GENDER PAY GAP

TRANT ENGINEERING LTD

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Engineering plays a pivotal role in driving innovation and solving everyday problems, profoundly shaping societal development. Consequently, it is imperative for the engineering profession to prioritise gender parity within its workforce, ensuring equal representation and opportunities for all genders.

Introduction

Trant Engineering Ltd is dedicated to ensuring equal employment opportunities through a transparent and equitable approach to recruitment, retention, and advancement.

Our company culture emphasizes openness, fairness, and transparency, fostering an environment where employees are empowered to thrive. We are committed to creating a supportive atmosphere where individuals can freely express their uniqueness without fear of judgment or exclusion. Building an inclusive workplace culture necessitates ongoing commitment, including celebrating diversity, upholding fair practices, and cultivating a strong sense of belonging among all members of the organization.

The Gender Pay Gap - definitions.

The gender pay gap is a measurement of the disparity in pay between male and female employees within an organization, expressed as a percentage of male earnings. This comparison examines average and median pay rates regardless of job roles. Additionally, bonus indicators depict the proportion of men and women receiving bonuses over the previous 12 months, highlighting differences in average and median bonus earnings compared to male counterparts.

Closing the gender pay gap necessitates aligning women's pay and bonuses with the distribution observed among male employees within the same organization. However, understanding the composition of the workforce is crucial for identifying the root causes of gender pay gap indicators.

A positive percentage signifies a pay or bonus disparity favouring males, while a negative percentage indicates a bias in favour of females. Conversely, a zero percentage reflects gender parity.

Based on the 2023 ONS gender pay gap report, it is indicated that in the category of Engineering Professionals, women earn approximately 4.6% less than men in terms of mean hourly earnings (ONS, 2023).

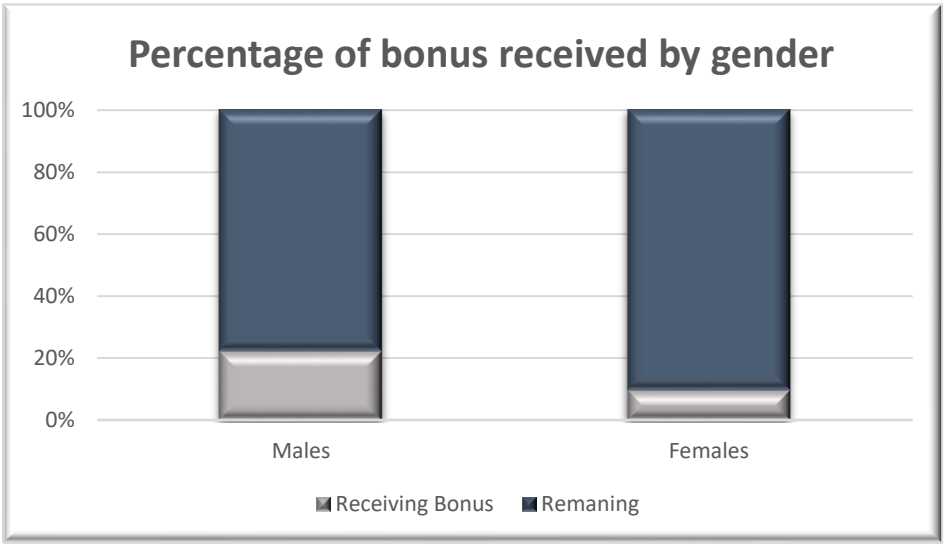
The Royal Academy of Engineering explains the gender pay disparity among engineers through the underrepresentation of women in senior and higher-paying positions.

A notable factor contributing to the gender pay gap according to their research, is the insufficient number of women entering the profession. Despite efforts to address this issue, progress has been disappointingly sluggish. The career level accounts for 40% of the pay difference among engineers in the surveyed sample (The Royal Academy of Engineering, 2023).

It is crucial to understand *that gender pay gap indices differ from equal pay*, which legally mandates paying men and women equally for the same or equivalent work, as stipulated in the Equality Act.

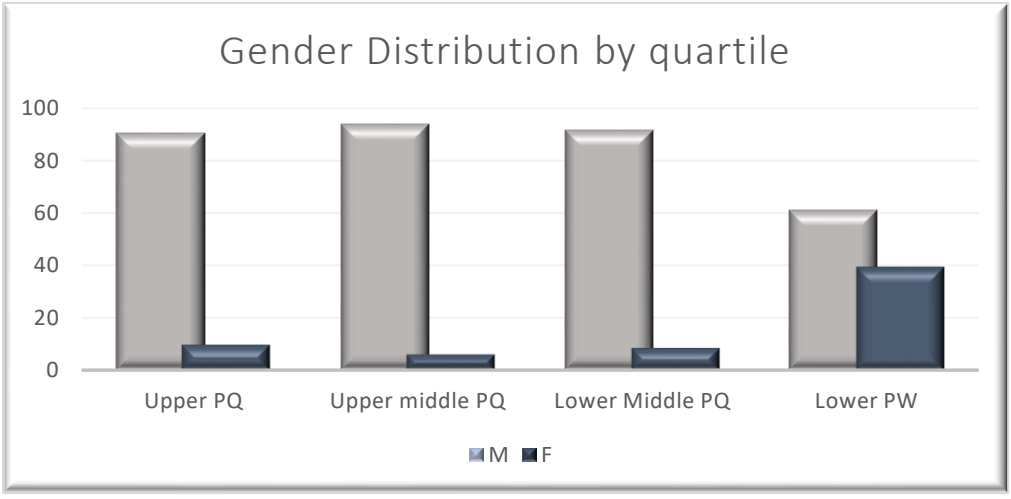
Results for snapshot date of 5th of April 2023

- *The mean gender pay gap is 20.00%.*
- *The median is 22.1%.*
- *The mean gender bonus gap is -12.6%*
- *The median gender bonus gap is 47.2%.*
- *The proportion of male employees receiving a bonus is 22.2% and the proportion of female employees receiving a bonus is 9.8%.*



Quartile by gender

	Male	*Female*
Lower Hourly Pay Quarter	*60.84%*	*39.16%*
Lower Middle Hourly Pay Quarter	*91.52%*	*8.48%*
Upper Middle Hourly Pay Quarter	*93.94%*	*6.06%*
Upper Hourly Pay Quarter	*90.30%*	*9.70%*



Analysis

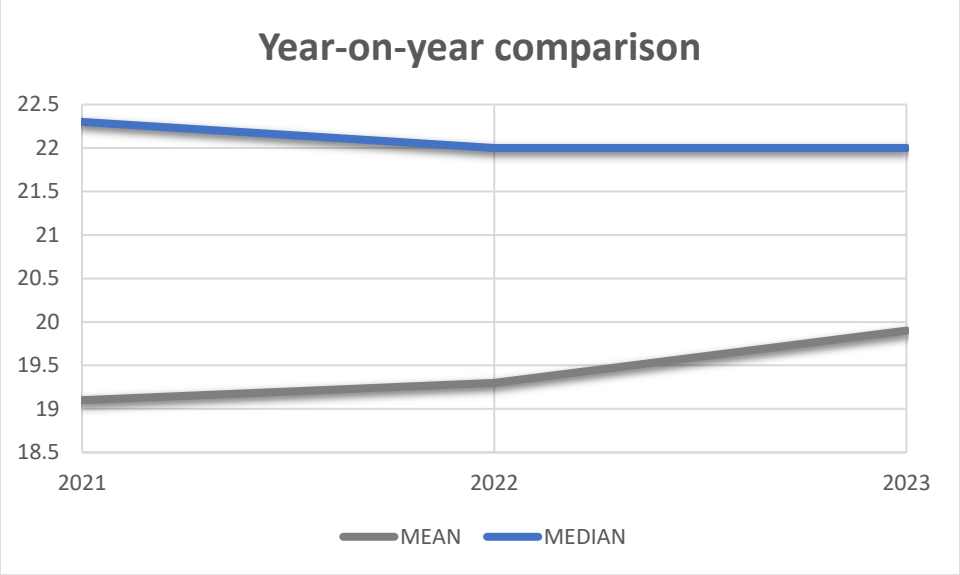
The mean gender pay gap this year is 19.98%, meaning that for every £1 a man earns, a woman earns 80p. The median gender pay gap is 22.14%, suggesting that men are paid 22.14% more than women. As with previous years, the discrepancy is underpinned by the makeup of our workforce.

The primary determinants for these indices are the composition of the workforce, career level, and experience. In the lower-paying quartile, one finds administrative staff, apprentices, unskilled labourers, graduate engineers, and semi-skilled operators. The lower-middle quartile consists of semi-skilled and skilled operators, as well as technician and supervisory roles. Meanwhile, the upper-middle and upper quartiles encompass mid to senior-level office positions.

	LOWER		LOWER MIDDLE		UPPER MIDDLE		UPPER	
Job category	**F %**	**M%**	**F %**	**M%**	**F %**	**M%**	**F %**	**M%**
ADMIN	23.49	7.83	4.24	1.21	1.65	6.60	0.61	0.61
ADVISOR				0.61		1.65	0.61	1.21
APPRENTICE	1.81	10.24	0.61	0.61				
AUDITOR					3.30	3.30		0.61
BUYER	1.20	0.60	0.61			1.65		0.61
CO-ORDINATOR	1.81	3.01		11.52		9.90		2.42
DIRECTOR							1.21	6.67
DOCUMENT CONTROLLER	3.61	0.60	1.82					
ENGINEER			1.21	0.61		44.55		12.73
ESTIMATOR		0.60		0.61				6.06
GRADUATE	1.20	3.61						
MANAGER				0.61	6.60	18.15	4.85	30.30
LABOURER	0.60	10.84		6.67		1.65		
PLANNER		0.60		0.61				3.03
PROJECT MANAGER				0.61		11.55		12.12
QS	0.60	0.60		1.21	3.30	3.30	1.82	3.03
SEMI-SKILLED		5.42		16.97		4.95		
SITE MANAGER	0.60	1.20		6.06		62.70		4.24
SKILLED OP		13.25		30.91		57.75		1.82
TEAM LEADER	0.60	1.20		9.09	1.65	19.80		4.24
TECHNICIAN	1.20	1.20		3.64		8.25	0.61	0.61
UNSKILLED OP	2.41							

The positions within the lower pay quartile generally require minimal experience or specialization and are often associated with entry-level or basic skilled tasks. Moving up to the lower-middle quartile, positions demand a higher level of skill or expertise, resulting in slightly elevated compensation compared to those in the lower-paying quartile. In contrast, employees within the upper and upper-middle quartiles typically occupy roles with greater responsibilities, heightened expertise, and more extensive experience, thereby commanding higher compensation levels. This distribution mirrors the hierarchical organization structure, which is delineated by job roles, skill levels, and corresponding pay scales.

The mean and median figures highlight gender disparities across various job roles and pay scales. Although the median has remained steady compared to previous years, the mean indicator for 2023 has shown an increase.



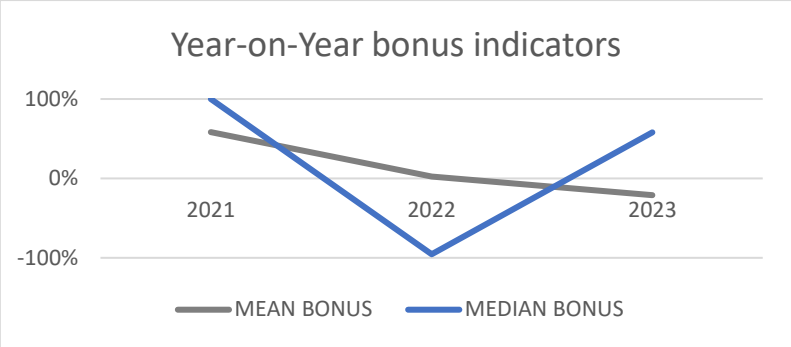
The chart above depicts a comparison of values over a span of three years. It indicates a modest decrease in the median and a slight uptick in the mean. The median, positioned in the middle of the data set, remains unaffected by extreme values, providing a more accurate representation compared to the mean, which can be influenced by outliers in the distribution.

The mean gender bonus pay gap is -12.60%, suggesting that women, on average are paid are paid 13% more in bonus than men. The median, however, shows a positive figure of 47.23%, suggesting that for every £1 a man receives in bonus pay, a woman receives 52p. Therefore, while the mean gender bonus pay gap indicates women receive higher bonus pay on average compared to men, the median shows that women receive a lower proportion of bonus pay relative to men at the midpoint of the distribution.

In 2022, the percentage of men and women receiving a bonus was equivalent, with 54% of male employees and 50.5% of female employees receiving bonuses. However, in 2023, the percentage of men and women receiving bonuses remained equivalent, but notably decreased, with 22.18% of male employees and 9.73% of female employees receiving bonuses.

While the mean gender bonus pay gap indicates higher average bonus pay for women compared to men, the median reveals that women receive a lower proportion of bonus pay than men at the distribution midpoint.

Despite the decrease in bonus rates for both genders, there remains a difference in the percentage of men and women receiving bonuses, with a larger proportion of men receiving bonuses compared to women. Overall, while the percentages of men and women receiving bonuses were equivalent in both years, there was a notable decrease in bonus rates for both genders from 2022 to 2023, with men receiving bonuses at a higher rate than women. The disparity in bonus distribution between genders can be attributed to site staff receiving a higher proportion of bonuses. Furthermore, it is important to acknowledge that numerous high-earning women opt for participation in salary sacrifice schemes of different extents, sometimes sacrificing their bonuses, which can lead to distortions in the reported values.



Comparing the 2023 bonus indices to previous years, we observe a consistent reduction in the mean compared to previous years. Additionally, the median has decreased compared to the 2021 dataset. In 2022, the median affirms that male employees received smaller but more frequent bonuses compared to their female counterparts. This suggests that while there was a decrease in the overall average bonus amount, the distribution of bonuses were favourable for male employees receiving smaller but more frequent bonuses.

Although there's a noticeable gender difference within the company, there is a noteworthy trend emerging over the years: female employees are progressively moving up into higher quartiles. This indicates a positive trajectory in their careers, transitioning from entry-level administrative roles to more senior managerial positions. Such advancement reflects the company's deliberate and structured approach towards developing its workforce, particularly focusing on providing opportunities for skill enhancement and career growth for employees in junior positions.

Moreover, this upward mobility also underscores the company's commitment to retaining talent, as it strives to create an environment where all employees, regardless of gender, can thrive and progress in their careers. However, it is essential to acknowledge that this transition is not instantaneous; rather, it is a gradual process that requires time and sustained commitment. Achieving gender distribution parity across quartiles remains an ongoing objective, necessitating continued efforts to promote inclusivity and equal opportunities within the organization.

Actions taken in 2023 to address the Gender Pay Gap

- Implementing internal measures to ensure the impartiality of our recruitment processes.
- Implementing family-friendly policies to promote a better balance between work and personal life for our employees.
- Proactively reviewing promotion criteria to enhance the retention and progression of women into senior and higher-paying roles.
- Advocating for women in Engineering through participation in social media campaigns such as International Women's Day, National Apprenticeship Week, and Women in Construction Week.

As an engineering company, we are deeply committed to diversity. In this regard, our ongoing and future dedication to our recruitment, retention, and promotion processes ensures that our workforce reflects the diverse communities in which we operate.

• Inspiring students to pursue engineering careers by arranging school visits from our female engineers to promote Engineering as an inclusive career path.

• Promoting our graduate and apprenticeship training programs on social media platforms and at career fairs to increase the representation of women within our company.

• Continuously enhancing our Apprenticeship Training Program across all departments within the organization.

• Providing ongoing support through the 'Professional Forum' to assist all employees in attaining membership and accreditation from professional institutions.

The presence of a gender pay gap signals an imbalance within the labour market based on gender. We recognise that both structural and cultural factors play a significant role in perpetuating this gap, not only within engineering but across various sectors of the economy. It is imperative for us to acknowledge and address these factors as we strive towards achieving gender parity throughout our organisation. We are committed to continually challenging ourselves to develop and implement strategies that mitigate the gender wage gap and promote equitable compensation for all employees.

The commitment from Trant Engineering for the coming year

• Actively assessing and tracking female staff to promote ongoing training and development opportunities.

• Enhancing our benefits package to attract a more diverse pool of women to the sector.

• Regularly reviewing and monitoring pay structures to ensure equity across all job roles.

• Analysing anonymous staff engagement surveys to conduct statistical evaluations, identifying potential barriers to career advancement.

• Implementing gender-balanced shortlists for both internal and external hiring processes.

• Sustaining our efforts through STEM ambassadors, apprenticeship, and graduate programs in collaboration with educational institutions and industry leaders to advocate for the industry and its diverse career paths.

• Continuously refining our HR dashboard, incorporating diversity metrics to monitor and foster the integration of inclusion and diversity into our organisational culture.

Any further initiatives launched throughout the year will be reported on the company intranet. I, Gerry Somers, Managing Director, confirm that the information in this statement is accurate.

Endnotes

1. *Office for National Statistics 2023: Gender pay gap in the UK,* Gender pay gap in the UK - Office for National Statistics (ons.gov.uk)
2. *Royal Academy of Engineering: Closing the engineering gender pay gap*, Gender pay gap (raeng.org.uk)