our diversity and inclusion aims, alongside supporting the organisation's growth and business objectives over the next five years. Behind this, we recognise the importance of ensuring all employees are seen as making a valued contribution to the success of our business, working in highly effective and collaborative ways, to create a dynamic, flexible and appropriately paced working environment, where there is a true sense of professional fulfilment. We are mindful of the need to achieve a fair work-life balance, ensuring equitable workloads and continue to support employees in looking after their own wellbeing.

JACQUI DERRICK
Associate and Head of Human Resources



Family friendly

Enabling employees to balance work and family commitments is one of the areas we encourage and support at Barnett Waddingham.

- We have recently enhanced our family friendly provisions to support working families. We have significantly enhanced our maternity/adoption package which we hope may attract more women to us as an employer. We have made steps to improve our Paternity and Shared Parental Pay which we hope will help encourage more men to take this up.
- A large proportion of our employees have formal flexible working patterns, alongside individual flexibility as and when needed to cope with demands outside of work
- Supporting employees who have taken career breaks (particularly following maternity absence) has been a key focus for us to ensure that the return to work is successfully managed and outdated stereotypical assumptions aren't made.

Recruitment

As we continue to grow, recruiting and retaining excellent people is a vital part of our people strategy. Rewarding new and existing employees fairly plays an important role in supporting this objective and ensuring our people continue to be at the centre of what we do.

- Our newly launched Apprenticeship scheme is helping us build awareness of our business through secondary schools and encouraging a broader range of applicants from different backgrounds.
 - We are committed to ensuring that our remuneration packages are appropriate for the role and recognise skills and experience. We review all pay awards for consistency and fairness across the organisation. Improvements in our flexible benefits offering have been introduced to ensure we meet the needs of all of our employees.
 - We are developing our on-boarding process to ensure all employees are given the support and resources needed for a successful induction into our organisation.
 - We have a formal graduate and summer internship recruitment programme to bring employees into our student actuarial roles. We work hard to ensure that we get a good balance of candidates as we recognise these new entrants bring fresh thinking and challenge to our organisation.
- We have developed tools to support a fair and objective recruitment process and continue to ensure no bias. A new applicant tracking system has been launched which will help us monitor our statistics in this area.

Talent management

Talent management is one of our key priorities on our people plan and we have recently recruited a dedicated Talent Management specialist to support delivery of our talent management strategy. This strategy enables us to support retention and development, manage career potential and evaluate our workforce capabilities for now and in the future.

- We operate a formal talent management programme for our senior managers. In our most recent intake into this programme we had a 50/50 split on women/men. For those on the programme, we offer development supported through external coaching, 80% of these are female coaches.
- We track and collect gender information, broken down by area to ensure consistency across the board.
- We continue to improve our nominations process for progression to Partner and this has developed further by introducing a more robust competency based assessment, alongside a number of other assessment techniques, to ensure we assess the candidates objectively and fairly.
- We actively track progression pathways to ensure diversity.
- A key focus over the last year, has been on building on our people manager capabilities and skill set through modular training focusing on ensuring our managers apply best practice techniques and sharing ideas across all levels. Future modules will be on performance management and recruitment, ensuring individuals are evaluated against fair and objective criteria, and managers have an awareness of unconscious bias and its impact on decisions. We are looking to understand whether specific 'women in leadership' training is required.

Agile working

Agile or 'Smart working' has been in place for a couple of years now and is increasing in popularity, driven from both a business need and employees' preferences. This is important to help support workers with responsibilities outside of work and in particular helps those with childcare and caring responsibilities.

We have heavily invested in technology and systems to allow us to support working flexibly between and outside of our traditional offices. We support many formal and informal flexible working patterns to ensure our clients receive the service they expect while supporting, where possible, the work/life preferences of our people. Our culture favours people finding the right balance and doesn't require late night working or overtime.

A few words from our Senior Partner

People are at the heart of our business and we are exceptionally proud of our loyal staff who are committed to delivering an efficient and effective client service.

People who join Barnett Waddingham tend to stay, thriving in a professional learning environment and caring, friendly culture.

An important component of this culture is ensuring we have a fair remuneration and reward structure in place, alongside ensuring our people strategy supports and develops all individuals. We are confident that we pay men and women equally for doing the same work and we believe that we will narrow the current gender pay gap over time by our commitment to diversity and by continuing to work on developing all our staff. I am pleased with the steps we are taking to support all our staff but we will continue to challenge ourselves to make this organisation the best it can be, going beyond the expectations of both our clients and our staff.



NICK SALTER
Senior Partner

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2018.

A handwritten signature in black ink, appearing to read 'Nick Salter', written over a horizontal line.

NICK SALTER
Senior Partner

A handwritten signature in black ink, appearing to read 'Jacqui Derrick', written over a horizontal line.

JACQUI DERRICK
Associate and Head of Human Resources



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