



2017 GENDER PAY GAP REPORT

Published 26th March, 2018

INTRODUCTION

Edelman is committed to a diverse and inclusive workforce where everyone is valued equally, and all employees feel respected. We have robust processes in place to ensure our approach to pay and reward is based on fairness and that our people are treated equally.

However, we have identified a gender pay gap when we compare the overall average pay and bonuses of our male and female staff. While our gender pay gap is lower than the current ONS national average, we recognise there is still work to do to reduce it further.

The gap is measured by comparing the overall female population of the firm with the overall male population, rather than looking at like-for-like roles. In our case, this entails comparing a larger group of female employees with a smaller group of male employees. Our female employee population is distributed more evenly across all levels of the firm, but our male population skews towards middle to senior roles, which is causing the gap.

While this is true of many organisations, we recognise that the overall composition of our UK business is different from many other industries in the UK. The PRCA recently revealed that the demographic makeup of the PR industry is 66 per cent female and 34 per cent male, which is very close to our 63:37 split.

With this workplace composition, we are unlikely to achieve absolute gender balance across all roles in the organisation, which is why we strive for 50:50 gender parity in our most senior roles. We are pleased to say we are close to achieving 50:50 gender balance at the top of the organisation and that continues to be our goal.

We also recognise the importance of promoting and developing the next generation of leaders and ensuring there are opportunities for everyone at Edelman to progress in their careers.

Specific initiatives to address this include investment in career management and leadership development for those in middle and senior management roles. Additionally, we offer informal and formal mentoring schemes for all employees. We will continue to strengthen recruitment practices by ensuring female candidates are sought for all disciplines, and shortlists and interview panels are gender balanced. And each member of the Edelman UK executive committee will have a personal objective and a departmental plan relating to diversity and inclusion.

Edelman is committed to helping staff balance careers with caring responsibilities, and we are proud of our enhanced maternity offering, which we are confident is industry-leading.

We strongly support the legislation requiring organisations with 250 or more employees to publish data on the gender pay gap. While the metrics only tell part of the story, it is our view that the conversations they are promoting both in our own firm and more broadly are helpful.

WE BELIEVE THIS IS A STEP IN THE RIGHT DIRECTION TOWARD MAKING THE UK A FAIRER SOCIETY.

SIGNED

Ed Williams

CEO Edelman UK,
Vice Chairman, Europe



Carol Potter

President and CEO,
EMEA and CIS



We confirm that the information and data reported are accurate.

WHAT IS GENDER PAY? WHAT IS EQUAL PAY?

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.

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 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 bonuses for men and women from 6 April 2016 to 5 April 2017, in line with the government's reporting requirements.

The **median** is 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.

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 between mean male pay and mean female pay.

OUR NUMBERS

PAY GAP

The table below shows our overall median and mean gender pay gap based on hourly rates of pay as of the snapshot date of 5 April 2017. We have a median (middle) gender pay gap of 10.36% and a mean gender pay gap of 21.33%. The current ONS national average is 18.4% median.

GENDER PAY GAP

Difference between men and women's average hourly rate of pay:

Median:	10.36%
Mean:	21.33%

PERCENTAGE OF EMPLOYEES RECEIVING A BONUS

Of the 272 bonuses paid, the majority were discretionary ad hoc bonuses paid to junior/mid-level staff – a larger share of whom are women. Whereas a higher proportion of the total male population received business performance-related bonuses. So, while a larger share of the female population received bonus pay in 2017 (56.74% vs 51.12% for men), we still had a median and mean gender bonus gap favourable towards men.

RECEIVED A BONUS

Percentage of men and women being paid a bonus in the twelve months before the snapshot date:

Male:	51.12%
Female:	56.74%

GENDER BONUS GAP

Difference between men and women's bonus pay:

Median:	44.18%
Mean:	53.55%

PAY QUARTILES

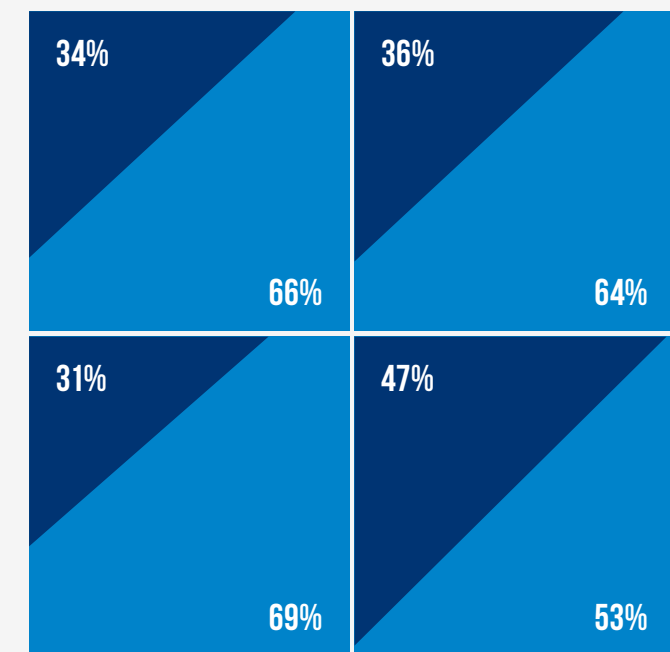
Edelman is made up of 63% women and 37% men. The total population of 479 was divided into the four pay groups seen here, each containing approximately 120 employees.

The data shows there are more women than men in every pay quartile.

Lower Quartile	34% (41) male, 66% (78) female
Lower Middle Quartile	36% (43) male, 64% (77) female
Upper Middle Quartile	31% (37) male, 69% (83) female
Upper Quartile	47% (57) male, 53% (63) female

Male Female

Lower Quartile Lower Middle Quartile



Upper Middle Quartile Upper Quartile

OUR PROGRESS SO FAR

Since 2012, our median score has gone from 16.11% to 10.36%; close to a 6 pt improvement. And our mean score has similarly improved from 24.33% to 21.33%. Similarly, our female representation in the top quartile has improved by 7 percentage points since 2012.

Equally, where women used to make up 32% of the most senior roles in 2012, today the figure is 46%; the vast majority of whom (68%) were promoted internally into their roles.

We have taken a number of actions over the years that we attribute to the positive trend we're seeing in reducing our gap.

MEDIAN SCORE

2012 16.11% → 2017 10.36%

The statutory reporting requires us to report on where we are at a moment in time but we wanted to go a step further. So, we backdated the tracking to 2012 in order to determine a trend line for the firm.

We felt it was important not only to benchmark ourselves against our industry but our own past progress as well.

WE HAVE THREE FOCUS AREAS:

CULTURE AND LEADERSHIP

We offer a competitive enhanced maternity policy to support the demands of parenting. We are committed to the initiatives being led at a global level through our Global Women's Executive Network which is striving for 50:50 gender balance at a senior level across the organisation.

FAIRNESS

We have a regular structured performance review process, and we have introduced more robust processes around our compensation planning and approvals to ensure all pay and promotion processes are fair, balanced and have appropriate oversight. We engage regularly with employee forums and use various touchpoints to make changes where necessary.

BENCHMARKING AND TARGETS

We regularly conduct internal and external benchmarking to ensure our salary bands are in line with market data and our compensation structure remains fair, relevant and competitive.

WHAT'S NEXT?

We have almost achieved 50:50 gender parity at our most senior levels and that continues to be our goal. We also recognise that we need to do more to promote and develop the next generation of leaders. So, to that end, we will remain focused on the three areas of culture and leadership, fairness, and benchmarking and targets.

CULTURE AND LEADERSHIP

We want to encourage more flexible working and shared parental leave and have formed a working parents group to better understand the challenges facing our parents, and how we can better support them. We are investing in career management and leadership development for those in middle and senior management roles, and continue to drive development initiatives through our Global Women's Executive Network.

FAIRNESS

We are rolling out training for our hiring managers to ensure we are making effective hiring decisions, and will be offering a variety of development opportunities in areas including people management, unconscious bias, and diversity and inclusion.

BENCHMARKING AND TARGETS

We will continue to strengthen recruitment practices by ensuring female candidates are sought for all disciplines, and shortlists and interview panels are gender balanced where possible. Each member of the Edelman UK executive committee will have a personal objective and a departmental plan relating to diversity and inclusion.

