



Gallagher Gender Pay Gap - UK Broking & Underwriting Division Report 2017



Gallagher

Insurance | Risk Management | Consulting

At Gallagher we see diversity as a strength. We believe in fostering a fair, respectful and inclusive culture. A culture where all team members feel empowered and supported to be themselves and achieve their career and lifestyle ambitions.

The gender pay gap measures the difference between the average hourly total pay for all men versus all women at an aggregate level across an organisation. This is not the same as equal pay.

At Gallagher our data shows a gap in pay between men and women which is due to a lower proportion of women holding senior management and broking roles within the business. This is an issue that we are working to address within our organisation and are seeking to help remedy across the wider insurance broking sector where this remains an industry-wide challenge. Based on our data there is no evidence of pay discrimination within our organisation.

This is the first year that we have looked at our compensation in this way. We are committed to further understanding the reasons behind the under-representation of our women in broking and we are working as a team to address and close our current gender pay gap.

The following pages provide the data and the background to these numbers, as well as the actions and plans we are undertaking to redress this imbalance.



“Closing the gender pay gap is a complex issue and there is no quick or easy solution that will see change occur overnight. Now that we have established what our gap is, we are absolutely committed to understanding further why it exists and doing something about it. And whilst we narrow this gap within our organisation, we are also committed to trying to influence positive change across the wider insurance broking sector where the gender pay gap remains an industry-wide challenge.”

Grahame Chilton,
CEO Gallagher Global Broking – UK



“We want to support and help talented people grow and achieve their true potential, whoever they are. A diverse company, in every way, is good for all of us who work here and good for business. Not only does it mean it’s a great place to work, it means we innovate, think about customers differently and find new ways of doing things. A lack of senior women in broking is an historical industry challenge but not one that we should be afraid to address. Understanding the underlying reasons contributing to the gap is a really important first step. I look forward to continuing to work with Gallagher, the market and all of the great people in our company to help support and develop the diversity of skills and experience that any great business needs.”

Sue Langley,
Non-Executive Chairman of Gallagher Global Broking – UK



Understanding the data

Women's average total hourly pay rate

Mean* **51.0%** lower Median* **38.4%** lower

We have a fairly even split of women (46%) and men (54%), but the number of female colleagues working in senior management and broker positions are under-represented, which is why we currently have a gender pay gap.

Our UK team



* Mean and Median explained

Mean | (or average) is the sum of a set of numbers, divided by the count of numbers in the set.

Median | the middle point in an ordered set of numbers

Pay Quartiles

The proportion of men and women in each quartile of our payroll

Top quartile



Upper middle quartile



Lower middle quartile



Lower quartile



Why we have a gender pay gap

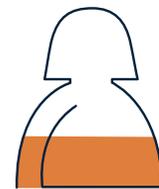
We have fewer women than men in senior management and broking roles.



10% of Senior leadership positions are held by women



30% of Management positions are held by women



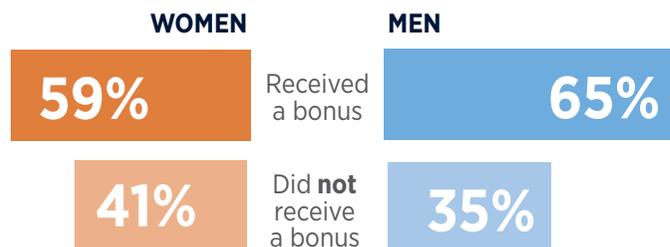
29% of Broker positions are held by women



Proportion of men and women receiving a bonus

We have bonus schemes in place at different levels and across varying positions in our organisation, including non-broking roles within the businesses, and the bonus structures are informed in large part by market practices.

Women's vs Men's Bonus Pay



Women's bonus pay

Mean*

82.2% lower

Median*

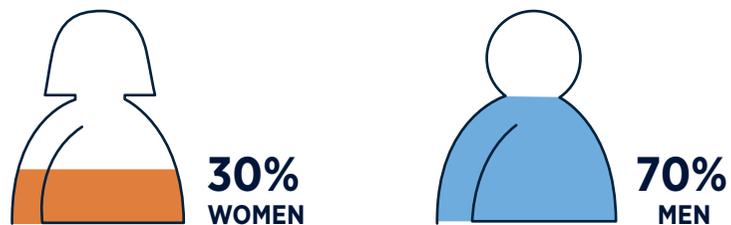
67.3% lower

Why we have a bonus gap

We see the greatest proportion of bonus awarded at senior leadership levels and within our Wholesale and Reinsurance division (areas that have a higher proportion of senior broker positions).

These positions currently have more men than women working in them.

Wholesale & Reinsurance roles



* Mean and Median explained

Mean | (or average) is the sum of a set of numbers, divided by the count of numbers in the set.

Median | the middle point in an ordered set of numbers



Addressing our gender pay gap

Our Executive Committee is committed to a programme of work and actions that we believe will help us address the current under-representation of woman in senior roles within Gallagher.

What gets measured gets done.

We will therefore be monitoring progress against each of these actions and reporting back on a regular basis to our UK Board and most importantly to our colleagues within Gallagher.

Some of the priority actions that we have committed to as a company are as follows:



Recruitment

- Educate and monitor recruitment partners to ensure greater gender balance in potential candidates presented as potential new hires
- Track recruitment trends for new hires across the organisation
- Enhance training and interview process for recruiting managers.



Mentoring & Networking

- Establish a formal mentoring programme to support the development of women as well as to help retain women in the early-mid stages of their careers in broking and underwriting.



Talent & Succession

- Measure and monitor gender mix on all internal talent and succession programmes
- Review existing benefits, policies and support provided for all working parents and carers.



Equal Pay Review

- Seek further external validation of our existing analysis of equal pay data.

Our ongoing commitment to Inclusion and Diversity



“The overall culture and ‘family feel’ that we have at Gallagher is something that has been highlighted as a real positive by our team members in recent colleague engagement surveys and through extensive research into internal perceptions of Inclusion & Diversity. Guided by our Inclusion & Diversity Steering Group we are committed to maintaining that unique culture and nurturing this respectful and inclusive environment across our organisation. We will also continue to support industry-wide programmes, such as the Lloyd’s Dive In Festival, as we strive to ensure all colleagues are supported to achieve their individual career and lifestyle ambitions.

I confirm that the data in this report has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.”

Elisabeth Ibeson
Human Resources Director



2017 Colleague Engagement Survey*

“Diverse perspectives are valued at Gallagher”



“My Manager treats team members fairly and with respect”



“Colleagues treat each other fairly and with respect”



Based on a 91% response rate

*Conducted by IBM – Kenexa

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Arthur J. Gallagher Services (UK) Limited
Pay and Bonus data as at April 2017

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