

### Gender Pay Gap METHODOLOGY

#### 1. Percentage of Men and Women in each pay quarter

- 1.1 To calculate the four quarters, firstly employees are sorted by hourly pay from highest to lowest.
- 1.2 Next the list is divided into four quarters, if the total number of employees is not divisible by 4 then the following distribution applies.
  - if there is one employee left over, add them to the lower hourly pay quarter
  - if there are 2 employees left over, add one to the lower hourly pay quarter and one to the upper middle hourly pay quarter
  - if there are 3 left over, distribute them between lower, lower middle and upper middle pay quarters
- 1.3 If employees with the same hourly rate end up in different quarters ensure the distribution between men and women in the two quarters is as fair as possible.
- 1.4 Lastly work out the percentage of men and women in each quarter by dividing the number of men in each quarter by the total number of employees in that quarter and multiplying by 100 to give a percentage. Repeat for the number of women in each quarter.

#### 2. Mean Gender Pay Gap

- 2.1 To calculate this all the hourly rates of men are added up and divided by the number of male employees. The process is then repeated for female employees.
- 2.2 We then subtract the female hourly rate from the male hourly rate, divide the total by the male hourly rate and multiply that figure by 100.
- 2.3 Expressed as a percentage, this is the organisations mean gender pay gap.

#### 3 Median Gender Pay Gap

- 3.1 Firstly all the male hourly rates are put into numerical order with the highest at the top and the lowest at the bottom. The median hourly rate is the man at the mid-point of all the men in the spreadsheet. The median female hourly rate is the hourly rate for the woman at the mid-point of all the females. If there is an even number of men or women, then take an average of the two middle point hourly rates.
- 3.2 To calculate the median gender pay gap we then subtract the median female hourly rate from the median male hourly rate. Divide the total by the median male hourly rate and then multiply the resulting figure by 100.
- 3.3 Expressed as a percentage this is the organisations median gender pay gap.

#### **4 Percentage of Men and Women receiving a bonus**

- 4.1 To calculate the proportion of male employees who received a bonus, the number of those that received a bonus needs to be divided by the number of male employees and the resulting figure multiplied by 100. This gives you the percentage of men who received bonus pay.
- 4.2 To calculate the proportion of female employees who received a bonus, the number of those that received a bonus needs to be divided by the number of female employees and the resulting figure multiplied by 100. This gives you the percentage of women who received bonus pay.

#### **5 Mean Gender Pay Gap for bonus pay**

- 5.1 To calculate this we need to add together all the bonus payments made to male employees and divide this figure by the number of men who received bonus pay. This gives the mean gender pay gap of bonus pay for men.
- 5.2 Repeat for all the women who have received bonus pay. This gives the mean gender pay gap of bonus pay for women.
- 5.3 We then subtract the women's bonus pay from the men's bonus pay, divide the total by the men's bonus pay and multiply that figure by 100.
- 5.4 Expressed as a percentage this is the organisations mean gender pay gap of bonus pay.

#### **6 Median Gender Pay Gap for bonus pay**

- 6.1 To calculate this we need to sort all the male employees who received a bonus into order of highest to lowest bonus pay amounts. Identify the male in the middle of the list, this figure is the median bonus pay for men.
- 6.2 Repeat this for women. This figure is the median bonus pay for women
- 6.3 We then subtract the women's bonus pay from the men's bonus pay, divide the total by the men's bonus pay and multiply that figure by 100.
- 6.4 Expressed as a percentage this is the organisations median gender pay gap of bonus pay.