

## **Make UK's Gender Pay Gap report 2020**

### **Foreword – Stephen Phipson CBE, Chief Executive, Make UK**

#### **Make UK is backing manufacturing - helping our sector to engineer a digital, global, and green future.**

From the first industrial revolution to the emergence of the fourth, the manufacturing sector has been the UK's economic engine and the world's workshop.

The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges.

Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward thinking, bold and versatile sector, manufacturers are engineering their own future.

Make UK has staff based at locations in England and Wales: London, Bristol, Leamington Spa, Birmingham, Sheffield, Gateshead, and a number of home-based staff. Having more staff based on home in the Regions has been part of a strategy that commenced a few years ago. We strive to be an inclusive and flexible employer and therefore support and encourage flexible working practices which in turn helps us to recruit and retain a talented and professional team.

During 2020 like many companies our 5-year strategy to ensure business continues to grow had to be re-evaluated to deal with the constraints and focus of the COVID19 pandemic, however we have continued to fully support our members, in particular offering dedicated support in relation to the furlough scheme and ensuring health and safety requirements were understood and supported by our team of highly qualified Advisers. We continue to work towards our 5-year strategy to grow and support our membership and commercial services. A key change over the last two years has been the greater integration of our policy and membership teams to provide more immediate intelligence and ensure that the manufacturing sector is continuously remaining at the forefront of Government thinking and a key part of their agenda.

We work to a set of core values and we strive to create a good place to work for our teams.

In line with UK Government requirements, this is the fourth year Make UK have published its UK gender pay gap. This is in the form of a written statement on the public-facing website and report their data to government online - using the gender pay gap reporting service.

We can use these results to assess:

- The levels of gender equality in our workplace.
- The balance of male and female employees at different levels.
- The impact the measures we are taking have on our results

The challenge in our organisation and across Great Britain is to identify and take appropriate action to resolve any gender pay gap.

Part of our 5-year strategy includes a commitment to reduce our gender pay gap, which in turn helps us to ensure that Make UK, as a workplace, works equally well for our male and female employees. I am pleased to report that we continue to make progress in this area.

I, Stephen Phipson CEO, confirm that the information in this statement is accurate.

**Signed:**

A handwritten signature in black ink, appearing to be 'SP', written over a faint, circular watermark or seal.

**Date:** 31 March 2021

## What is the difference between equal pay and the gender pay gap?

The Gender Pay Gap is a means of measuring the differences in pay according to gender. In general, it measures the difference between the hourly average earnings of men and the hourly average earnings of women.

This is different to equal pay which is the differences in pay between men and women who carry out the same or similar roles.

## What are the reporting requirements?

Gender pay gap legislation requires employers in the UK with 250 employees or more to calculate and publish their gender pay gap data each year. The metrics which employers are required to report are:

Mean and median gender pay gap – based on an average hourly rate or pay

Mean and median gender bonus gender pay gap (considers bonus pay received in the 12 months lead up to the snapshot date:

Proportion of men and women receiving a bonus

Proportion of men and women in each pay quartile.

## Make UK's gender pay gap 2020

Since our last published figures, we have continued through both our Executive Board and Senior Management Team to develop our business and introduce new initiatives to reward and recognise staff. This will continue as a key focus as part of our 5-year strategy.

Reducing our gender pay gap is a core part of our strategy over the next five years and we will continue to take measures to achieve this ambition.

We are pleased to report that on all key statutory pay gap reporting criteria, the gender pay gap has continued to reduce since 2018. The snapshot data as of 5 April 2020 for all reporting metrics are shown in the table below.

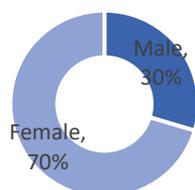
Our results display a median gender pay gap of 12%, down from the median gender pay gap of 16% for the snapshot date of 5th April 2019 and a median gender pay gap for the snapshot date of 5th April 2018 was 21%. Our mean gender bonus gap is -27%, down from 21% from the previous year. As also noted later in this report Make UK employs a much higher number of female staff than male staff in Business Development and Sales roles where employees can receive a commission (bonus)

## Snapshot data as of 5 April 2020

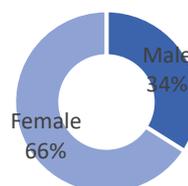
Mean gender pay gap:	14%	(16%)
Median gender pay gap:	12 %	(16%)
Mean gender bonus gap:	-27%	21%
Median gender bonus gap:	-7.37%	(-4%)
Proportion of males receiving a bonus payment:	15%	(15%)
Proportion of females receiving a bonus payment:	14%	(12%)

## Pay quartiles across the number of male and female employees

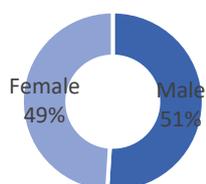
### Lower Quartile



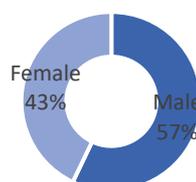
### Lower Middle Quartile



### Upper Middle Quartile



### Upper Quartile



The pay quartiles show the proportion of male and female employees in each pay quartile.

There have been some changes to the quartiles. For example, there are now 57% of men in the upper quartile, compared to 41% on the previous year. We believe that main reason for this is that more male than female employees were on furlough at the time of the snapshot pay period and are excluded as less than full time relevant employees. This has had the disproportionate effect of increasing the comparative number of full time relevant male employees into the upper quartile bracket.

We also have to take into account the impact of staff on furlough in our Venues business that were excluded from the data who would normally fall into the Lower Quartile.

### Understanding the gap

There are a number of factors that are driving Make UK's gender pay gap on both overall pay and bonuses. These include:

The gap being reflective of the wide range of different jobs that are undertaken across the organisation including hospitality, education and professional job roles. For example, it is widely reported that there is a serious under-representation of women in engineering at all levels. This is reflected in the ratio of male/ to female teaching staff at our Apprentice & Skills Centre, many of which have an engineering background and experience. It is also widely known that the hospitality sector attracts more female job applicants, and this is reflected in the numbers of casual staff that are recruited from time to time at our Venues and Conferencing locations.

The rates of pay where staff work will be affected by geographical variations. This could affect the gender pay gap subject to the proportion of men and women working at its different locations.

A contributory factor to the median gender pay bonus gap is reflection of a much higher number of female staff than male staff in Business Development / Sales roles. B Our business development staff earn commission which is including in the 'bonus' calculations for gender pay gap reporting. Make UK is therefore confident that its gender pay gap is not as a result of paying men and women differently for the same or equivalent work (equal pay). Instead, its gender pay gap is the result of the different roles in which men and women work within the organisation and the salaries that these roles attract. However, we know that this is still an area we need to explore, and below we have set out measures to close the gender pay gap.

### **Measures to close the gender pay gap**

#### **Promoting and encouraging flexible working**

Make UK believes that all our staff have the opportunity to maintain a reasonable work life balance. As a result, Make UK has a long-standing commitment to flexible working practices and policies. For example, a number of staff became home workers during 2020 due to the pandemic but also as a longer-term strategy of providing services in our Regions more efficiently. As a result of these changes, we have introduced a more blended approach to working practices from 2021 onwards to support our colleagues.

We want to ensure that flexible working is seen as available to all – for men and women, and for new and existing staff. As a result, we will ensure that our interview and selection procedures are clear that flexible working practices and patterns are supported, including part time working and job-sharing where feasible and subject to the needs of the business.

#### **Reviewing pay and benefits**

Make UK carries out pay and benefits audits at regular intervals (including analysis at pay review times and during recruitment projects). Following production of this Report we check for relevant pay gaps or anomalies that may have arisen e.g., pay drift (for both female and male employees) and if necessary, address these at the next best opportunity e.g. at the time of the annual pay review. Both men and women in business development and sales roles have an equal opportunity to participate in and earn bonus.

Make UK will continue to carry out pay and benefits audits at regular intervals (including analysis when pay is due to be reviewed). We will also commit to review how bonuses are awarded, and which roles attract bonuses to ensure that everyone in the organisation has the opportunity to be rewarded and recognised for their work.

#### **Maternity pay above the statutory minimum**

Make UK's maternity pay is above the statutory minimum and in line with competitors. We want to ensure we are leading on this and therefore commit to review our Family rights policy every 12 months.

#### **Targeted focus on wellbeing/staff engagement and training as part of our 5-year strategy**

The aim of which is to support the national staff engagement and support strategy for Make UK.

**Taking more focussed action** Upon publication of this report, Make UK promotes discussion of this report with its National Staff Forum Representatives. Diversity and Inclusion is a standing agenda item for both the NSF and the Make UK, Executive Board.

**Mentoring & Coaching** Both mentoring and coaching are part of approach to supporting individual training and development plans.

**Supporting wider campaigns that promotes and champions diversity**

As an organisation we will support and champion external campaigns such as International Women's Day through our various channels, including social media, to act as a voice for change and to be leader in championing equality in the workplace

**Promoting Diversity, Equality and Inclusion within our policy and campaigning work**

Diversity, Equality and Inclusion will feature strongly in Make UK's policy and campaigning work in 2021. We have recently launched a DE&I Working Group that will bring together manufacturers and Make UK employees to develop a framework to guide UK manufacturers' path towards Equality, Diversity and Inclusion and guide Make UK's policy work in this area. In addition, Make UK will be publishing a thought-leadership report looking at diversity and inclusion in the manufacturing industry, sharing best practice through case studies as well as calls to action to both Industry and Government.