

Gender Pay Gap 2017



Foreword

At Midland Heart, we have a diverse workforce, which reflects our customers and the communities we serve. Being inclusive has always been at the very core of our organisation, as when we embrace our diversity, we attract and retain the right people to provide the best service to our customers.

Alongside other employers with over 250 employees, we are publishing our gender pay gap results for 2017 and will continue to do so annually.

We have presented our Gender Pay data in a number of ways along with an explanation of what it means for Midland Heart. Our results are better than the UK average, meaning we have a smaller gender pay gap than other organisations. Our median gender pay gap is 15.45%, while the UK average median gap is 18.4%.

Due to our robust policies and pay procedures, we pay men and women equally for doing equivalent jobs at Midland Heart. We have a gender pay gap for two reasons; there are more women working in social care positions with lower levels of pay and more men in leadership positions with higher levels of pay. These two issues in the gender balance of our workforce reflects the wider societal norms across the UK. Whilst we have made progress, we understand there is more we can do.



We have a clear plan to reduce our gender pay gap - it won't happen overnight - but we are clear on what we need to achieve over the next few years to see our gender pay gap reduced.

Baljinder Kang Director of HR

What is the gender pay gap?

The gender pay gap is the difference between the hourly pay for men and the hourly pay for women, regardless of the work they do. It gives an overall picture of total pay from the highest to the lowest paid colleagues and lists them by gender. These figures take into account both full and part time roles. Put simply, occupations where either men or women are underrepresented will produce higher pay gaps.



Nationally, one of the main reasons for the gender pay gap is men are more likely to be in senior roles.



18.4%

National gender pay gap is 18.4%

Gender pay is very different to equal pay

At Midland Heart, we pay all men and women equally for doing similar work or work of equal value. This is known as equal pay, which is very different to gender pay, but easily confused.



How do we calculate our gender pay gap?

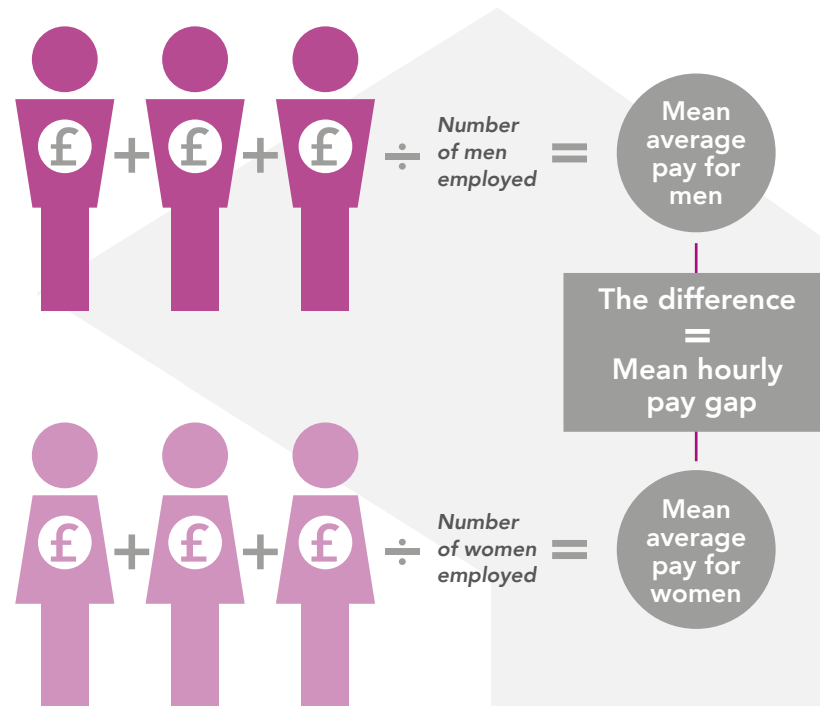
1,265 colleagues were included in our data snapshot.

We have published our mean and median pay gap information as at the **snapshot date of 5th April 2017**. This is the date when all employers had to cut their pay data and report based on the hourly rate of pay on that day.

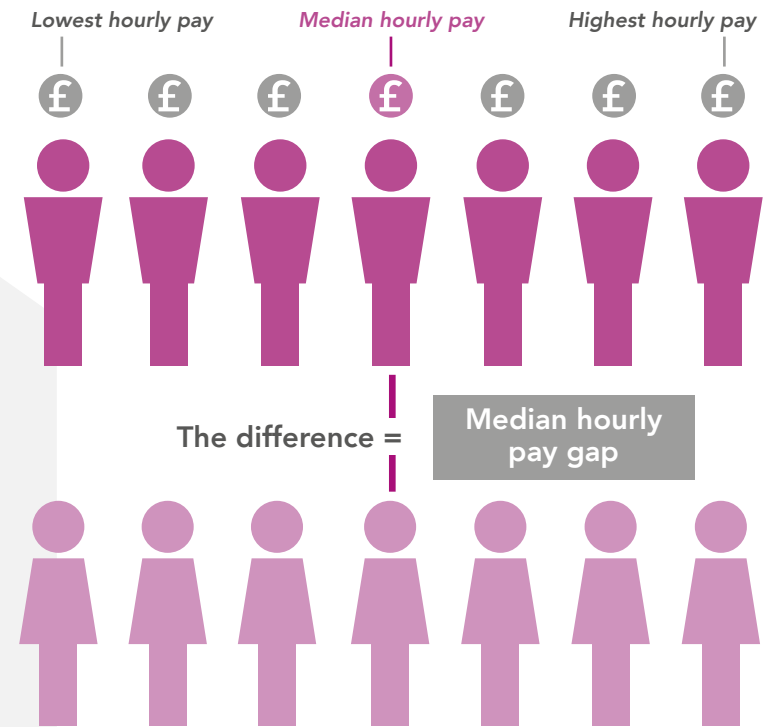
The mean is our average pay; this is when the salaries of men and women are added up and divided by the number of men and women in each list.

The median is when all salaries from men and women are organised in order and the middle number is picked out from the list of men, and the list of women.

How we calculate the MEAN (average) pay gap



How we calculate the MEDIAN (middle) pay gap



What is our gender pay gap?



Our median gender pay gap is 15.45%
The UK median gender pay gap is 18.4%

Our mean gender pay gap is 19.2%
The UK mean gender pay gap is 17.4%

Our median gender pay gap is 8.56%
(excluding social care roles)

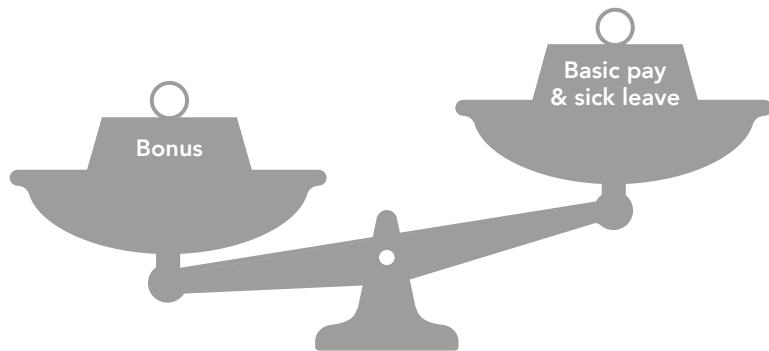
Our mean gender pay gap is 15.1%
(excluding social care roles)

Who receives a bonus?

The government defines a bonus as anything that relates to productivity, performance, incentive and commission. We provide bonuses in the form of long service awards, commission, STAR recognition awards and the Property Care Productivity Scheme. The proportion of men and women who received bonus pay is:

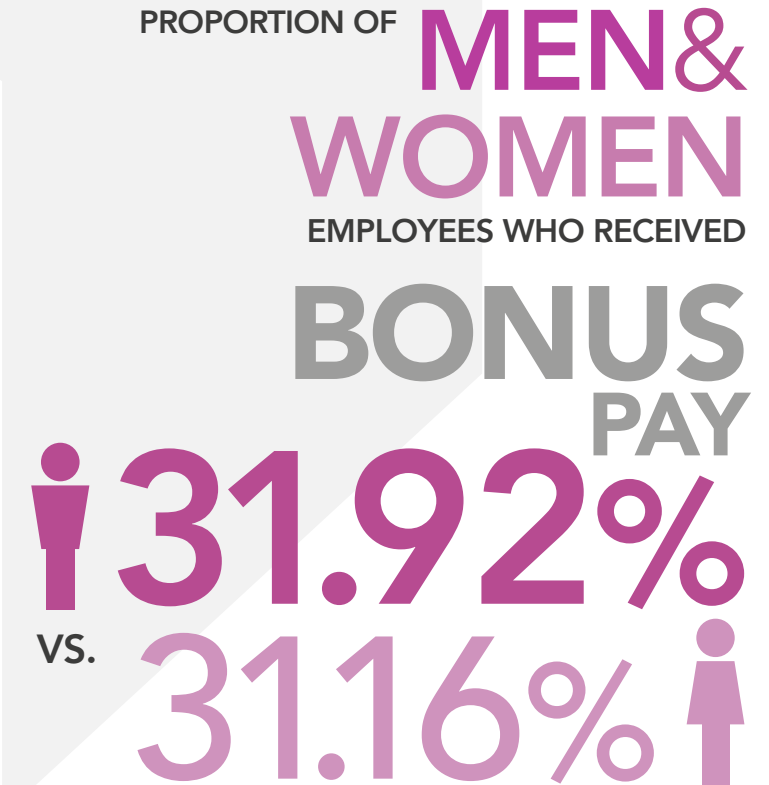
31.16% women v.s 31.92 % men

The proportion of men and women receiving bonuses are almost the same, however we do have a large mean bonus gap between men and women.



This is due to our Property Care workforce, which consists of roles such as repair operatives, which are filled predominantly by men. The Property Care team have a pay framework which incentivises quality repairs.

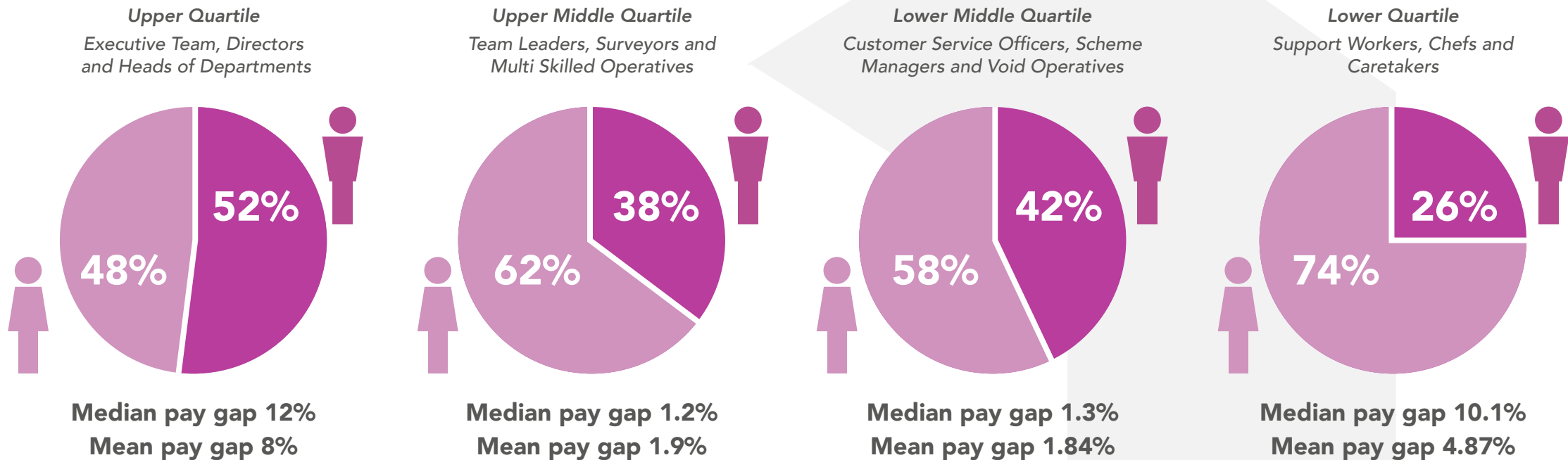
Whilst the majority of teams have the same terms and conditions, colleagues in Property Care have some less generous employment terms when compared to the rest of the organisation. They operate under a performance based pay system which is directly linked to the customer expectations of our repairs service. They must respond to customer emergencies as well as providing a quality repairs service and their pay directly relates to customer outcomes. Whilst they have access to a bonus payment, some of their terms and conditions of employment are more basic than the rest of the organisation. For example they do not receive occupational sick pay when they are absent from work and their basic pay is also set below median market rates. This pay structure works to incentivise quality repairs, but as a result, it has a direct impact on our mean bonus gap data.



Median bonus gap 9% (£100 men, £91 women)
Mean bonus gap 91% (£2,428 men and £213 women)

What is the gap in each pay quartile?

At Midland Heart, **60.6% are women and 39.4% are men**. They are distributed throughout the organisation in salary bands in the following proportions. We have also included typical roles in each quartile.



What does our gender pay gap tell us?

We have worked hard to understand the story behind our numbers. Many factors can drive the difference between the average earnings for men and women and for us they include:

- The distribution of men and women within different roles at Midland Heart. Out of our total workforce 60.6% are female and 39.4% are male
- Like other organisations in the sector who provide both housing and care, over half (60%) of our colleagues work in social care roles, and this area has a high concentration of women. Many of the roles in social care have lower rates of pay, due to external factors that affect what we can pay, such as the contract price set by commissioners
- If we exclude the social care roles our median gender pay gap reduces to a much lower figure of 8.56%
- In contrast to the social care roles predominantly held by women in the lower quartiles, men mostly hold roles in our in-house maintenance team Property Care, which is a common theme across housing providers that provide a maintenance service
- Our middle quartiles with positions such as team leaders and scheme managers are more balanced representing a relatively even number of men and woman carrying out roles in these pay brackets
- The proportion of colleagues receiving bonuses are almost the same - 31.16% women and 31.92% men. However, the average payment to men is £2,428 compared to £213 to women. The majority of people receiving a bonus payment are in our Property Care workforce who are predominantly men. They receive a performance based pay system but lower basic pay, along with some terms and conditions which are less generous compared to the rest of our workforce. Their focus is to respond to customer emergencies and complete repairs to a high standard. Their pay reflects the outcomes they achieve for our customers and this pay framework for Property Care has a direct impact on our bonus data



How do we close the gap?

We plan to reduce our gender pay gap by breaking our plan down into three key themes.

How we attract people

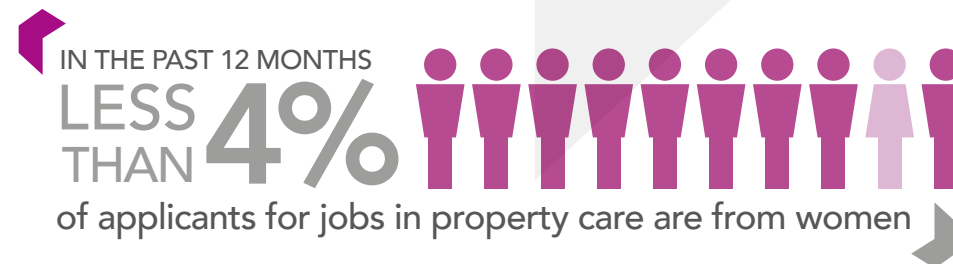
- To improve our gender balance, we are striving to attract more women into Property Care roles and more men into social care roles. This is being done through targeted advertising campaigns and closer partnerships with colleges to increase the number of apprentices joining and progressing at Midland Heart
- To encourage more women into our leadership team, interview shortlists for upper quartile roles should be made up of men and women
- Using our established Equality and Diversity group to track and assess the recruitment profile of internal and external applicants progressing through each stage of the recruitment process
- Attracting more women, into predominantly male trade roles through targeted advertising for our apprenticeship program

How we develop people

- We will increase the number of women progressing into management roles. We will achieve this by increasing the number of women in our future talent pool for these roles. We will do this through ensuring we have gender balance on our training programmes for managers. We've already made a start with this two cohorts of our Aspiring Managers have been 65% women and four cohorts of Front Line Manager programmes have been 64% women. We will track the progress of these cohorts to remove any barriers that prevent women from securing more senior roles

How we retain people

- By focusing on our succession and workforce planning strategies we strive to ensure gender balance amongst those colleagues identified as successors, removing barriers which could prevent women from progressing
- By continuing to embed our flexible working policies across all levels and tiers of our workforce, both men and women, are more able to balance the pressures of personal and professional lives
- By continually running a variety of programs aimed at helping all our employees reach their full potential such as the Leadership Academy, Aspiring Managers, Equality and Diversity and Speaking Out



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