

Gender pay report

12 February 2020



the
**West
Brom**

Results and analysis

At the West Brom, we value people from all backgrounds and welcome the drive for increased transparency on gender pay. This is the third year we have published data according to the Government requirements¹, where organisations with over 250 employees should publish their gender pay gap statistics each year.

Pay and pay bands

The mean gender pay gap **38.6%**

The median gender pay gap **29.9%**

(Pay calculations are based on hourly rates as calculated at 5 April 2019)



This shows the percentage difference in pay between male and female employees at the West Brom across all job levels, calculated as both mean and median figures.

It is important to note that while a gender pay gap does illustrate differences between the average pay of men and women in an organisation, it does not take into account people’s seniority or specific roles. As such, a gender pay gap should not be confused with unequal pay, which deals with the pay differences between men and women who are doing the same job or work of equal value. We are confident that we don’t have any processes or practices which result in people being paid differently because of their gender at the West Brom.

The current gender pay gap at the West Brom is driven by a number of factors. Firstly we have fewer women in senior specialist and leadership roles, which are those that typically provide the highest levels of pay. In addition, the lower quartile contain a higher percentage of part-time roles, which allows more flexibility in meeting the needs of our people and members. These roles do tend to attract a higher proportion of female applicants.

The gender distribution and the pay gap information across all four pay quartiles that make up our workforce, clearly illustrate these factors.

¹ The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

Pay and pay bands (continued)

Lower quartile



Number of employees

Mean pay gap -6.3%*

Median pay gap 0.1%

Lower middle quartile



Number of employees

Mean pay gap -0.2%*

Median pay gap -1.0%*

Upper middle quartile



Number of employees

Mean pay gap 4.0%

Median pay gap 4.7%

Upper quartile



Number of employees

Mean pay gap 24.5%

Median pay gap 9.4%

* denotes average pay being higher for women

Within three of the four quartiles, the mean pay gap is either considerably smaller or does not exist at all. In fact, in the lower and lower middle quartiles women are, on average, earning more. However, higher proportions of female colleagues within these quartiles affect the average pay of the overall female workforce at the Society.

It is pleasing to note a higher proportion of females in the upper middle quartile of 61% evidencing progression of women in the Society at the middle management level.

The picture changes in the upper quartile, with

a larger percentage of men occupying those higher paid positions, including our two Executive Directors. And this, in turn, significantly impacts the average pay of the overall male workforce.

Therefore in tackling the gender pay gap issue we recognise the importance of:

- Increasing the number of women holding senior specialist, leadership and executive positions; and
- Encouraging more male applicants to consider entry level roles, both on a full and part-time basis.

Bonuses

The mean bonus pay gap **73.3%**

The median bonus pay gap **39.5%**

The proportion of women receiving a bonus payment **81.8%**

The proportion of men receiving a bonus payment **89.0%**

(Bonuses paid apply to the 12 month period to 5 April 2019)



In addition to their salary, all colleagues at the West Brom have the opportunity to earn annual reward payments which are linked to an individual's performance. These payments represent a percentage of a colleague's salary. Therefore the gender bonus gap is affected by the higher proportion of female colleagues (24%) as opposed to male colleagues (3%) who work part time as the annual reward payments are pro rata according to their part time salaries. It also means colleagues who hold more senior, higher paid roles have the potential to earn more and this has a very significant effect when calculating average bonus figures. Changes being introduced to the payment of such reward payments effective from 1st April 2020 are aimed at starting to address such differentials.

As noted earlier, the Society currently has more men in senior roles than women and so achieving a more even gender split across our four different quartiles will help us to close the bonus pay gap.



Tackling the gap

The underlying causes affecting our gender pay gap are shared by the wider financial services industry, hence we acknowledge long term solutions are required to make significant and sustained improvements. Here we outline some of the initiatives designed to help the West Brom reduce its gender pay gap.

Senior Leadership representation targets

As one of the original signatories to the 'Women in Finance Charter', we started out in 2017 setting ourselves two targets for female representation of both the Board and senior management populations to be 30% by 2020. Two years on, our target for representation at Board level has already been exceeded and currently stands at 38% (up from 11% in 2017). This success is a direct result of proactive steps to attract female Board members. The fixed tenure nature of Board positions provides the Society with the opportunity to achieve such results within a relatively short time period.

Within the senior management population, where results are expected to be slightly longer-term, we are well on our way in meeting our target with current representation of 29% (up from 22% in 2017), and are pleased to note that 50% of direct reports into our Divisional Directors are female, giving us a balanced gender pipeline of successors for these senior positions. We are confident this target can be achieved within the timeframe we have set ourselves. We will continue with initiatives to improve gender diversity at all levels and monitor each area closely to ensure further positive progress is being made.

Our Divisional Director HR, Carole Barlow, became the sector representative on the Women in Finance Charter Board during 2019 (representing Building Societies and Credit Unions). This opportunity will enable us to support organisations across the industry by facilitating and leading best practices.

Diversity and inclusion

We value people from all backgrounds and recognise the importance of diversity and inclusion within our workforce to deliver greater value for our members and help us prepare for future challenges. With this in mind our colleague led Diversity and Inclusion working group called 'Connect', has continued to lead a range of initiatives to contribute making a more inclusive environment where all colleagues can build a successful career that fits their individual needs.



Succession planning

With the focus on creating more opportunities for women within our upper quartile, we have continued to promote positive action through our succession planning programme in developing our talented female colleagues, with the intention of encouraging future progression to senior leadership roles.

Broader perspective in Pay and Reward practices

Throughout 2019, we have undertaken a review to refresh our Pay and Reward practices (including pay, bonus, recognition and benefit schemes) to better meet the needs of the Society and our colleagues. Our Employee Council, a diverse group of staff who represent the views of colleagues directly to the Society's Executive Committee and the Board, has played a key role in this review by contributing their views on the design of these new practices, which are aimed at starting to address the differentials in some of these figures.

Tackling the gap (continued)



"At the West Brom we place strong emphasis on the diversity of our employee base, recognising the broad diversity of our customers and a local community that represents one of the most diverse areas of the UK. In turn we continue to work on developing an inclusive culture, welcoming of all backgrounds"

Carole Barlow, Divisional Director HR

Declaration

I confirm that our data has been calculated in line with the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

I confirm that the information in this report is accurate.

A handwritten signature in black ink, appearing to read 'Jonathan Westhoff'.

Jonathan Westhoff, Chief Executive

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