

Hoover Limited - Gender pay gap report April 2019

Gender pay gap reporting

All businesses who employ 250 or more employees are required to carry out an annual assessment and provide an annual report on certain pay differentials relating to gender within their organisation. This is our report for the period to 5 April 2019.

Gender pay gap reporting compares the average pay of male and female employees employed by the same organisation, regardless of the job that they do. This is very different to equal pay, which compares like with like to ensure that women and men who carry out the same work, work of equal value or work rated as equivalent under a job evaluation scheme receive the same pay.

What is Hoover's gender pay gap?

As of 5 April 2019, Hoover employed 570 people in a wide range of roles.

We calculated our mean (the sum of all relevant employees' hourly rates of pay, divided by the number of employees) and median (the middle value where employees' hourly rates of pay are listed in numerical order) pay gaps for both hourly rates of pay and bonus pay.

	Mean	Median
Hourly pay	35.45% (compared to 30.34% in 2018)	41.35% (compared to 38.38% in 2018)
Bonus pay	71.63% (compared to 60.32% in 2018)	72.74% (compared to 70.03% in 2018)

We also assessed what proportion of our female and male employees received bonus pay between 6 April 2018 and 5 April 2019.



Finally, we assessed the proportion of male and female employees within four equally sized quartiles according to their hourly rates of pay.

	Female	Male
Upper quartile	20% (from 15.32%)	80% (from 84.68%)
Upper middle quartile	4.8% (from 6.25%)	95.2% (from 93.75%)
Lower middle quartile	34.68% (from 31.25%)	65.32% (from 68.75%)
Lower quartile	68% (from 64.29%)	32% (from 35.71%)

What are the reasons for our gender pay gap?

Our gender pay gap results from the under-representation of females in executive roles that attract the highest levels of pay within our organisation (in the top two quartiles).

We are pleased to have increased representation of females in the upper quartile during this period as we have recruited several female employees into senior management roles. However, we recognise that we still have a long way to go to achieve equal representation. This is a particular challenge for us, as all our Directors and executive team (who are our highest paid employees and amongst whom there is negligible staff turnover) are male, as are all 160 of our Field Service Engineers (who account for 29% of our workforce and most of whom fall within the upper middle quartile).

24% of our employees are Customer Service Advisers, who all have the same basic salary.

What are the reasons for our gender bonus gap?

We operate a variety of bonus schemes, including a company profit related bonus (3% of base pay) which all employees are entitled to receive once they have completed their first quarter with us, provided that they are employed for the whole of the relevant quarter. Also, all employees who are employed when the vouchers are distributed during December are entitled to receive a £20 Christmas bonus voucher. A high number of new starters in the first quarter of 2019 reduced the proportion of both male and female employees employed by us on 5 April 2019 who were eligible to receive any bonus in the preceding 12 months.

Whilst Directors', Commercial roles' and Field Sales Engineers' bonuses account for our highest bonus payments, employees working in our contact centre can earn unlimited commission-based bonuses, which in some cases place them in the upper middle quartile (regardless of gender).

In early 2019, senior managers whose teams were affected by the relocations to Birchwood received bonuses for managing the changes in their departments. Also, many staff who did not locate but were made redundant received bonuses for completing sufficient handovers to new members of staff. These factors have skewed our bonus figures for this reporting period.

Many of our contact centre employees, especially females, work part-time. This, together with a higher proportion of females than males working part-time in other areas of our business, adversely affects our bonus pay gap as the rules for the calculation of the bonus pay gap do not permit pro-rating of bonus payments.

Our bonus pay gap is also adversely affected by the fact that the majority of our administration staff (most of whom are female) are not eligible to participate in significant bonus schemes other than the quarterly Company profit related bonus and Christmas bonus voucher.

Addressing our gender pay gap

We are committed to being an equal opportunities employer. We support diversity and inclusion within our business. We are committed to promoting equal treatment for all employees and potential employees. We are confident that we pay individual employee's appropriate rates for the jobs that they do.

We continue to seek ways to achieve a closer gender balance across our business. 33.7% of our workforce is female, but only 20% of our upper quartile. In recent years we have taken greater positive steps to recruit and retain females in higher paid roles. This is proving successful with the recent recruitment of more females to senior management positions.

The relocation of our senior management team and our Commercial teams to Birchwood Park, Warrington has enabled us to take advantage of better transport links, better facilities (including an on-site creche) and a more modern work environment to make working for Hoover more attractive to all. We anticipate that measures such as the introduction of flexible working arrangements, including core hours with variable start and finish times where practicable, will appeal to all staff and demonstrate that we are a family friendly employer. Other measures, such as monitoring equality in the workplace and offering a salary sacrifice childcare voucher scheme, remain in place.

We continue to seek to identify ways in which we can make a positive difference and to ensure that none of our employees (or prospective employees), feel constrained by their gender or perceptions of their gender or feel limited by real or perceived barriers to their career development and advancement.

I confirm that the data reported has been calculated in accordance with the gender pay gap reporting requirements and that the figures used are accurate.



Matthew Given,

UK Group Director, Human Resources