



Pay & percentages: What progress is being made?

Kirsten Tisdale FCILT

13 October 2022

Covering

- > What's good?
- > What's bad?
- > Where logistics is at
- > Why diversity is important
- > What should you do?

- > #WiL2022



Gender pay gap reporting

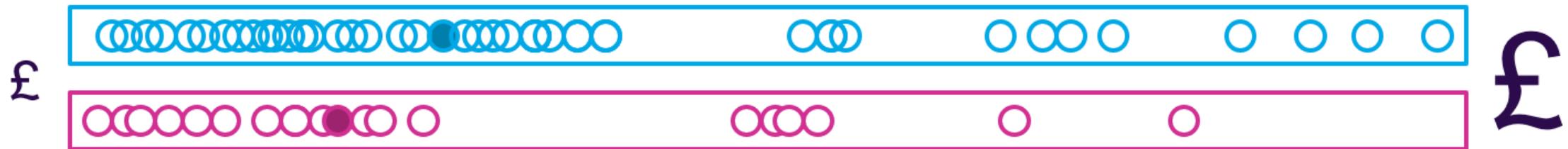


**This originally
had a pic of
Theresa May
looking up at
the graph**

- > Theresa May introduced this legal requirement when Prime Minister to tackle the “burning injustice” of gender pay inequality and declared that it was time to junk “outdated gender stereotypes”
- > April 2018 was the deadline for the first submission of gender pay gap reporting for 2017-2018
- > What’s really good is that the need to report has made us talk about the gender pay gap (and other gaps) much more in the UK – see above graph from Google Trends
- > So, what can 5+ years of gender pay gap reporting tell us?

How is the pay gap calculated?

- > First, calculate the hourly pay of all employees
- > Then, to calculate the Median pay gap...
- > Put all the men in a line and pick the middle one = £11 say
- > Put all the women in a line and pick the middle one = £10 say



- > Gender Pay Gap = $(£11 - £10) / £11 = 9\%$ (NB Calculation is sexist as women tend to be paid less!)
- > +ve figure = Women paid *less* than men ...in UK, -ve figure = Women paid more than men
- > The reason the median gender pay gap is low in, say, storage is because the comparison is of the pay of male and female medians who both tend to be operatives
- > The Mean pay is what you normally think of as the average (add all the hourly pay together and divide by the total number of men or women to get each average), and then calculate the gap

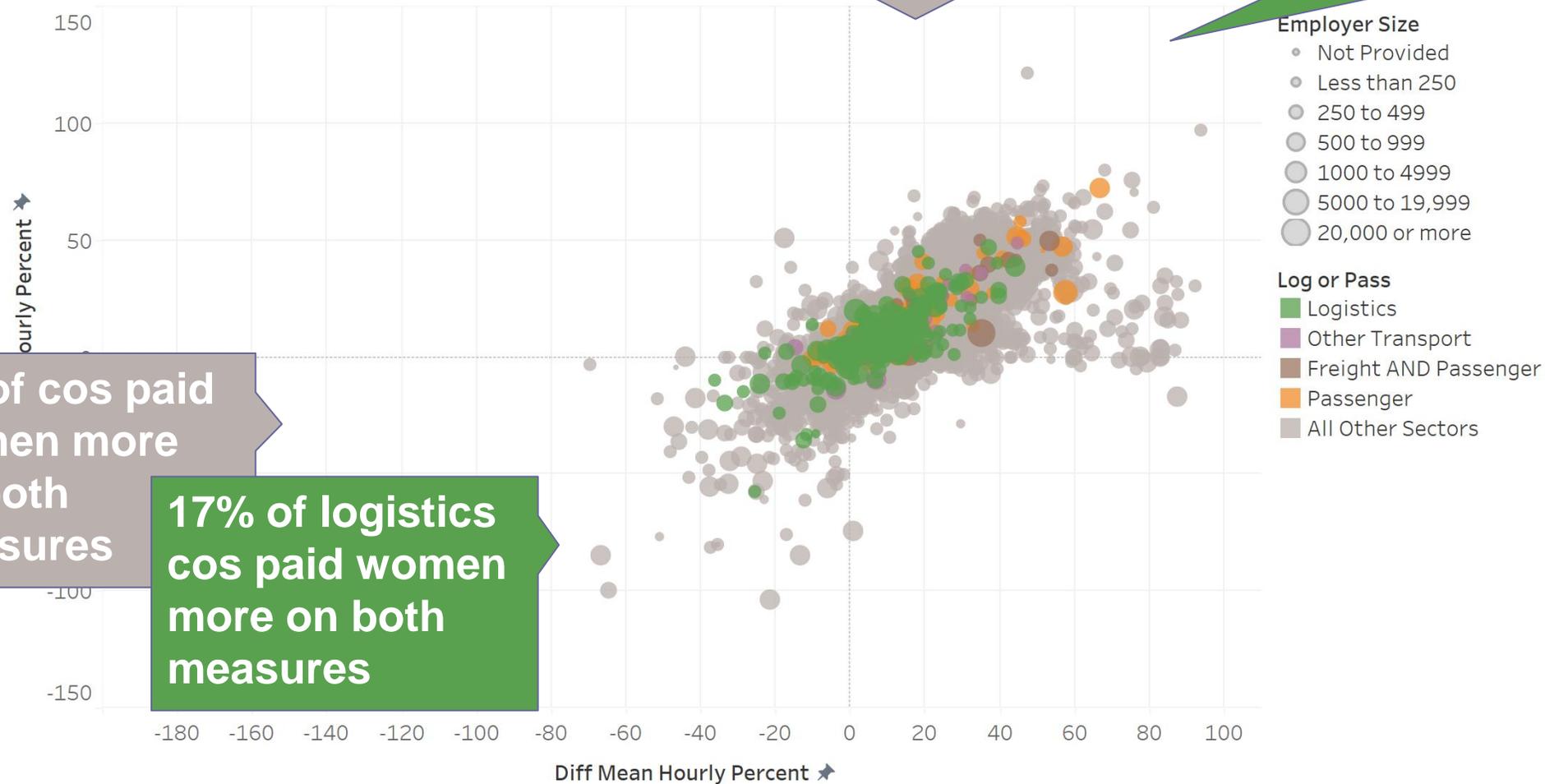
Where did things start?

> First year of gender pay gap reporting

2017-18

75% of cos paid men more on both measures

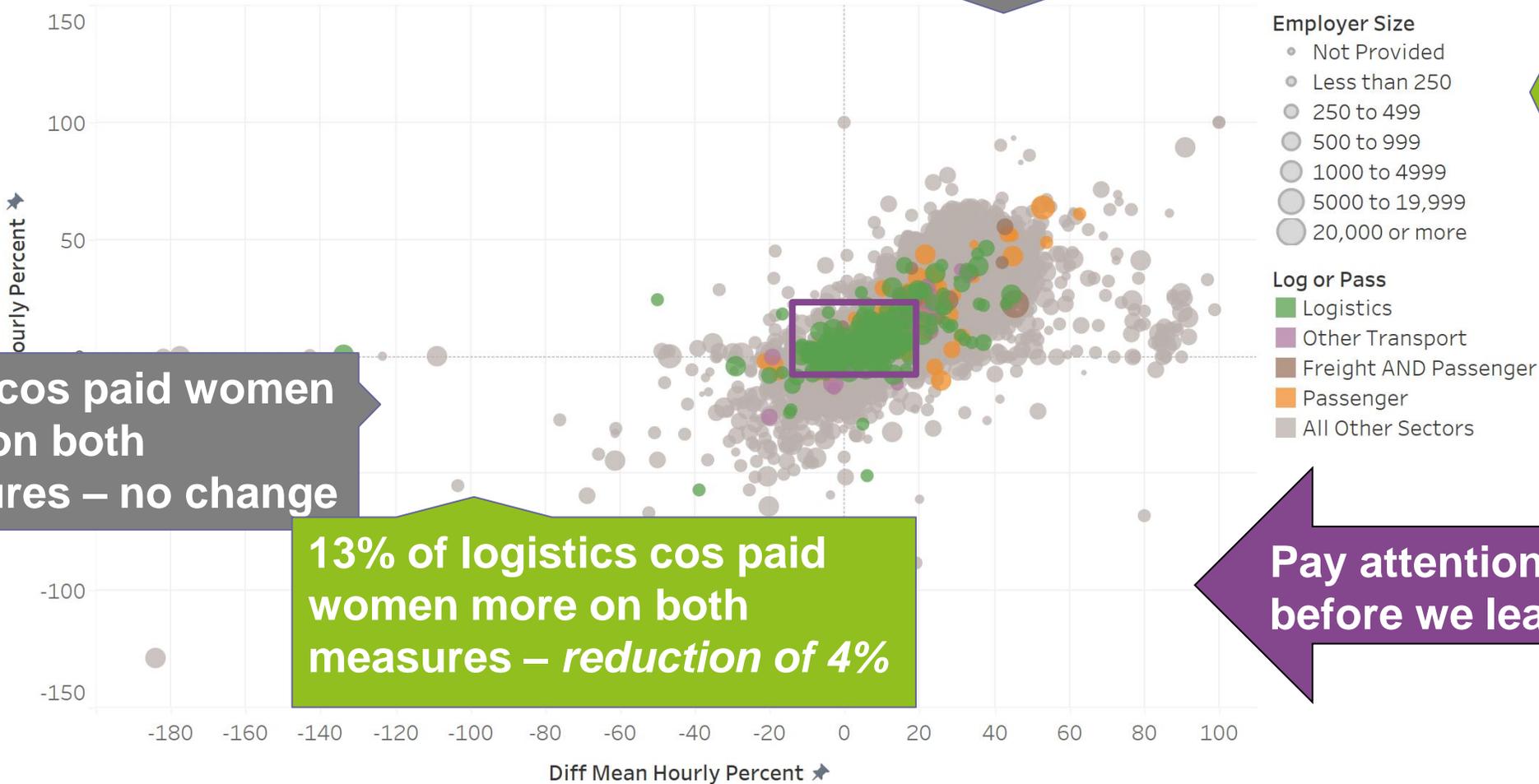
69% of logistics cos paid men more on both measures



Where are things now?

> Most recent full year of reporting

2021-22



75% of cos paid men more on both measures – no change!

64% of logistics cos paid men more on both measures - *reduction of 5%*

7% of cos paid women more on both measures – no change

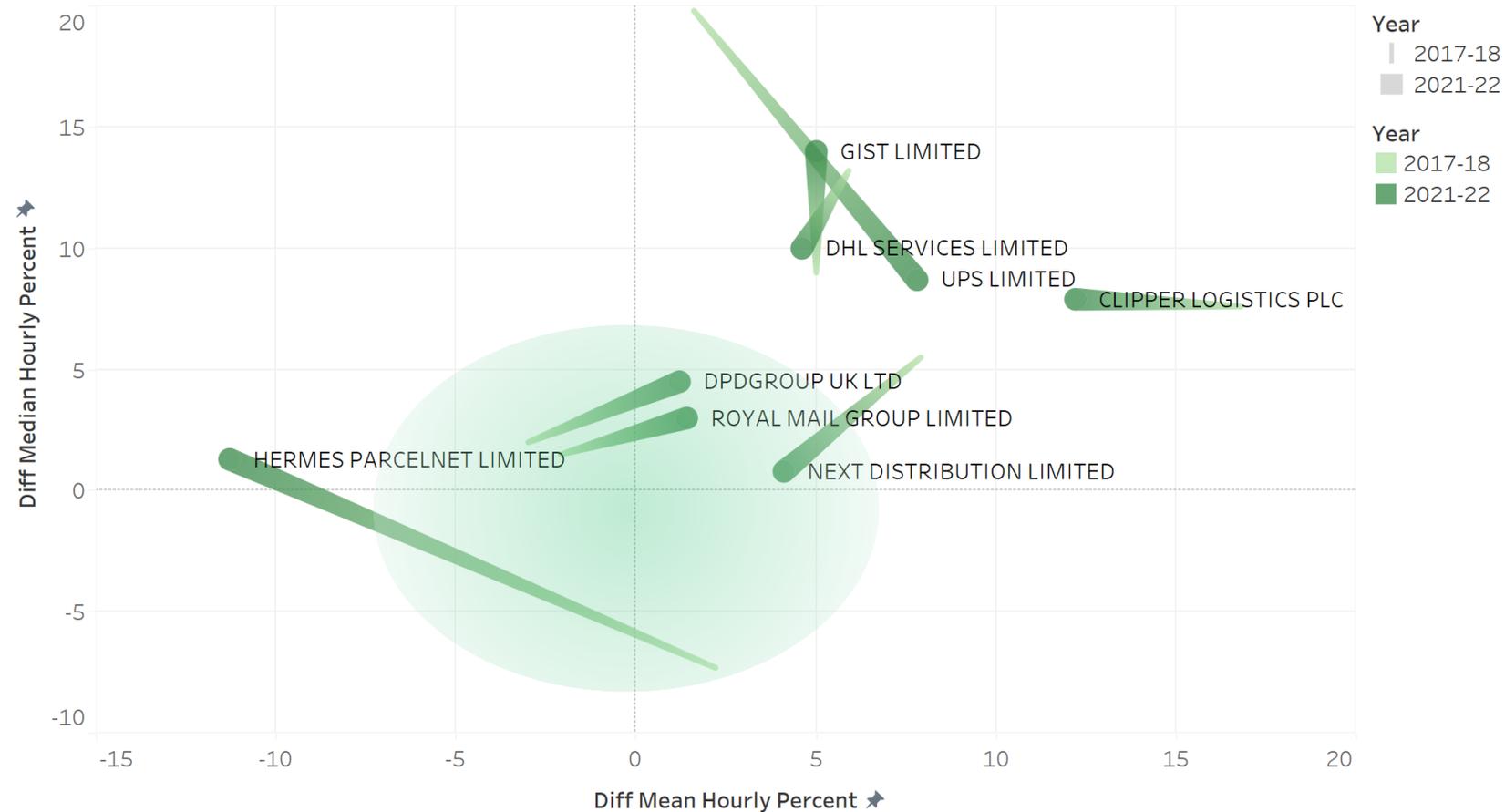
13% of logistics cos paid women more on both measures – *reduction of 4%*

Pay attention to the scales before we leave this slide!

Big logistics co pay gap change: no single story

> Note – the scales on the two axes are a very small subset compared with the previous two slides!

5K+ Employees



> This slide also illustrates some of the issues in looking at this data...

What makes analysis difficult? What's not included?

Deciding what SIC codes count as logistics + SIC codes self-chosen: eg DHL, Wincanton...

Companies come and go, merge and demerge, buy other companies, change size, change name: eg XPO / GXO

Recognised brands are included in a parent company or multiple reporting for different subsidiaries: eg Culina

There are bands for number of employees, but not the exact number, making proper weighted statistics impossible to calculate

There are funnies in the data – nil entries, wrong entries, misspelling...

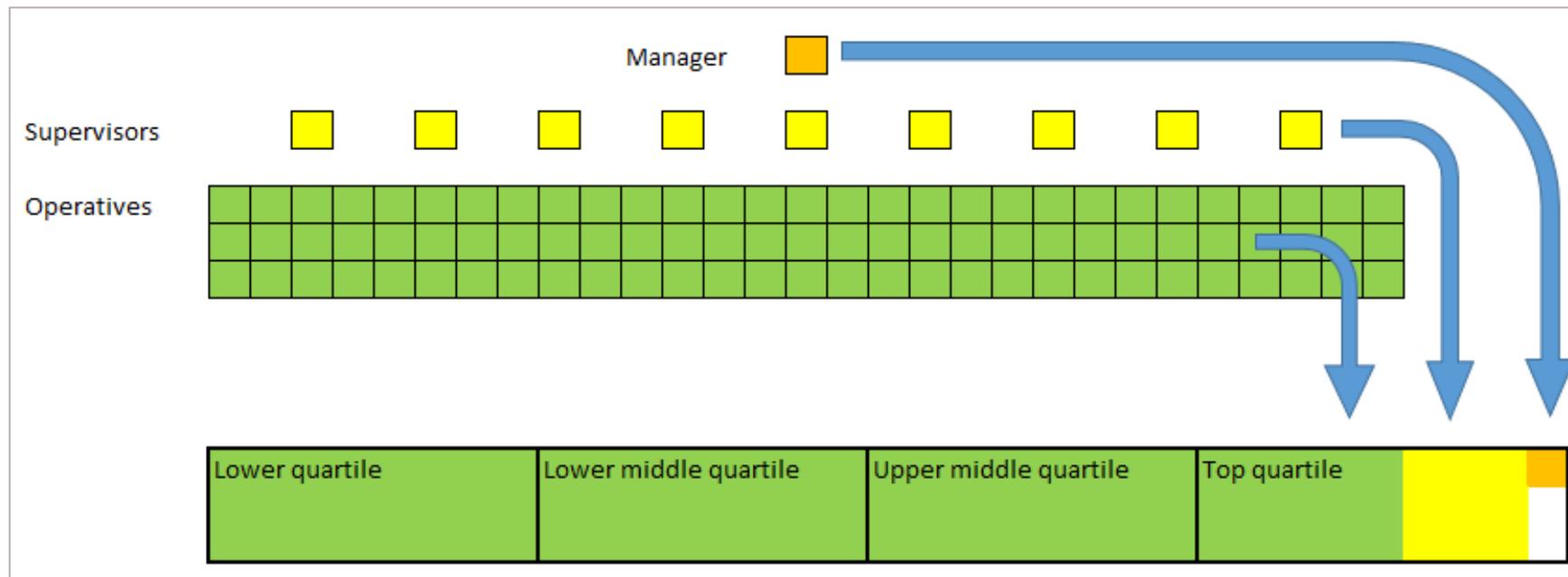
Pay gap reporting is only required for companies over 250 people, but 79% of transport & storage premises have less than 5 employees*

*The ONS periodically publishes statistics by occupation from surveys – averages across the whole nation across companies of all sizes:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021>

Retaining & upskilling – what can we learn?

- > The gender pay gap reporting doesn't tell us anything about retention ...but we can make deductions about increases or decreases in the number of women in logistics
- > We can't learn about upskilling as such ...but we can see how the proportion of women in the top quartile of logistics companies is changing
- > But first, a proviso: The top quartile is not nuanced enough for logistics or for many other sectors – we can't see what is going on right at the top:



Big logistics co % female change: some improvement

Females Big Log Cos



- > And across all logistics cos for which there was both 2017-18 and 2021-22 data...
- > **65%** had increased the proportion of women in the company, and
- > **58%** had increased the proportion of women in the top quartile

Closest to 'target' for 2021-2*

- > My criteria for the list below:
 - > Both median and mean pay gaps less than 7.5% - either way (a pay gap in favour of women is no fairer than a pay gap in favour of men)
 - > AND max two thirds of one sex in the company, either way (again, balance is best)
 - > AND max two thirds of one sex in the top quartile, again either way

	EmployerSize (2021-22)	Median	Mean	% F	% F - Top quartile
NEXT DISTRIBUTION LIMITED	5000 to 19,999	0.8	4.1	44	36
DAVIES TURNER & CO. LIMITED	500 to 999	-6.5	5.7	39	40
DACHSER LIMITED	250 to 499	-2.5	5.0	41	42
RHENUS WAREHOUSING SOLUTIONS LUTTERWORTH LIMITED	250 to 499	4.4	3.6	46	43

- > Then there are also companies which have made substantial progress in one or more area, which include: Warrens Warehousing Group, White & Co and DSV Solutions
- > Although note: My 'story' about Badly Balanced Limited, an imaginary company which still managed to come in ok on most stats despite being badly balanced! Link on final page

Why is diversity important?

DIVERSITY & INCLUSION ARE KEY TO HEALTHY BUSINESSES



Source: Catalyst, *Quick Take: Why Diversity and Inclusion Matter* (2020).

Share



This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.

CATALYST

- > Catalyst is a global non-profit supported by many of the world's most powerful CEOs and leading companies to help build workplaces that work for women
- > These links contain links to c100 articles and studies, including supporting all the financial performance benefits indicated:
- > <https://www.catalyst.org/research/why-diversity-and-inclusion-matter/>
- > <https://www.catalyst.org/research/why-diversity-and-inclusion-matter-financial-performance/>

Diversity Is Associated with Improved Financial Performance

Many studies link diversity to indicators of profitability and financial health, including

- Cash flow return on investment
- Earnings Before Interests and Taxes (EBIT) margins
- Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margins
- Gross and net margins
- Internal rate of return
- Investment performance
- Market value
- Operating profit margin
- Return on Assets (ROA)
- Return on Equity (ROE)
- Return on Sales (ROS)
- Revenue
- Sales performance
- Stock returns
- Tobin's Q = market value of a company divided by its assets' replacement cost

What are logistics companies doing about it?

- > Committing to action seems to work...
- > Clipper has increased its % of females, both generally and in the top quartile
- > And perhaps DSV Solutions success in increasing the number of females in its top quartile is in part down to some past Panalpina initiatives?



We do recognise, however, that there is still a way to go and cannot become complacent therefore the following activities have already been planned and will be implemented in 2019:

- Training of all Hiring Managers on “ Unconscious Bias”
- Diverse, panel interviewing for senior roles and internal promotions
- Track women’s recruitment and progression against number of applicants
- Identify the gender ratio in talent pools and succession – “name to box”
- Encourage women to attend forums which provide a platform to share challenges, network and develop
- Attend Women In Logistics events to improve confidence and identify role models
- Start a mentorship scheme for women



COMMITTING TO ACTION

Clipper is committed to a strategy of levelling-up of female talent, especially in senior management and leadership roles. Moreover, it is committed to having people strategies in place to provide equality of opportunity at all levels, thereby progressing to a workforce that is equal, balanced and rich in diversity.

Amongst our key workforce priorities we have in play, we are focused on:

- // Introducing in April 2022 a series of augmented family friendly policies which enhance a number of employment benefits, including: increase in holiday entitlements, maternity, paternity and adoption pay, sick pay, formalisation of working from home (some occupation groups) and the opportunity to buy additional days’ leave.
- // For the September 2022 intake, enhancing our Early Years’ talent programme by recruiting 100+ school leavers on to the programme, with a particular emphasis on attracting females to the programme.
- // Continuing to focus our Fresh Start programme across minority sectors, especially where there is significant under-representation of females, to ensure balance to our Social Value programme.
- // Promoting our Diversity, Equality and Inclusion programme, Inspire, especially our Women in Logistics programme, creating tailored programmes of development, learning and education to females to attract female talent as well as equipping them for career development within Clipper.

What should you do?



Take an interest in your company and any you might be thinking of joining – not just the figures but the actions



Question what's happening: Is it right? Why's it like that? Is it changing?



Don't judge without analysis – getting worse may be getting better!



Be supportive where good initiatives are being taken – is your company shouting about them?



Challenge where appropriate



Thank you, and any
questions?

Kirsten Tisdale FCILT

<http://www.aricia.ltd.uk/diversity.aspx>

