

Gender Pay Gap Report 2020

Which? Group



What is the Gender Pay Gap?

The gender pay gap is the difference in the pay between men and women across all employees. Unlike equal pay, which is equal pay for equal work, this looks at all our employees and takes an average result regardless of important factors such as job role or location.

- **Mean Pay Gap:** This is the difference in the average hourly rate of pay between men and women.
- **Median Pay Gap:** The median is the middle point between the highest and lowest hourly rate of pay. The gap is calculated by comparing the hourly wage mid-point of all male employees with that of female.

From April 2017 all UK companies with 250 employees or more have to report their Gender Pay Gap. This gap is reported at the snapshot date of 5 April 2020.

What's included in our calculation?

To calculate the hourly rate of pay we include an employees' normal salary along with any additional payments earned for that period, such as sales incentives, on call payments or acting up allowances plus any monies paid for car allowance. It will not include, over-time, any one off payments such as time off in lieu or redundancy; it also excludes any employees who had reduced pay through family leave, such as maternity leave, or sick leave.

Our approach

Which? will be reporting our gender pay gap in line with other UK organisations. We are committed not only to reporting on time, but also to the principles and aims of reporting and addressing gender pay gap issues as they arise.

We are dedicated to ensuring we have a robust remuneration approach and principles where we externally benchmark all roles against the relevant job and market to ensure all our employees are being paid fairly for the work that they do.

1 Results from the Which? Group

Which? is the UK's consumer champion, here to make life simpler, fairer and safer for everyone. Our research gets to the heart of consumer issues, our advice is impartial, and our rigorous product tests lead to expert recommendations. We're the independent consumer voice that influences politicians and lawmakers, investigates, holds businesses to account and makes change happen. As an organisation we're not for profit and all for making consumers more powerful.

The Which? Group is made up of two separate entities, the Consumers Association and Which? Limited. However, we are very much one organisation with one strategy, one leadership team and a collective mission to make consumers as powerful as the organisations they deal with in their daily lives. Therefore we think it's important that we report our Gender Pay Gap figure for the group as a whole.

A Hourly Pay Gap

	Which? Group		National average*
	Mean	Median	Mean
Hourly pay	2.23%	3.31%	15.5%

*Source ONS Annual Survey of Hours and Earnings 2020 based on both full time and part time employees. 7.4% is the GAP if we look at full time only employees.

Our group gender pay gap shows on average for the total population, men are paid 2.23% more than women. This is significantly below the national average and although the pay gap at Which? has closed over successive years, there is still room for improvement. We are confident that we have robust policies in place that reward equal pay for equal work.

Overall we have a higher proportion of women working in our organisation, 52.4% female vs 47.6% male. However, the median pay gap is driven by the fact some specific departments at the snapshot date, had a greater proportion of men. This includes for example, our Technology team and the number of senior employees in our Commercial team. These industries are traditionally both male dominated and are highly paid sectors. Women within Which? who work in these teams are paid equally versus their male counterparts.

Conversely we had a higher proportion of women working within customer service roles. This is again in line with traditional trends where women have been more likely to be in roles where there is typically more expectation of flexibility in working hours. As these roles tend to be lower paid, this will drive a lower average hourly rate of pay.

However, Which? does not follow traditional stereotypes at our leadership team level. We are led by a female CEO and this appointment, combined with the females who make up the leadership team has helped further close the pay gap.

B Bonus Pay Gap

	Which? Group	
	Mean	Median
Bonus gap	-21.23%	0.00%

Our bonus pay gap is -21.23%, which means the average bonus payment was 21.23% higher for women. It is worth noting that at the snapshot date this would relate to bonus payments made for 2019. The mean difference is mainly driven by a greater proportion of female members of the leadership team. At the snapshot date of the report there were lower bonus payments for male members of the leadership team. This was driven by several factors including bonus eligibility and timing of bonus payments and, in general, more males than females receiving an incentive payment or personal bonus.

Our median bonus gap remains consistent at 0%.

	Which? Group	
	Men	Women
Received a bonus	80.55%	78.92%

80.55% of men and 78.92% of women who worked for the Which? group received a bonus during the year preceding 5th April 2020. This included any annual personal or group related bonus payments and specific job related bonuses paid where applicable.

C Distribution of employees

Distribution of employees is calculated in quartiles, where each employee is ranked based on the hourly rate of pay and then they are split into four equally sized bands. The percentage of men vs women as a total of each band is then calculated.

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	46.62%	60.40%	56.00%	46.26%
% Male	53.38%	39.60%	44.00%	53.74%

Women make up 52.4% of the overall population of employees at Which?. This is generally reflected in the upper and lower quartiles. The middle two quartiles are not as representative; this is due to the lower representation of women in the Technology team as explained earlier. Due to the higher nature of wages within these sectors across the UK more of these roles are found within the middle quartiles.

2 Results from our entities

A Consumers' Association

Despite functioning internally as a one organisation, we are required to report our gap against each separate entity. The results for each of these entities is set out below:

	Mean	Median		Men	Women
Hourly pay gap	-10.8%	0.22%	Receiving a bonus	83.15%	77.92%
Bonus pay gap	-122.5%	0.00%			

(A negative number means a pay gap in favour of women)

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	58.93%	69.64%	55.00%	71.43%
% Male	41.07%	30.36%	45.00%	28.57%

In April 2020 there were eleven members who made up the leadership team of the Which? Group, seven of these sat within the Consumers' Association entity and six were women. This is a significant factor in driving the favourable gap in both hourly and bonus pay towards women.

The overall proportion of women in the Consumers Association at that time was 63.60%. The biggest variation away from this is in the upper quartile, which is to be expected given the unequal representation of our group leadership structure within our single entities.

B Which? Limited

	Mean	Median		Men	Women
Hourly pay gap	13.2%	7.7%	Receiving a bonus	79.41%	79.78%
Bonus pay gap	17.95%	0.00%			

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
% Female	47.25%	49.45%	51.65%	33.33%
% Male	52.75%	50.55%	48.35%	66.67%

As with the Consumers' Association, the representation of the senior leaders is having an impact on our reported figures for Which? Limited. At the snapshot date there were four leadership team members employed by Which? Limited. Three of these were men. Two of the managing directors of our commercial businesses, who do not sit on the leadership team, were also men. Both of these factors had the opposite effect to the greater proportion of women leaders seen in Consumers' Association. This is a significant factor driving the bonus and hourly pay gap for Which? Limited in favour of men.

The proportion of women employed by Which? Limited was 45.45% at the snapshot date. The furthest deviation away from this is seen in Quartile 1. A contributing factor driving this was the higher proportion of women at that time working within our customer service roles. The deviation being seen in quartile 4 is again being driven but the unequal representation of our senior leaders in a single entity.

3 Future plans

Over the past year, Which? has continued to adapt to the challenging impact of the Covid-19 pandemic, working to protect the well-being of our employees and ensuring that our important work as the UK's Consumer Champion could continue uninterrupted. Despite the impact of this unprecedented situation, we remain committed to a remuneration strategy which promotes fair and equal pay for all our employees.

Our organisation is led by our leadership team, seven of whom are women and four are men. This means that women are well represented at the highest levels within our organisation. We are continuing to work with our managers and resourcing team to ensure that we continually can drive more diversity right through our organisation. We have a range of initiatives underway that will help us to support this strategy.

We are currently in the process of reviewing our approach to remuneration across Which? with the aim of ensuring that everyone is rewarded for their contribution. There will be a consistent and fair approach that goes hand-in-hand with our robust benchmarking practices and we plan to involve employees as part of this process.

We have a clear diversity and inclusion strategy and completed a review of our internal family friendly policies. We are aware that traditionally women have been more likely to take a break to support their family which can have a negative impact on their career and future earnings. We want to make sure that both the men and women who work for Which? have the same choices available to them to support their families when needed. Take up of policies such as Shared Parental Leave across both male and female employees has increased since launch in 2017.

Over the coming year we will continue our focus working with our internal D&I strategic taskforce to drive our ambitions around being more diverse and making Which? a more inclusive organisation in order to achieve our ambitions as the UK Consumer Champion.