



Gender Pay Narrative

GBS UK

Division Report

2021-2022



Gallagher

Insurance | Risk Management | Consulting

Foreword



As a business we have a passion for excellence and innovation in everything we do. We care for our people and recognise that they are our greatest asset. We want to ensure our workforce is diverse and inclusive, and our culture continues to be open and fair. We are passionate about being an inclusive organisation and aim to attract, develop and retain the best talent available. We are committed to building an organisation which leverages individuals' unique talents and provides opportunities to all, so that we deliver first-class service to our clients.

We are on a longer journey to develop a diverse and inclusive organisation and as part of this, we continue to build upon the action plans we created to build on our programmes and activities that are already in place. We have a mean gender pay gap of 26.3% and a median gender pay gap of 21.1%, both of which favour males. The variance between the mean and median data indicates that the data set is only slightly skewed as the median is less susceptible to outliers and extreme values.

We are pleased that we see positive year on year trends in the form of both a narrower mean gender pay and gender bonus gap, together with increased bonus participation for both genders. We are really encouraged that our median gender pay gap is consistent with last year, as we have almost halved our median gender pay gap over the last four years, moving from 39.5% in 2019 and now sitting at 21.1% in this reporting cycle. We actively continue to invest in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 51% of our overall workforce. We are pleased that 47% of our new hires recruited in the last 12 months were female and we continue to work hard to increase this figure.

In our sixth reporting year, a number of initiatives are collectively influential in taking strides towards making GBS UK a fair and balanced workplace.

We were delighted to land our single largest people agenda programme—The Gallagher People Experience—in 2021 which has been really well-received across the organisation. Building on from this, we have continued to work at pace and taken onboard strong employee feedback and are pleased to have refreshed all our family-friendly policies, including:

- A new menopause policy—and GBS UK also signed up to the Menopause Workforce Pledge
- Better onboarding support for returning parents after parental leave, including coaching support and help with childcare arrangements
- Fuller variety of agile and flexible working arrangements brought to tangible life in the form of condensed working time and term-time arrangements
- Enhanced benefit arrangements to our lowest job level

All this is supported by our clearer cultural narrative driving inclusivity in everything we do.

We continue to encourage greater female representation across the organisation and are committed to driving momentum forward, as we strive towards a more gender balanced organisation. Our Inclusion & Diversity team, championed by the Executive team, is focused on addressing any discrimination across the organisation.

We continue to support the accelerated development of our high potential female colleagues at all levels through our training programmes. We are actively focused on increasing the proportion of female candidates identified for new roles. We continue to ensure our HR policies encourage and support flexible working within the organisation, and are working to ensure that what we have in place works for everyone. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture. As part of this, we continue to ensure our recruitment processes are more closely aligned with our company values and regularly challenge our recruitment partners to ensure their approach reflects our values in all they do.

We believe that these initiatives collectively will help us actively reduce our gender pay gap differential over the coming year.

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I am proud that the people strategies the UK leadership team have been working on over the last three years are helping to collectively drive very strong gender balance across the organisation.

By bringing fresh perspectives from new members of the diverse leadership team, we are collectively challenging the historical status quo. We are investing in our future leaders, in our internal structures, in our overall people experience, to create an environment of equality where everyone has the opportunity to grow and succeed.

I am very encouraged to see that over the last four reporting cycles, we have almost halved our gender pay gap, at both the mean and the median, with our gender bonus gap following this same trajectory. We will continue to embrace new ideas to help us to fulfil our wider purpose; to help people feel different about work.

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.

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Leslie A. Lemenager

President, International
Gallagher Benefit Services

Our GBS-UK workforce

321

Total GBS-UK headcount

Female:
51%

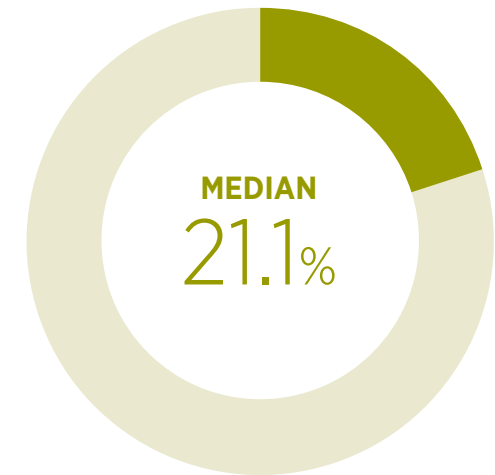
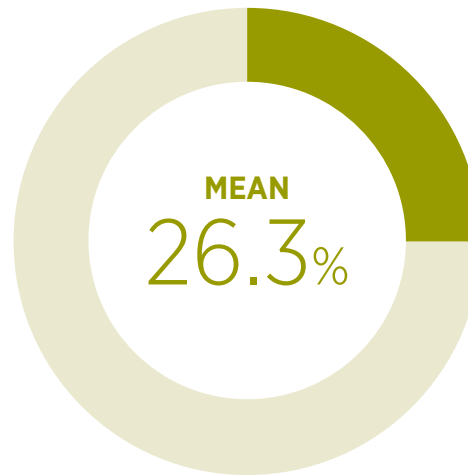
Male:
48%

Gender pay gap



Gender pay gap

As of the 5 April 2022 payroll, our mean gender pay gap stood at 26.3%, with our median gender pay gap at 21.1%, both of which favouring males.



Mean and Median explained

Mean: (or average) It 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.

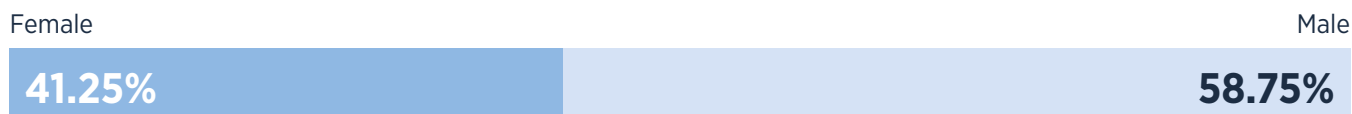
Pay quartiles



The proportion of men and women in each quartile of our payroll, ordered from lowest to highest pay, show us that female employees are significantly under-represented in the highest pay quartile and over-represented in the lowest quartile, with more gender balance achieved in the lower middle and upper middle quartiles.

Pay quartiles

Top quartile



Upper middle quartile



Lower middle quartile



Lower quartile

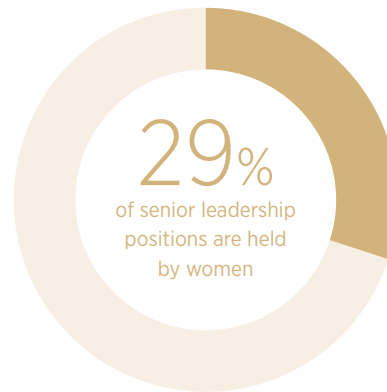


Why we have a gender pay gap

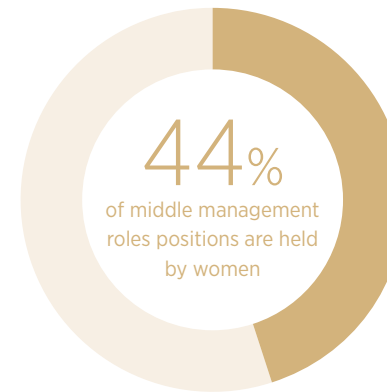


We recognise the motivational importance of positive senior role models to inspire confidence and success, and we are proud that we see a +12% year on year increase in respect of females in our senior leadership roles:

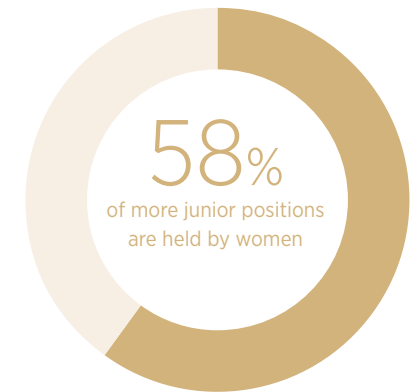
- Twenty-nine percent (29%) of senior leadership positions are held by women
- Forty-four percent (44%) of middle management positions are held by women
- Fifty-eight percent (58%) of more junior positions are held by women



While this is reflective of the risk management and benefits consulting sector, which has traditionally been male-dominated, we actively encourage more women to view us as a potential employer. We have proactively driven greater gender balance across our senior leadership team in the last 12 months, and will continue to be proactive as we drive our hiring managers to support our strategic approach to diversity.



We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs across our organisation.

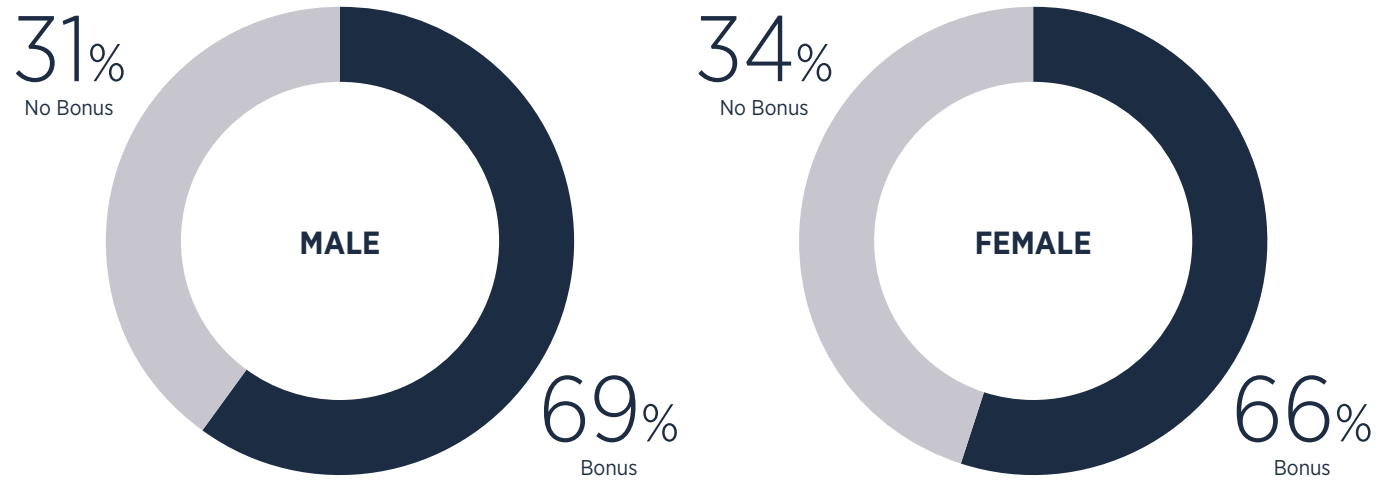



... we are proud that we see a +12% year on year increase in respect of females in our senior leadership roles.

A close-up photograph of a woman with dark hair, wearing black-rimmed glasses and a black headset with a microphone. She is smiling broadly, showing her teeth, and has her right hand resting under her chin. She is wearing a light-colored, possibly white, top. The background is blurred, showing green foliage and a brick wall. A dark blue rectangular block is in the top left corner. A semi-transparent white diagonal shape covers the bottom right portion of the image, where the text is located.

Bonus payments and participation

Our mean bonus gap currently stands at 64.1% favouring males, with our median bonus gap at 48.9% favouring males. We have a higher proportion of male employees receiving a bonus.





Why we have a gender bonus gap

In our organisation, a higher proportion of female employees occupy more junior roles; in contrast, a higher number of male employees are engaged in more senior, more highly paid roles. This results in a much wider range in bonus amounts received by males, relative to a much narrower range in the smaller female population.

Discretionary performance-related bonuses are awarded and paid on an annual basis, taking account of company, business area and individual performance. As an equal opportunities employer, all our permanent employees (at eligible job levels), are eligible for bonus irrespective of their position, age, gender or ethnicity.





Our HR strategy, policies and practices

Our HR philosophy is to attract and retain high calibre individuals, and to leverage their unique talents to help our clients attract, inspire, incentivise and retain their own talent to deliver their organisational plans.

We recognise the motivational importance of positive senior role models to inspire confidence and success, and we are proud that over 29% of our senior management roles are occupied by females, up from 12% last year.

We are pleased that over half of our People Experience Champions and Diversity Champions are female and our senior leadership team is committed to raising the profile of females across the organisation. Our people agenda programme ensures we have a career structure operating across all areas that provides clarity for potential career progression for all. This is supported by a more structured bonus programme and a more progressive benefits programme that collectively will help drive greater gender parity and equality across the workforce.

We continue to actively create an environment where everyone is motivated to develop and progress their career at GBS UK, through innovative HR policies and practices and an encouraging environment. Our HR policies and tools proactively support flexible working across the organisation as we believe that these encourage our talented and driven employees to deliver results and, in turn, advance their careers in our organisation.

We proactively keep in touch with those on maternity leave and are pleased that we saw a 100% return rate in this reporting cycle (consistent with 100% in the prior reporting cycle). We support our career returners with different tools to positively impact their back to work experience including better onboarding support including childcare arrangements. We are exploring coaching facilities for our career returners to enhance their confidence as they return to work. We now have a fuller variety of agile and flexible working arrangements which have been brought to tangible life in the form of condensed working time and term-time arrangements which have been very well-received across the organisation.

We have refreshed all job descriptions and policies to ensure they are all gender neutral in tone, to encourage inclusivity. As part of our annual performance management and pay review process, we ensure that our people are being paid fairly based on their role, responsibilities, experience and performance.

We have enhanced benefit arrangements to our lowest job level, which resulted in 27% of females now benefitting from enhanced annual leave, company pension contributions and private medical insurance arrangements. As part of our annual review cycle, we apply a critical gender pay lens to all pay decisions.

Recruitment

We acknowledge that our strategy needs to continue to evolve to ensure that we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers respect our strategic approach to diversity. Our senior leadership team is committed to strengthening female presence within our more male dominated teams. We have strengthened our onboarding process and are now proactively using more inclusive job boards. All our recruitment conversations promote our flexible work culture. We approved a majority of flexible working requests and as part of this, ask our managers to proactively monitor individual wellbeing.

Development

Employee development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. As part of succession planning, we proactively identify talent, leadership and all diversity gaps, and our senior leaders commit to action plans to help address and close these gaps. As we champion our employees owning their own growth, we are pleased that we saw an 86% return rate of Personal Development Plans—through these signposts, we have doubled our mentoring network and now have greater involvement at lower levels within the organisation. We have also introduced reverse mentoring and in some cases, have paired mentees with international colleagues to broaden the programme's reach. Our Senior Management Leadership programme supports our succession planning, and we actively seek and encourage females to participate.

As part of DiSC and unconscious bias training rollout, a number of people managers now have a better understanding of the individuals within their teams and as a result are able to better respond and coach their people, signposting the right support to improve mental health and general wellbeing—encouragingly, we have already seen positive decline in absence and attrition levels.

Our Inclusion & Diversity team come from a wide range of ethnic, socioeconomic and cultural backgrounds. In this reporting year, we have operated a programme of events to highlight the importance of inclusion across our organisation, including:

1. Black History Month/Show Racism the Red Card
2. Transgender Awareness
3. International Women's Day
4. Stress Awareness Month
5. Mental Health Awareness









Year on year comparison



Year on year comparison

When we consider comparison between this year and that of the most recent reporting cycle in 2021, we see a slight widening at both the mean and median gender pay gap but are pleased that we see positive trends in the form of a narrowing gender bonus gap. Encouragingly, we note increased bonus participation for both males and females. When we look at the three year trend analysis, we are very encouraged to see that we have decreased our gender pay gap, at both the mean and the median, with our gender bonus gap following this same trajectory.

	2020	2021	2022	2022 vs 2021
Mean Gender Pay Gap	32.40%	23.20%	26.30%	 3.10%
Median Gender Pay Gap	27.20%	20.80%	21.20%	 0.40%
Mean Gender Bonus Gap	70.00%	70.70%	64.10%	 -6.60%
Median Gender Bonus Gap	70.40%	61.50%	48.90%	 -12.60%
Males Receiving Bonus	46.30%	59.80%	69.40%	 9.60%
Females Receiving Bonus	46.00%	54.60%	65.90%	 11.30%

Closing remarks

We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential, as we try to move towards a more gender balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our values of trust, innovation, collaboration, expertise and safety, we will continue to work with all of our employees, and provide them with opportunities to build their confidence and help them in reaching their full potential.



About Gallagher

Pursuing “better” is an ongoing journey. Employers of all shapes and sizes, in all parts of the world, are acutely aware that people’s changing expectations demand more from the organisations and brands they invest in. And nowhere is one person’s investment—and their expectation for better—more apparent than in their choice of employer.

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