

## SK COLLEGE GROUP

### REPORT FOR THE MEETING OF THE EXECUTIVE COMMITTEE TO BE HELD ON 27 MARCH 2018

<b>Report title:</b>	Gender Pay Gap Report		
<b>Purpose of Report:</b>	<p>Employers with 250 or more relevant employees are required to publish gender pay gap information by April 2018, based on data from April 2017. This report provides the necessary metrics to meet the publication requirements. The data must be published on the Government website <a href="http://www.gov.uk/report-gender-pay-gap-data">www.gov.uk/report-gender-pay-gap-data</a> as well as our own website by the 4 April 2018.</p> <p>The report has been compiled by XpertHR on behalf of SK College Group and they have provided relevant benchmarks for comparison with other similar organisations.</p> <p>Although the reporting date is April 2017 the report has been compiled using data for the SK College Group.</p> <p>This report has been prepared in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.</p>		
<b>Senior Manager accountable for report:</b>	John Hays, Director of HR	<b>Date of report:</b>	19 March 2018

### 1 EXECUTIVE SUMMARY

#### Background – causes of gender pay gap:

It has been against the law to pay men and women differently for doing the same or similar jobs for decades. So while unequal pay rates can cause a gender pay gap, this is a relatively rare explanation for the gap.

A gender pay gap is much more frequently the result of structural issues - about where men and women are most often found within an organisation, and the sorts of salaries those roles attract.

Across the whole UK economy:

- Men are more likely than women to be in senior roles - especially very senior roles at the top of the organisation.

- Women are more likely than men to be found in front-line roles at the bottom of the organisation in some types of organisation, especially those in retail or the care sector.
- Men are more likely than women to be found in technical and particularly IT-related roles which attract higher rates of pay than other roles at similar levels of seniority.
- Women are more likely than men to work part time, or to have had breaks that affect their career progression and long-term earnings.

Although the gender pay gap calculations required under the current Regulations attempt to adjust for the number of hours worked by calculating the gap based on an hourly rate, it remains a fact that part-time jobs are more likely to be lower paid than full-time jobs.

Overall SK College Group is no different to the above.

### **Definitions - Mandatory data**

#### **Mean gender pay gap**

This metric shows the percentage gap in the average salaries (including bonus payments) of men and women based on standard hourly rates of pay during the pay period in which 5 April 2017 fell. The pay period is commonly a single week or single month. It is likely to become the default metric when comparisons are made between organisations because it is most easily understood. It is important to remember that almost half of all organisations will have a gender pay gap on this measure that is higher than the average.

#### **Median gender pay gap**

This shows the percentage gap in the median salaries (including bonus payments) of men and women based on standard hourly rates of pay during the pay period in which 5 April 2017 fell. The median is the middle value when all the values are ranged from highest to lowest. The median is more representative than the mean of typical pay differences because it is less affected by a handful of considerably higher (or lower) salaries. However this also means that it ignores one of the most significant factors in determining a gender pay gap: the sometimes very high pay rates of largely male boardrooms. It is important to keep in mind that half of all organisations will have a gender bonus gap on this measure that is higher than the median and half will have a gap which is lower than the median.

#### **Mean gender bonus gap**

Both the mean and median gender bonus gaps are calculated from data for the full 12 months to April 2017. In addition to bonus payments, this includes commission and other types payments based on individual, group or whole company performance. The data excludes employees who either are not eligible for a bonus or who are eligible but did not receive a bonus. The gender bonus gap is typically higher than the gender pay gap because bonus payments are frequently skewed towards senior roles in which men make up a higher proportion of the workforce.

SK College Group does not pay bonuses to staff.

## **Median gender bonus gap**

This provides an alternative way of looking at the difference in bonuses paid to men and women. It is important when reviewing both the mean and median gender bonus gaps to keep in mind that these figures are based purely on the data for that subset of employees who received a bonus. If a higher proportion of men than women receive a bonus, and the average or median bonus paid to men is higher than that awarded to women, then this exacerbates the gender divide.

SK College Group does not pay bonuses to staff.

## **Proportion of men and women receiving a bonus**

Based on a broad definition of bonus which includes commission and other payments related to individual, group or company performance, this metric reports solely on those employees who were both eligible for a bonus payment and who received one. It therefore excludes those who may have been eligible but did not qualify for a payment.

## **Pay quartiles by gender**

Of all the metrics, this is the one most likely to shed light on the underlying causes of any gender pay gap. This section of the report divides the workforce into four equally sized groups based on their hourly pay rate, with Band A including the lowest paid 25% of employees (the lower quartile) and Band D covering the highest paid 25% of employees (the upper quartile). In order for there to be little or no gender pay gap, there would need to be the same ratio of men to women in each quartile band. An organisation with a high ratio of men to women in Band D is likely to have a gender pay gap, as is an organisation with a high ratio of women to men in Band A. It may be the case in historically male-dominated industries that women are found mostly in Bands B and C, occupying mid-level, often office-based roles, but rarely found either on the shop floor or in the boardroom.

## **Mandatory data to be published**

### **Mean gender pay gap**

The mean gender pay gap is 10.9%.

This figure is based on:

- A mean male hourly rate of £15.44
- A mean female hourly rate of £13.76

### **Comparators**

<b>Group</b>	<b>Mean gender pay gap (%)</b>	<b>Mean gender pay gap (£)</b>
SK College Group	10.9	1.68
Whole sample (XpertHR)	16.5	4.91
Sector: Public services	11.4	2.68
Industry: Public education	13.0	2.87
Turnover: Under £100 million	15.0	4.61
Employees: 250 - 999	16.4	4.28
National Statistics (ASHE 2017)	All employees: 17.4; Education: 18.3	All employees: 3.06; Education: 3.61

### **Summary**

At 10.9%, the mean gender pay gap for the College Group is significantly below the whole sample figure. It is below the figure for organisations in the same sector and below the figure for organisations in the same industry.

## **Median gender pay gap**

The median gender pay gap is 17.0%.

This figure is based on:

- A median male hourly rate of £15.90
- A median female hourly rate of £13.19

## **Comparators**

<b>Group</b>	<b>Median gender pay gap (%)</b>	<b>Median gender pay gap (£)</b>
SK College Group	17.0	2.70
Whole sample (XpertHR)	13.6	3.41
Sector: Public services	10.6	2.14
Industry: Public education	16.2	3.48
Turnover: Under £100 million	12.6	3.18
Employees: 250 - 999	14.2	3.08
National Statistics (ASHE 2017)	All employees: 18.4; Education: 26.5	All employees: 2.52; Education: 4.74

## **Summary**

At 17.0%, the median gender pay gap for the College Group is significantly above the whole sample figure. It is significantly above the figure for organisations in the same sector and broadly in line with the figure for organisations in the same industry.

## **Mean gender bonus gap**

The mean gender bonus gap is 0%.

SK College Group does not pay bonuses to staff.

## **Median gender bonus gap**

The median gender bonus gap is 0%.

SK College Group does not pay bonuses to staff.

## **Proportion of men and women receiving a bonus**

The proportion of male employees receiving a bonus is 0.0%

The proportion of female employees receiving a bonus is 0.0%

SK College Group does not pay bonuses to staff.

## Gender pay quartiles

SK College Group pay quartiles, percentage in each band (number of employees in each band)

<b>Band</b>	<b>Males</b>	<b>Females</b>	<b>Description</b>
A	29.4% (57)	70.6% (137)	Includes all employees whose standard hourly rate places them at or below the lower quartile
B	35.9% (70)	64.1% (125)	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
C	54.4% (106)	45.6% (89)	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
D	50.0% (98)	50.0% (98)	Includes all employees whose standard rate places them above the upper quartile

## Comparators

<b>Group</b>	<b>Band A (lowest paid)</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D (highest paid)</b>
SK College Group	Male: 29.4% Female: 70.6%	Male: 35.9% Female: 64.1%	Male: 54.4% Female: 45.6%	Male: 50.0% Female: 50.0%
Whole sample (XpertHR)	Male: 48.3% Female: 51.4%	Male: 54.5% Female: 45.5%	Male: 59.3% Female: 40.7%	Male: 65.8% Female: 34.2%
Sector: Public services	Male: 32.8% Female: 67.2%	Male: 39.8% Female: 60.2%	Male: 43.1% Female: 56.9%	Male: 50.1% Female: 49.9%
Industry: Public education	Male: 28.4% Female: 71.6%	Male: 34.8% Female: 65.2%	Male: 41.3% Female: 58.7%	Male: 51.1% Female: 48.9%
Turnover: Under £100 million	Male: 47.9% Female: 52.1%	Male: 53.0% Female: 47.0%	Male: 58.2% Female: 41.8%	Male: 63.7% Female: 36.3%
Employees: 250 - 999	Male: 47.7% Female: 52.3%	Male: 53.6% Female: 46.4%	Male: 58.8% Female: 41.2%	Male: 65.6% Female: 34.4%

## Summary

The pay quartiles demonstrate that in the College Group females are predominantly employed in pay quartiles A and B and with proportionately more females employed in these bands than males. This explains the over mean gender pay gap difference.

## **2 RECOMMENDATIONS**

The report was approved for publication by the Executive Committee on 27<sup>th</sup> March 2018.