

# YBS GENDER PAY REPORT 2020

The principles of decency and respect are central to how we reward and recognise our people at YBS. We treat our colleagues consistently regardless of their background, gender, race or ethnicity. For us, gender is no more or less important than any other characteristic that makes our people who they are. We're committed to building a more balanced workforce that's genuinely representative of the views of our customers and society as a whole.

From 2017 onwards, all companies with over 250 employees were asked to report on their gender pay gap, and continue to publish this gap on an annual basis. This is most simply described as the difference between the average wages of men and women regardless of seniority. This is different to equal pay which addresses the difference in pay for men and women in the same job.

## 2020 figures

As at April 2020, our Gender Pay Gap stands at 32.9%. This is 2.4% higher than the Society's 2019 figure, an increase in part resulting from the change in pay date for the Senior Leadership Team bonus in 2020, moving from May to April. Had the Senior Leadership Team bonus payments been paid in May, the Gender Pay Gap for 2020 would have been 31.3% (30.5% in 2019).

In 2020 our colleagues were recognised and rewarded through the Society's annual bonus scheme. As in the previous three years, almost equal proportions of women and men received a bonus award, with both men and women achieving virtually the same percentage in terms of the maximum bonus opportunity.

We have also reviewed the actual bonus received by both groups in terms of £; the 'gender bonus gap'. In 2020 this stands at 48.3% (mean) and 33.3% (median). Unlike the gender pay gap, the bonus gap is calculated purely on the number of colleagues in the organisation. This means that it doesn't take account of part-time working and the impact that this has on both salary and bonus payments. As a result it is potentially higher due to the majority of our part-time colleagues being female.

## How does the composition of the workforce impact the Gender Pay Gap in YBS?

The main driver of our gender pay gap continues to be the imbalance of women and men at different levels of the organisation. In simple terms, we have more men occupying senior roles, whilst more women occupy less senior roles.

In 2020 there was no significant difference between the average pay increase awarded to men and women (0.01%) during our annual pay review, confirming that this has not detrimentally impacted the Gender Pay Gap. We regularly review our pay by grade (organisation level) to ensure that men and women are treated equally, and we are comfortable with our position in that respect. To bring this to life, if YBS were to have a 50:50 split of males and females at each level in the organisation, our gender pay gap would reduce to 3.5%.

Over recent years, we've been working hard to address this imbalance and have taken a number of actions, including adopting strength-based recruitment processes to remove gender bias, introducing an Inclusion Policy and mini guides on specific topics, support colleagues and people leaders in understanding difference, and training over 800 line managers on making effective pay decisions.

We have also introduced a pilot to improve gender diversity in customer facing roles, specifically focusing on improving the number of males in branch roles across the network. We've also been sharing stories from colleagues via our Time to Talk Series, which focuses on topics such as [women moving into senior roles](#) and [junior males in entry level positions](#).

This is beginning to make a difference; in the past year we've increased the number of women in the Senior Leadership Team, taking us to 46%, in line with our [Women in Finance Charter commitments](#).

However, addressing the issue of gender representation across an organisation takes time and at YBS we're committed to staying focused on this for as long as it takes.

## What does Diversity and Inclusion mean to YBS?

Inclusion and Diversity is important to the Society and we don't limit our work to focus purely on gender. We believe an inclusive organisation is critical to our success, both

today and in the future.

Diversity of thought and experience enables us to foster creativity and innovation to develop products and services that will genuinely deliver real help with real life to our customers, members and the wider community.

## What is YBS doing to create an inclusive workplace?

Looking to the future we're putting plans in place to further address the gender imbalance and create a more inclusive organisation. Over the next 12 months we'll be pushing ahead on this journey by:

- ✓ Investing in our people leaders, giving them the tools and confidence to lead diverse teams and create an environment where everyone, regardless of background, are able to contribute and grow.
- ✓ Introducing Ally Networks designed to raise the profile of under-represented groups such as women, BAME and LGBTQ+ across the organisation, particularly amongst senior leaders, as well as providing an opportunity for colleagues to discuss the challenges they face and ideas to resolve them.
- ✓ Completing an end-to-end review of our senior manager recruitment process to support female and BAME recruitment at all levels of the organisation.
- ✓ Introduction of strengths-based recruitment across all roles at YBS, supported by a focus on balanced shortlists and the introduction of inclusive recruitment training for all hiring managers.

These all represent significant steps forward for YBS, we believe that by valuing diversity of thought and outlook we can make better decisions across our business in order to benefit our members.

# GENDER PAY AND GENDER BONUS GAPS EXPLAINED.

The descriptions below give an overview of the gender pay gap measures and how they are calculated. For precise definitions, the relevant regulations should be referred to.

## The gender pay gap – what it is

The gender pay gap is the average difference in pay between all men and all women – at an organisation, industry, or country level. It uses average hourly rates of pay, so puts everyone on a level footing by adjusting for the number of contracted hours.

## The gender pay gap – what it isn't

Because it's based on average rates of pay, the existence of a gender pay gap does not mean that individuals are being paid unfairly for the specific role that they do. Gender pay is completely different from equal pay, which considers pay differences for individuals at a role level e.g. jobs of the same value.

## Calculating the gender pay gap

'Pay' is calculated for the pay period including 5 April, according to strict definitions. It includes basic salary and a number of other elements paid in that month, including shift premia, bonus payments and certain allowances. It doesn't include overtime, or deductions. Where pay is less than usual in April due to particular reasons, such as maternity, paternity or sick leave, the individual is not included in the pay gap calculation. In the regulatory data two ways of calculating the average are shown:

- The mean averages all of the pay rates for all men, and all of the pay rates for all women.
- The median takes the middle value in a range of pay rates.

## The gender bonus gap and numbers of colleagues receiving bonus

The gender bonus gap shows the average difference in all bonuses received in the 12 months prior to the 5 April, by women and men employed at 5 April. Unlike the gender pay gap, there is no pro-rating for hours worked, or length of service in year. So the gap can be particularly high if, for example, there are more women than men carrying out part-time work. As with pay, both the mean and the median bonus gaps are calculated. And we also show the proportions of male and female colleagues, employed at 5 April, who were paid bonus during the previous 12 months.

## The proportions of colleagues in pay quartiles

The final metric produced for gender pay gap reporting is the proportion of male and female colleagues, in receipt of full pay in April, in each of four pay quartiles. This demonstrates how many women and men there are at different pay levels in the organisation. Quartiles are found by listing everyone's hourly rate pay, from the lowest to the highest, in four equal quartiles.

## What could cause a gender pay gap?

The gender pay gap is based on average pay of females and males, so one of the biggest causes of it can be the numbers of women and men in different roles and at different

levels in an organisation. For example: if the majority of employees in the upper pay levels are male, and the majority of employees in the lower pay levels are female, there is likely to be a gender pay gap, even though everyone is being paid the correct and fair pay for the job that they are doing.

## Other reasons which may contribute to a gap include:

Different industry sectors and different jobs – with different rates of pay – that people work in.

Contracted hours - the high proportion of women in often lower-paid part-time work.

Pay progression - across the UK generally, a widening of the gender pay gap typically happens when women take time away from work to raise families, with pay progression for women returners on average being slower than for men. Pay choices - that are made at various points of an individual's working life. There are many possible root causes to these reasons. Some may be personal, such as choices people make because of their own circumstances, their work preferences, and their aspirations. Other causes are part of society generally, such as the roles that people have historically been attracted to or feel comfortable working in. The culture in an organisation can have an impact too, affecting how well supported all colleagues feel to progress as far as they would like. Because there are many contributing factors to a gender pay gap, there isn't one simple solution that 'fixes' it.

## STATUTORY METRICS 2020

Gender pay gap - mean<sup>1</sup> : **32.9%**

Gender pay gap - median<sup>2</sup> : **29.0%**

Gender bonus gap - mean<sup>3</sup> : **48.3%**

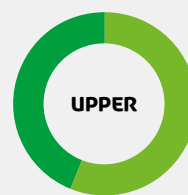
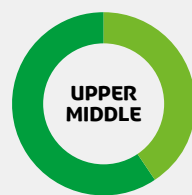
Gender bonus gap - median<sup>4</sup> : **33.3%**

The proportions of male and female relevant employees who were paid bonus pay.

 **93.8%**  
women

 **91.2%**  
men

The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper pay quartiles.



<sup>1</sup> The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

<sup>2</sup> The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

<sup>3</sup> The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

<sup>4</sup> The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

## SUMMARY OF MOVEMENT IN THE GENDER PAY GAP

| Measure   |                       | 2020            | 2019            | 2018            |
|---|-----------------------|-----------------|-----------------|-----------------|
| Mean pay gap  |                       | 32.9%           | 30.5%           | 29.7%           |
| Median pay gap  |                       | 29%             | 27.9%           | 26.6%           |
| Proportion of men & women in each quartile of pay (M:F) | Upper quartile        | ♂ 58.5% ♀ 41.5% | ♂ 56.2% ♀ 43.8% | ♂ 56.7% ♀ 43.3% |
|   | Upper middle quartile | ♂ 41.0% ♀ 59.0% | ♂ 40.8% ♀ 59.2% | ♂ 39.3% ♀ 60.7% |
|   | Lower middle quartile | ♂ 27.5% ♀ 72.5% | ♂ 27.4% ♀ 72.6% | ♂ 28.9% ♀ 71.7% |
|   | Lower quartile        | ♂ 18.0% ♀ 82.0% | ♂ 18.9% ♀ 81.1% | ♂ 20.8% ♀ 79.2% |
| Mean bonus gap  |                       | 48.3%           | 47.9%           | 44.9%           |
| Median bonus gap  |                       | 33.3%           | 34.1%           | 36.1%           |
| Proportion of men receiving a bonus                     |                       | 91.2%           | 96.1%           | 94.3%           |
| Proportion of women receiving a bonus                   |                       | 93.8%           | 95.8%           | 95.3%           |

### Statement of Accuracy

The information in the 2019 statutory metrics table above in relation to the Yorkshire Building Society has been created in line with and to comply with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in relation to the pay period including 5 April 2020.

I confirm that the information is accurate.



Stephen White  
Executive Director Sponsor

Date: 11 January 2021

