

2018 Gender Pay Gap Report



Introduction



The success of our organisation and the growth of the engineering sector is reliant on our ability to innovate, develop partnerships on a global scale and leverage our knowledge to deliver world-class engineering solutions.

We simply cannot achieve this without our greatest asset; a diverse, curious and collaborative workforce. In addition, we are very privileged to be part of the HVMC network and to have a leading role in developing the engineering workforce of the future. We owe our staff, customers, stakeholders and future generations the opportunity to work in an environment where each individual is respected, valued and recognised for the unique contribution that they bring.

Gender is just one element of diversity but one that is widely known to be a key challenge for the engineering profession. We are committed to fulfilling our role in closing the gender pay gap and even though it's likely to take time we are confident that with the support of our staff, stakeholders and partners we will improve the conditions and opportunities available for women working in engineering, now and in the future.

Our ability to achieve our vision relies on us making diversity and inclusion part of our every-day language, practices and behaviours. This can be challenging at times and we won't get it right immediately but as a leadership team we are committed to acting with integrity, to taking action and to learning and adapting our approach. We all have a responsibility and collectively we can make a difference.

*Naomi Copping
HR Director, National Composites Centre*

What is the gender pay gap?

Simply put, the gender pay gap shows the difference between the average hourly earnings for all of the men and women in an organisation.

The gender pay gap is not the same as equal pay, which is a legal requirement to ensure that individual men and women are not paid differently for the same or similar roles. The NCC is committed to ensuring equal pay and does so by carrying out annual equal pay audits, and by ensuring that all roles are fairly and consistently graded.

The calculations in this report have been carried out in line with the standard methodology set out in the gender pay gap regulations and are based on a "snapshot" of pay data taken on 31st March 2018.

The six calculations included in this report are:

- **The difference in average hourly pay between men and women at the snapshot date (mean and median)**
- **The difference in average bonuses paid to men and women in the year leading up to the snapshot date (mean and median)**
- **The proportion of men and women who received a bonus payment in the year leading up to the snapshot date**
- **The proportion of men and women in each of four quartile pay bands**

What do our results show?

The NCC population is 24% female and 76% male. The proportion of women is higher in the lower pay quartiles.

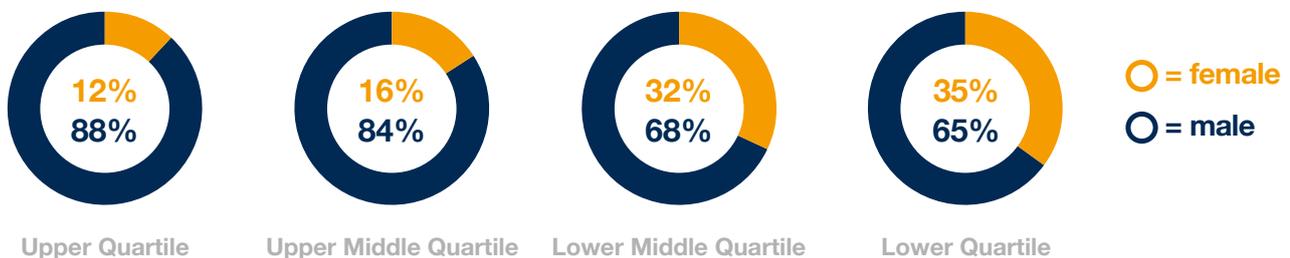
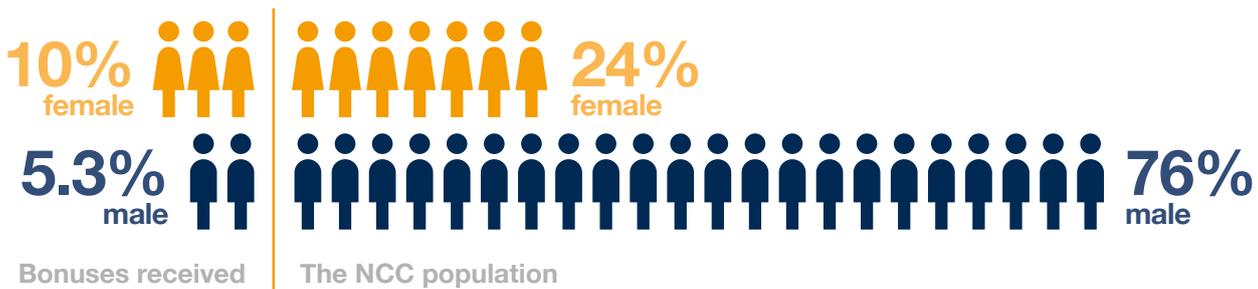
The NCC has a mean bonus gap of 34.7% and a median bonus gap of 12.5%. A higher percentage (10%) of women than men (5.3%) received a bonus payment; however, the majority of the bonus payments made to women were proportionately small amounts to reward completion of qualifications, whereas more men than women in the leadership team were then eligible to receive a comparatively larger performance-related bonus payment*. The leadership team are no longer eligible to receive performance-related bonus payments.

The NCC has a mean gender pay gap of 16.4% and median gender pay gap of 15.8%, the UK national average gender pay gap is 17.9%**

Analysis of our data suggests that the gender pay gap exists in NCC primarily because we have lower proportions of women in senior technical roles and leadership positions; and higher proportions of women in junior technical or professional services roles (which typically attract lower salaries than engineering roles do in the employment market).

Within professional services roles, the gender pay gap is much lower (9% mean pay gap), we have more women within senior grades, and we have a much more even gender split (54% female and 46% male).

Within technical roles, the level of female representation is much lower, particularly within senior and/or managerial positions. Under-representation of women in technical roles is not unique to NCC, this is a widely recognised issue within the engineering industry, with women making up just 16% of engineering degree undergraduates***



*The NCC bonus data includes performance related pay paid to four directors, and qualification rewards paid to 12 employees over the year to 31st March 2018
 **This is based on a slightly different calculation made by the ONS (2018) via their annual survey of hours and earning
 ***According to the Engineering UK (2018) Report

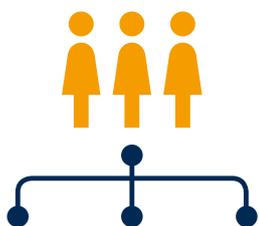
What are we doing to close the gap?

We have made progress over the last year, and have a number of great things to celebrate including three new female directors; a number of women promoted into technical management positions; five women recruited into technical early careers roles; and participation in a range of STEM events to encourage both girls and boys into engineering.

Over the last year NCC was also placed as one of the Times Top 100 not-for-profit organisations to work for in the UK. The feedback that our employees provided through this survey demonstrated that both male and female employees feel equally positively about working at the NCC, and about their opportunities for growth here.

Despite these successes, we recognise that further progress is needed and we are committed to closing the gap. Because we understand that gender is just one aspect of diversity, and that any action we take to improve diversity and inclusion overall at NCC will have a positive impact on women and on gender pay, we have developed a broad diversity and inclusion commitment focused on the key areas of:

- **Creating career opportunities. Tackling under-representation of women and other groups through definition and implementation of a comprehensive STEM strategy, reviewing our candidate attraction methods to ensure targeting of a diverse range of applicants, and working with a range of specialist organisations to develop specific action plans to support underrepresented groups to enter the organisation and the engineering sector**
- **Improving the way in which we collect and monitor diversity data. Developing a better understanding of how diverse NCC is in relation to the wider industry and society, identifying areas of underrepresentation and taking appropriate action to attract, develop and grow a diverse workforce**
- **Enhancing conversations about diversity and inclusion. Increasing awareness of diversity and inclusion issues through regular two-way communication and participation in a range of events across the NCC**
- **Ensuring equity in management decision making. Providing training, challenge and support to our leadership community to recognise and reduce bias in management decision making, and to ensure that equitable decisions are made regarding our people practices**
- **Developing partnerships to increase STEM engagement. Working closely with academic, industrial and community partners to collectively broaden our reach and scope of STEM activity and ultimately increase uptake of STEM subjects and diversity of Engineering profession**



We have three new female directors



We have recruited five women into technical early careers roles



We have participated in a range of STEM events to encourage both girls and boys into engineering

I confirm that the data contained within this report is accurate.

Naomi Copping, HR Director

Naomi Copping