# 2022 Gender Pay Gap Report

Hill+Knowlton Strategies UK March 2023



### Introduction

In the five years Hill +Knowlton London has been publishing its Gender Pay Gap reports, our results show progress and a continuing decrease in the gap over time.

We have always welcomed the UK Government's decision that from 2017 all companies with 250+ employees publish their gender pay gap data on an annual basis. H+K London take our reporting responsibility on the gender pay gap seriously and want to ensure that the gap is being addressed across all level in our business.

We recognise that the mechanism the UK Government uses for Gender Pay Gap reporting does not currently allow for reporting outside binary genders. Our report therefore focuses on male and female comparisons only. We very much welcome H+K London colleagues who identify as non-binary or gender non-conforming and as with all others in our agency we ensure that non-binary and gender non-conforming employees have pay equity. We will continue to take action to ensure we have the right gender balance and an inclusive workplace, while at the same time focussing on hiring the best talent for our business and ensuring that all our employees can thrive and develop their careers.

Our people are the core of our business. We want to ensure we have an inclusive, safe, and supportive environment where people can thrive, be resilient and have meaningful and interesting careers. We put the principles of diversity, equity, and inclusion at the centre of everything we do, from how we hire and grow our people, to how we ensure our performance management process prioritises fairness and equity. We drive targets around this with senior executives and line managers, which are tied to individual goals and objectives.

# Understanding the GPG Report

#### **Gender Pay Gap**

The gender pay gap shows the difference in the average hourly rate of pay between women and men in an organisation, expressed as a percentage of the average male earnings.

The government requires employers in the UK with 250 or more staff 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 the 5th April 2022 and bonuses for men and women from the 6th April 2021 to the 5th April 2022. Hourly earnings are used to take account of the fact that many more men than women work full-time.

#### Definitions are as follows:

#### Median

The **median** is the ffigure that falls in the middle of a range when everyone's wages are lined up from smallest to largest.

#### 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.

#### **Bonus Gap**

The percentage difference (median and mean in total bonus payments received by men and women in the 12 months preceding the snapshot date.

#### **Pay Quartiles**

Organisations are required to rank employees in order of their pay from lowest to highest, then divide the workforce into four equal groups based on their hourly pay rate and show the proportion of genders in each group. Quartile 1 represents the lowest paid group and Quartile 4 represents the highest paid group.

#### **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.

## **Our GPG Results**

The 2022 Gender Pay Gap report includes all H+K UK employees as well as some individuals from the H+K Global Team who are paid through the UK payroll. In April 2022, we had 327 full time relevant staff paid through the H+K UK payroll, 108 of these were men and 219 were women. Our gender pay gap results for 2022 are as follows:



Median (middle)

Mean (average)

14.3% 18.3%

In 2022, our mean gender pay gap was 10.5% which was a slight increase from 2021 when it was 8.9%.

Our median pay gap in 2022 was 6%, decreasing from 2021 when it was 8.5%.

Our mean bonus gap in 2022 was 18.3%, a good improvement from where it was in 2021 at 34.3%, and a continuing improvement since 2019. The median increased from 5.6% in 2021 to 14.3% in 2022, 31.8% of men and 33.2% of women received a bonus in 2022.

At H+K London we have a split of 34 men to 47 women in the top quartile but we continue to have pay and bonus gap differentials. This is because a few of these men are in the most senior roles and in an organisation of our size this impacts our gender pay gap numbers.

We have robustly reviewed and checked the data making up our analysis and these pay gaps in no way show a lack of equal pay at H+K London. We continue to do twice yearly salary auditing and bench marking to ensure compensation is relevant to roles, skills and experience. We have also always been firmly committed to equal pay, as set out in Equality Act of 2010.

## Full chart of GPG results from previous years

	2019	2020	2021	2022
Mean (average) gender pay gap	15.3%	10.8%	8.9%	10.5%
Median gender pay gap	8.9%	2.6%	8.5%	6.0%
Mean (average) bonus gender pay gap	67.5%	<b>54.1</b> %	<b>34.4</b> %	18.3%
Median bonus gender pay gap	20.0%	<b>-11.1</b> %	5.6%	14.3%
Male % who receives a bonus	<b>19</b> %	<b>22</b> %	<b>24</b> %	31.8%
Female % who receives a bonus	<b>23</b> %	21%	<b>23</b> %	33.2%

### **Pay Quartiles**

Proportion of males and females in each quartile salary bracket





# What action are we taking?

As an agency, we actively work together to strengthen our culture of equity, inclusion and belonging and strive to put diversity at the centre of what we do. People with different perspectives and life experiences make H+K stronger and our work for clients better. We are committed to attracting, developing and retaining a diverse and inclusive workforce and creating a working environment that allows them to thrive and do their best work.

Our D,E+I Council continues to focus on a wide range of campaigns and initiatives, and we are working to the targets we set ourselves in mid-2020. We have established a clear strategy and we are working with colleagues across all levels of our business to deliver continuing changes required. Progress continues to be made over time, but we are in no way complacent, and we recognise that meaningful results arise from sustained action over time.

We are continuing to develop a strong programme of benefits for all our people and have recently introduced a new menopause policy, a fertility policy, and a flexible public holiday policy. We have an active Parents Network with over 50 members and this is a source of support, advice and counsel for working parents at the agency and has been active in driving change to support families in our work-place. All our Employee Resource Groups play a valuable role in bringing people together and helping raise awareness and driving change. Equall is our employee led initiative to create a louder culture of equality. Our Roots group helps educate our people on ethnicity, race, culture and religion through discussions and events. Thrive is our mental health and well-being group. These groups have all made strong progress over the course of the year and we are grateful to all those people involved.

We have a strong learning ethos across H+K London and continue to ensure we have opportunities and programmes that allow all our people to drive their careers and make progress. We are currently further enhancing our Female Leaders Programme with a new programme being rolled out in 2023. For the third consecutive year, we are partnering with and hosting the Backtobusinesship Returners programme, enabling those who have taken an extended break from within the creative industries to return with the relevant skills and support.

### Summary

Our ongoing priority at H+K in the UK is to build a workplace that celebrates our diversity and offers everyone the same opportunities to progress. We are committed to ensuring we have an environment where women feel they can thrive and develop, and we are focussed on championing gender equality within our business and beyond. I welcome any further dialogue and debate on this important issue and am personally committed to doing all I can to ensure we have a positive culture of inclusion and belonging for all our people.

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.

Thank you.

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Simon Whitehead, CEO Hill and Knowlton Strategies London