

Our Gender Pay Gap Report

Hill+Knowlton Strategies UK
1st March 2019



Introduction

Hill+Knowlton Strategies UK (H+K) is committed to building a workplace where everyone can reach their full potential. Our goal is to continue to develop a diverse and inclusive culture where everyone belongs.

We welcome the Government's efforts to drive greater transparency and to close the gender pay gap. We believe this creates a stronger, fairer more inclusive society for all in the UK and helps to reflect the changing face of our modern-day work place.

On the 5th April 2018, the date we measured our gender pay gap for this report, there were 266 staff who were paid through the H+K London payroll and therefore qualified to be counted in our gender pay numbers. 158 of these staff were women and 108 men.

This represents a 59% to 41% mix in favour of women. This compares to an average across the PR industry as measured by the PRCA of around 66% women and 34% men.

We have a mean (average) gender pay gap of 15.4% compared to 18.4% in 2017. We have made progress and are below the UK National average as reported by the Office of National Statistics. This was 18.4% in 2017 and has slightly decreased to 17.9% in 2018. In the 2018 PRCA PR and Communications Census, the gender pay gap in the PR and communications industry is 21%.

Median salary: 2018: -2.4% 2017: -3.9%

Mean salary: 2018: 15.4% 2017: 18.4%

In the UK as a whole, the gender pay gap for those between 18-39 years of age is virtually zero. It is after the age of 40 that it starts to widen.

In our agency at the very senior leadership level, where we also include several executives from our global organisation, and where pay and bonuses are highest, we have fewer women and as a result we continue to have a mean salary and bonus gender pay gap.

What these numbers mean

While progress has been made and our gender pay gap numbers are overall better than they were in 2017, they are not where we would like them to be – and we remain committed to improving them as quickly as we can.

These numbers do not show a lack of equal pay inside H+K, but rather demonstrate a different metric. They examine the difference between men and women's average hourly rates of pay, which take into consideration the different pay across levels and genders. At H+K, the median salary is slightly in favour of women, but the mean salary remains in favour of men.

We are truly committed to continuing and driving our process of change in this area. In 2018 we are pleased to report that we promoted 42 women. We also promoted four individuals internally to Director through our Director Development Programme, three of whom were women.

Pay at H+K is constantly measured, benchmarked and calibrated to ensure that it is fair and relevant to roles, skills and experience. There are different bands of pay with specific pay and rewards dependent on the seniority, skills and expertise of staff at those various levels across H+K London. We run a system of bonuses for performance related work and for specific achievements.

People, Culture + Creativity

H+K is an exciting, passionate and dynamic place to work. In a survey completed by H+K employees in London in 2018, 79% of people said they are proud to work here.

I am very proud of this, but also want to see it continue to improve. We are working to transform our culture from the inside out in the areas of creativity and equality. Enabling a strongly diversified and inclusive workforce drives our ability to do the most creative and most impactful work for our clients in our specialist areas of expertise.

To support this, we are specifically developing and celebrating an employee-led programme inside the firm called EquALL. This programme is dedicated to instilling a clear culture of equality for everyone across H+K and is developing into one of the cultural cornerstones of the agency. Our whole-agency crowd sourced the concepts for EquALL. We are planning to develop and grow the activities much further this year.

Personal development

In 2018 we provided our people with 5,341 hours of training, an increase of 41% in our learning and development initiatives from last year. Our highly successful learning and development varies from personal coaching, creative strategy and behavioural science and includes teaching each other through staff 'show and tells' at our monthly Big Night In events.

Hiring processes

As with any agency of our size, there is a natural level of staff turnover with an ebb and flow of people coming in and out of the business at all levels and across both genders. We therefore regularly hire and are committed to hiring the best talent available and ensuring equality in our recruitment processes. We recently launched an apprenticeship programme and have started working with Debut and Creative Access to source a more diverse intake of candidates. Now in our fifth year of partnering with the charity, Drive Forward, we provide work placements and training for young people who have been through the care system.

I am personally committed to maintaining complete equality at H+K in London and I will do my utmost to reduce the gender pay gap. I will be working to ensure that there is opportunity for everyone with no gender or ethnic bias of any kind. To run a business any other way is simply not good business. I look forward to further open dialogue and progress.

Thank you



Simon Whitehead, CEO
Hill and Knowlton Strategies London

What is equal pay, what is the gender pay gap?

Equal Pay

Equal pay is the legal right for men and women to be paid the same when doing the same or similar work, or work of equal value. This is different to the gender pay gap.

Gender Pay Gap

The gender pay gap is the difference in average pay and bonuses between men and women irrespective of role.

What are we required to report?

The government requires employers in the UK with 250 staff or more to report both the median and mean gender pay gaps and bonus gaps in their workforce, as well as information on the proportion of men and women awarded a bonus, and the proportion of men and women when divided into four groups (quartiles) from lowest to highest pay.

Median and mean calculations were used when comparing pay on 5th April 2018 and bonuses for men and women from 6th April 2017 to 5th April 2018.

The numbers

The gender pay gap (difference in hourly average pay)

2018

-2.4%

Median (middle)

15.4%

Mean (average)

2017

-3.9%

18.4%

The workforce gender balance

2018

Male

41%

Female

59%

2017

39%

61%

The median

The figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median gap is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages. Median averages are useful to indicate what the 'typical' situation is i.e. in the middle of an organisation and are not distorted by very large or small pay rates or bonuses.

The mean

The mean, commonly known as the average, is calculated when you add up the wages of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference (as a percentage) between mean male pay and mean female pay. Mean averages are useful because they give a good overall indication of the gender pay gap, but very large or small pay rates or bonuses can dominate and distort the answer.

Proportion of males and females in each quartile salary bracket



Lower pay quartile

2018 **43%** **57%**

2017 **47%** **53%**



Lower middle pay quartile

2018 **39%** **61%**

2017 **35%** **65%**



Upper middle pay quartile

2018 **30%** **70%**

2017 **29%** **71%**



Upper pay quartile

2018 **51%** **49%**

2017 **49%** **51%**

■ Male ■ Female

The numbers

The gender bonus gap

2018

18.2% **59.9%**

Median (middle)

Mean (average)

2017

25.7%

65.4%

Who receives a bonus?

2018

Male

30.7%

Female

31.4%

2017

25.7%

26.3%

Bonuses

Funded by the overall growth in profit of the agency, we run a bonus scheme to recognise and reward performance growth and personal contributions to that growth.

How are we working towards greater equality at H+K?

We are working to improve our gender pay gap and equality in all areas and we have a wide range of initiatives to help all of our people develop.

EquALL

Primary of these is our EquALL programme – designed to instil a culture of equality across everything that H+K London does. In essence, the EquALL programme is:

- A mindset that inspires and welcomes all backgrounds and beliefs
- A framework to support and celebrate key cultural moments and programmes
- A community of belonging and equality

Next steps

We are actively promoting women and in 2018 we are pleased to report that we were able to promote 42 women. We have established a Parents Network as well as offering maternity coaching to all those returning from maternity leave. We also offer mentorship and coaching across all levels of the organisation.

We are continuing to expand our diversity and inclusion training and offer well-being programmes through the year. We also provide an Employee Assistance Programme available to all staff.

As a company, we are intent on developing a culture of equality and of tolerance, with a commitment to strive hard and constantly ensure fairness for all at H+K London. In 2019 we will be signing up to the Employers Network for Equality and Inclusion and developing a female leadership programme for our senior female leaders.

We are developing a mid/junior level advisory board to advise the company on the issues that they identify as important. In compensation and reward, we will set out our pay and promotions policy for all staff.

H+K London is the legal entity holding the employment contracts of H+K London, H+K Global staff based in London and SJR U.K and this report for the snapshot date of 5th April 2018 includes all such staff.

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.