



March
2020



Introduction

Katherine Easter, Chief People Officer

I'm pleased to say that our gender pay gap continued to reduce in 2018/19, our third year of reporting. Our median gap now stands at 13 per cent, down from 17 per cent last year. However, this is still some way from where we want to be.

There are two reasons for our gender pay gap: we do not have enough women in senior positions; and we have a high concentration of men in highly paid roles in functions that are currently overrepresented by men in our industry, namely in our investment, risk and IT teams.



Introduction

continued



More women in senior roles

We are making progress on improving the gender balance in senior roles. Two years ago, when we signed the Women in Finance Charter, we committed to having 40 per cent of our senior roles filled by women by 2021. We hit this target early – 40 per cent was achieved in October 2019. We will, as a minimum, maintain this level. There are only 66 people in this population so any change is noticeable in the figures.

We will continue to increase the number of women in senior roles by nurturing our own talent, ensuring the PPF is an attractive workplace for female employees, and supporting women through groups aimed at women at different stages of their careers.

Male-dominated investment and risk teams

Women are underrepresented in our investment and risk teams, which pay highly compared to many other roles in the organisation. We use market rates of pay to attract and retain the best talent, so our pay gap reflects the sector's inherent gender imbalance. This can also be seen in our bonus pay gap – the median is currently 31 per cent. It will take longer to see progress in our bonus gap because of the deferred bonus scheme which we use in our investment team, which is in line with FCA rules (although we are not regulated, we aim to apply best practice). However, more women than men across the organisation received a bonus.

We pay men and women equally for the same work. We believe that the variety of roles at the PPF accentuates our gender pay gap, as we have a smaller number of people doing each role than, for example, a larger organisation with a higher concentration of people working in technical or investment roles.

While we recognise that this is a wider challenge in the investment sector, we are continuing to focus our efforts on attracting women into the team. For example, we work closely with The Diversity Project, which aims to attract diverse talent into the industry, and have signed up to its 10 Point Action Plan; and we aim to make the PPF a great place to work for everyone.



Introduction

continued

Open Minds

Diversity and inclusion (D&I) are high on the agenda at the PPF and a key part of our strategy. As an organisation, we are part public service and part financial services. This is one of our strengths – our employees are drawn from both the public and private sector and our strategic focus is to have a culture which combines the best of both worlds.

We believe that having a diverse workforce and an inclusive culture boosts innovation, improves decision making and risk identification, and helps us to provide better service to our members. We work hard to attract and retain a diverse employee population and have reviewed our recruitment processes to take this further. But we know that it doesn't stop when people get through the door – an inclusive culture is necessary to make sure all voices are heard.

Through our Open Minds programme last year we equipped all our employees with the skills to promote and champion diversity and inclusion with their teams, by understanding unconscious bias, modelling inclusive behaviours and challenging behaviours that aren't in line with the PPF's values.



Work-life balance

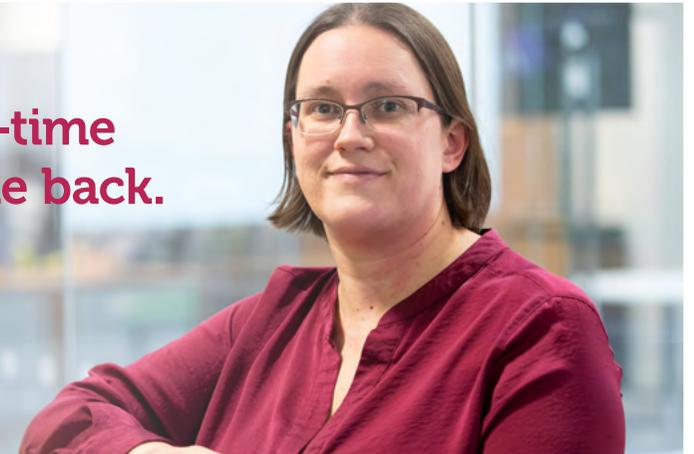
We aim to be an employer of choice for women. We're proud of the focus we have put into encouraging a positive work-life balance. We allow our employees to work flexibly wherever feasible, enabling people to work in roles they might otherwise struggle to balance with caring responsibilities. We support working parents by offering enhanced maternity and paternity leave, and Shared Parental Leave (SPL) with 26 weeks at full pay for men and women. We also offer coaching to women returning to work after having a baby, using a panel of independent business coaches to help them through the transition.

Along with many organisations, we have identified that the solution to reducing the gap requires a long-term strategy focused on sharing work/home commitments. In our most recent employee survey 82 per cent of people said they were happy with the balance between work and home life. The figure was the same for men and women. This was three points up from 2018 and is above the upper quartile norm benchmark (77 per cent) set by top performing organisations¹.

¹Employee Feedback Ltd, Viewpoint 2019 employee survey report.

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**Working part-time
hasn't held me back.**

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Catherine Hildebrand,
Enterprise Risk Director



"The reasons I've stayed here 11 years are different from the reasons I originally joined the PPF. I have stayed here longer than I expected to because of the flexibility and the opportunities I have been offered here.

"I work three days a week. Part-time employment allows me to contribute to the community in a way that I couldn't if I worked full-time. As well as looking after my children I also volunteer as a breastfeeding counsellor. Communities depend on part-time workers – many of the people who contribute to my children's school and activities work part-time.

"I've really benefitted from the mentoring I've had here and the tremendous focus on personal development. Coaching and being trained in coaching skills have changed me as a manager and as a person. The PPF has provided two periods of coaching, once early in my career when I was promoted into a new role and once when I returned from maternity leave. When I returned I made it clear I was ready for a new challenge and the coach helped me to obtain a new role as head of one of the risk teams.

"This organisation has shaped my career, no doubt about it."

Work life balance

continued

Of the 10 men who took paternity leave in the last year, half of them also took SPL. The national rate of uptake for this could be as low as 1-2 per cent, so we are encouraged that our culture allows men to feel able to take this opportunity.

// Taking Shared Parental Leave meant we could be more equal as parents

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Stephen Mitchell,
Head of Long-Term Risk Modelling Team



"I wanted to be involved with my kids from when they were young. My wife, who is a director at her company, only ever planned to take a maximum of six months' maternity leave with our children. Following the birth of our daughter I took SPL to join my wife towards the end of her maternity leave and then continued to care for the kids when she returned to work.

"We entered parenthood as a partnership but felt it could very quickly become polarised. I believe that SPL allows more equal roles to be taken.

"My taking SPL allowed my wife to more easily maintain contact with work while she was on maternity leave. Although it's not part of the PPF's remit, the fact that I was able to take SPL helped my wife retain a more active role in her company and to maintain her career progression in a job she loves.

"I now work part-time, working nine days every fortnight. The flexibility I get from working here means that I get to spend quality time with my daughter while she is little, and I also get to do nursery and school drop-offs and pick-ups."

More women in senior IT roles

We are currently undertaking an IT transformation project, which has seen the creation of several new specialised, technical roles, which are relatively well-paid. We had expected this to cause further gender imbalance but we are pleased to have recruited a majority of women into the senior roles.



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I help my team to think differently
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Yasmin Thompson,
Head of Service Delivery

"I was working as a consultant and had no plans to be permanently employed again but there was something that appealed to me in the wording of the PPF ad and the way the organisation described itself. When you see IT roles advertised you usually expect them to be dominated by very competitive and masculine focused language but this was something different. It seemed to be focused on its members and its inclusive employee culture.

"Having worked here for five months, I can say that really is the case. PPF people really care about the members, and the culture is very inclusive. My boss really is a champion for a diverse team, so everybody gets heard.

"Because I'm a woman, I often see things in a different way from the rest of my team, who are all men. People in general can get into group think quite quickly. The 'male' way of doing this is often to progress on a handshake. I'm encouraging my team to do things with more formality, to think laterally by making the connections between activities and to be risk aware. Risks need to be managed; you've got to dot the 'i's and cross the 't's as the devil is often in the detail. For instance, if I'm driving my car through a small gap, my husband will say you need to be confident that visually you know the width of your car and will take what I see as a chance that the car will fit through the gap. On the other hand I will be more cautious and stop and check as I want to be 100% sure I can get through before I commit to it!"

More women in senior IT roles

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**I focus on outcomes, so
 how I achieve them is never
 a hurdle to my growth**
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Karthy Velayutham,
 Head of Development and Testing



"In my first weeks at the PPF when I attended a Change Board meeting I was surprised to see that more than half of the participants were women. It is the first time I have ever seen such a significant representation of women in the IT industry. There is a trend in PPF, this week in the Leadership meeting the majority of the attendees were women – it's amazing! It is encouraging to see women taking up a wide variety of roles and in good numbers. This will be an inspiration and motivation for young women starting their careers as they will have many role models to look up to.

"There are common questions that I get asked when speaking at technology events: 'How do you manage your work/life balance? Did you take a career break? Do you work part-time? What compromises did you make in the compensation package?' I didn't have to make any compromise to any of my normal duties, however, at every level, I asked for flexibility at work and I managed to create my own environment to suit my needs and help me achieve the corporate goals. As I focus on the outcomes, how I achieve is never a hurdle to my growth.

"There is a misconception that there is a need to make a compromise on the growth prospects or compensation when negotiating flexibility. Also, the ratio of women asking for a suitable pay band during recruitment is relatively less. There is no need to undersell your capabilities.

"In 2008, I decided to move from India to the UK. I managed to secure a job in the UK while in India, however, the pay scale didn't match my skills. I could have just accepted it – a job in another country! Yet I asked. And it paid off! I ended up negotiating a higher salary.

"My advice is to build your self-confidence – we are never ready until we are on the ground trying, failing, learning, succeeding and trying again.

"The last generation worked hard to get women out of the home. It's our responsibility to challenge and continue to clear a path for the next generation."

Our gender pay gap figures



Hourly rate of pay

Difference in median hourly rate of pay:

2019 **13.39%**

2018 **17.12%**

2017 **20.40%**



Bonus pay

Difference in median bonus pay:

2019 **30.74%**

2018 **30.55%**

2017 **24.11%**

Difference in mean hourly rate of pay:

2019 **22.55%**

2018 **23.67%**

2017 **24.55%**

Difference in mean bonus pay:

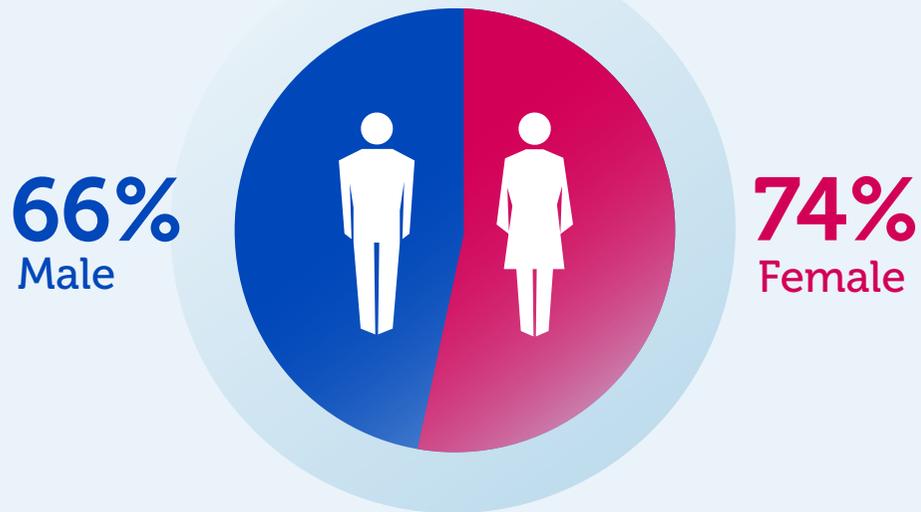
2019 **65.97%**

2018 **59.12%**

2017 **64.26%**

Our gender pay gap figures continued

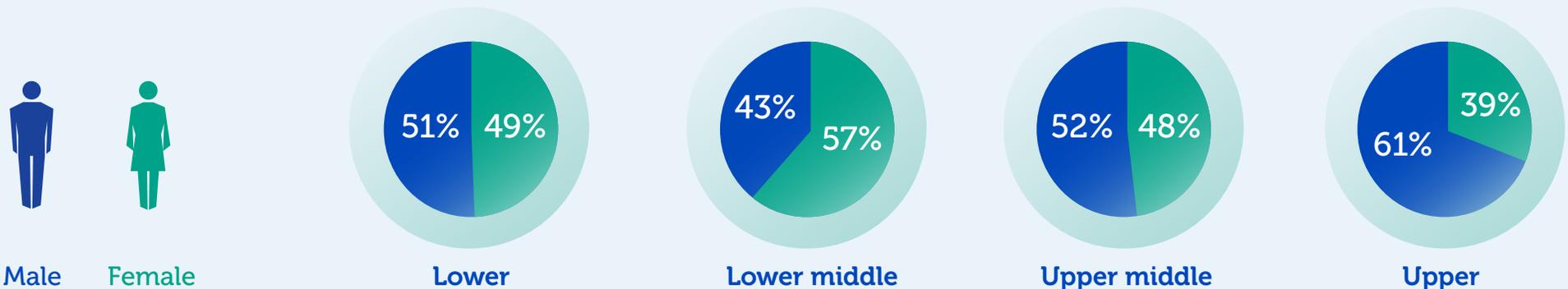
Proportion of female and male employees receiving bonus pay



Gender split of the PPF Board



Proportion of female and male employees according to quartile pay bands



The logo for the Pension Protection Fund, featuring a white curved line above the text.

Pension
Protection
Fund

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just search for 'Pension
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Statement

We confirm that the data and information in this statement is accurate. In accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 the Pension Protection Fund is required to carry out Gender Pay Gap Reporting.

Arnold Wagner

Chairman, Pension Protection Fund