

Gender Pay Gap Report





Foreword

It is almost three years since Highways England was created as the government company responsible for designing, building, operating, maintaining and improving England's motorways and major A roads. In that time we have come a long way as an organisation.

4 million people drive on the Strategic Road Network every day, that's more than the entire population of Birmingham. That's 4 million customers wishing to have safe and reliable journeys and need us to help them reach their destinations.

We are working in a competitive sector and with the shortage of STEM graduates, a conservative estimate is that there is an annual shortfall of 20,000 engineering graduates against the country's potential needs¹.

We must recruit from the widest and most diverse pool of talent available and retain and develop people to fulfil our need and their potential. It is the right thing to do and makes good business sense. Drawing from the widest range of skills and experiences, enables us to be innovative, dynamic and attractive as an employer.

We need to do more to encourage a diverse workforce and closing the gender pay gap is just one way of achieving this as is encouraging a more diverse workforce into careers that have previously been seen as predominantly male roles.

While women make up 46% of the workforce as a whole, engineering continues to be predominantly male. Women make up only 1 in 8 of those in engineering occupations and less than 1 in 10 of those in an engineering company such as ours¹.

I welcome our Gender Pay Gap Report. It highlights our current position and some of the measures we have put in place to improve things. Our mean pay gap of 5.4% is substantially lower than the rest of the UK and that of the Public Sector, but there is still more we can do.

We are totally committed to working towards an inclusive and diverse company and addressing the gender pay gap is one part of that. Creating an environment in which everyone is treated equally and has the same opportunities to develop in their career will help create the right future for our company and all of us.

I, Jim O'Sullivan, Chief Executive Officer, confirm that the information in this statement is accurate.



Jim O'Sullivan

Chief Executive
Highways England

¹ [Engineering UK 2017 Synopsis and recommendations](#)



Foreword

At Highways England, we aim to be a diverse and inclusive company. The publication of our Gender Pay Gap Report, strengthens our resolve to continuously improve in this area, not only by working to reduce the pay gap but also through improving the attraction, recruitment, retention and development of our workforce.

As Executive Director of Human Resources and Organisational Development, I have a vested interest in promoting equality and diversity to ensure that our organisation is accessing the broadest pool of talent. Widening opportunity is the right thing to do and makes good business sense in a competitive sector such as ours. It is also good for the economy and productivity. Equalising women's productivity and employment to the same levels as men's could add almost £600 billion to the economy².

Our mean pay gap of 5.4% is substantially lower than that of the UK and we are proud of the progress that we have made as an organisation to date. However, we are not at all complacent and recognise the extent of work still to be done.

We need to improve our gender balance at all levels in the Company and this is something that we have been focussing heavily on in the last two years. We recognise that this will take time to achieve.

The number of females in the most senior positions has increased year on year and I am especially pleased about the gender balance of those joining Highways England through our 'early talent' routes of Graduate schemes and Apprenticeships.

We need to improve our retention of women, particularly in mid-level roles, and better enable all women to be successful. This can be achieved in a variety of ways and we must tackle them in the priority of most impact. These interventions include making assessment processes for promotions as gender neutral as possible, strengthening the capabilities of people managers and designing and implementing tailored solutions for different parts of the business or roles.

I truly believe that Highways England is a great place to work and can offer any talented person a rewarding career and an opportunity to do work of national significance. We are determined to create a culture that is as inclusive as possible, to enable everyone to reach their full potential.



San Johal

*Executive Director
Human Resources and
Organisational Development*

² [Government Equalities Office – Closing the Gender Pay Gap](#)



Introduction

We connect the country.

Highways England was created to deliver the government's ambition to create a modern road network fit for a modern nation. Our role is to plan, improve, manage, operate and maintain England's Strategic Road Network (SRN): over 4,400 miles of motorways and major A roads. We believe in a connected country and aim to operate one of the most advanced road networks in the world with expertise, experience and care.

While it may only make up 2% of the UK's roads, 4 million vehicles are driven on the SRN every day. The network brings people to work; connects places, towns and regions; and allows people to travel to leisure activities, friends and families.

Pedestrians, cyclists and horse riders use our roads, whether as part of a journey, connecting to other transport, or safely crossing our roads. The SRN is arguably the largest and single most important piece of infrastructure in the country. It enables more journeys than ever before – more safely, more efficiently, and bringing more benefit to our customers and the nation's economy.

With so much depending on the performance of our network, we want to ensure that it works for each and every road user, now and into the future.

We're currently delivering the biggest investment in our road network in a generation: £15 billion over the 5 years of Road Period 1 (2015-2020).

As well as road-building schemes, we're working 24/7 operating and maintaining the network in real time. Meanwhile, we're planning for the long term by researching and developing the road technologies of the future. All to ensure that our customers can continue to get to their destinations quickly and safely.

At Highways England our staff are passionate about their roles, whether they are in direct contact with our customers or working behind the scenes. To ensure we can continue to deliver this ambitious investment programme, keep the network running smoothly and safely and plan for delivery of the future of roads investment, we need to ensure that we attract and retain staff from the widest talent pool available.

It is also important to us that we can be honest about the areas which we still need to improve and provide clarity around our approach to encouraging, monitoring and improving diversity in the workforce. Our Gender Pay Gap Report plays an important part in telling this story.





What is the Gender Pay Gap Report?

[The Equality Act 2010](#) (Gender Pay Gap Information)

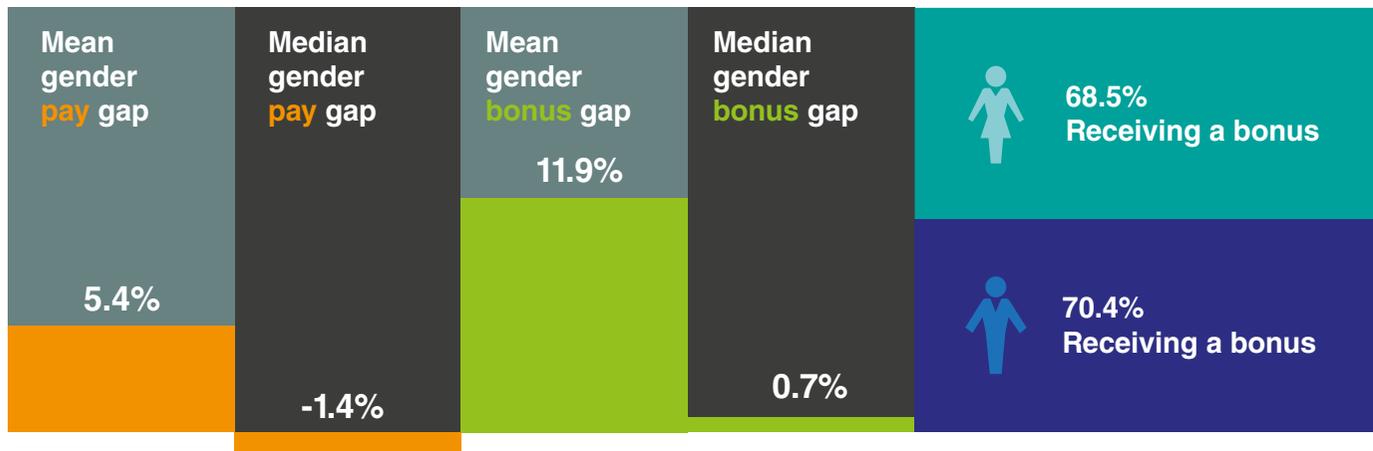
Regulations 2017 (SI 2017/172) brought into effect a requirement for large employers to report publicly every year on the differences in the aggregate pay and bonuses of men and women. The Regulations mandate how organisations in England, Scotland and Wales with 250 or more employees must calculate a standard set of key metrics on their gender pay and gender bonus gaps and the format and medium in which they must report them. For public sector organisations, these figures cover workers in scope as of 31 March, 2017.

The issue of equal pay and the gender pay gap are often confused. Equal pay is concerned with pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The gender pay gap is concerned with differences in the average earnings of men and women, expressed relative to men's earnings, regardless of their role or seniority. It is, therefore, a broader measure capturing not just any equal pay issues but also any pay inequalities resulting from differences in the sorts of jobs performed by men and women and the gender composition of the workforce³.

Highways England's Gender Pay Gap

As at the snapshot date of 31 March, 2017, Highways England had 3,939 full-pay relevant employees (1,305 women and 2,634 men).

Based on this population, Highways England's Gender Pay Gap results are as follows:



The Government defines **mean** and **median** pay as:

- **Mean** - the difference between the average of men's and women's pay
- **Median** - the difference between the midpoints in the ranges of men's and women's pay

³ [How to measure and report a gender pay gap](#)



How does Highways England's gender pay gap compare with that of other organisations?

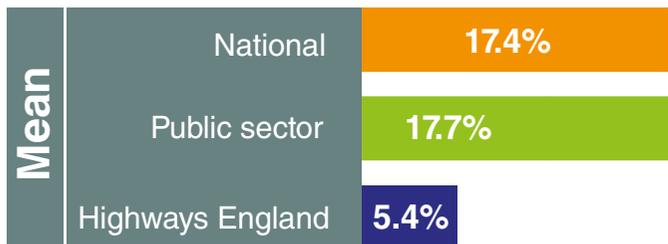
The vast majority of organisations have a gender pay gap and our gap compares favourably with that of many others, including those within our industry.

The mean gender pay gap for the whole UK economy (according to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.4% and 17.7% for the Public sector. At 5.4%, Highways England's mean gender pay gap is, therefore, significantly lower than both that for the whole economy and that of the Public sector.

The median gender pay gap for the whole economy (according to the October 2017 ONS ASHE figures) is 18.4%, while in the Public sector it is 19.4%. At -1.4%, Highways England's median gender pay gap is, therefore, again significantly lower than both that for the UK economy and that of the Public sector.

The mean and median gender bonus gaps for Highways England are larger at 11.9% and 0.7% respectively, with the proportion of men receiving a bonus in the 12 months up to 31 March, 2017 at 70.4%, while for women this was 68.5%.

At 5.4%, Highways England's mean gender pay gap is, therefore, significantly lower than both that for the whole economy and that of our sector.





What are the underlying causes of Highways England's gender pay gap?

We are committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

We are confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work. Our gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Across the UK economy, men are found to occupy senior roles (especially those at the top of the organisation) and in functions which are often more competitively remunerated such as IT and engineering. In addition, women are also more likely to work part-time where many of the jobs available on a part-time basis are relatively lower paid⁴.

These trends are also found at Highways England and helps explain the results this review has produced.

The reason Highways England find itself with a mean gender pay gap significantly lower than that of many comparators is due to the majority of those performing the lower paid roles being men.

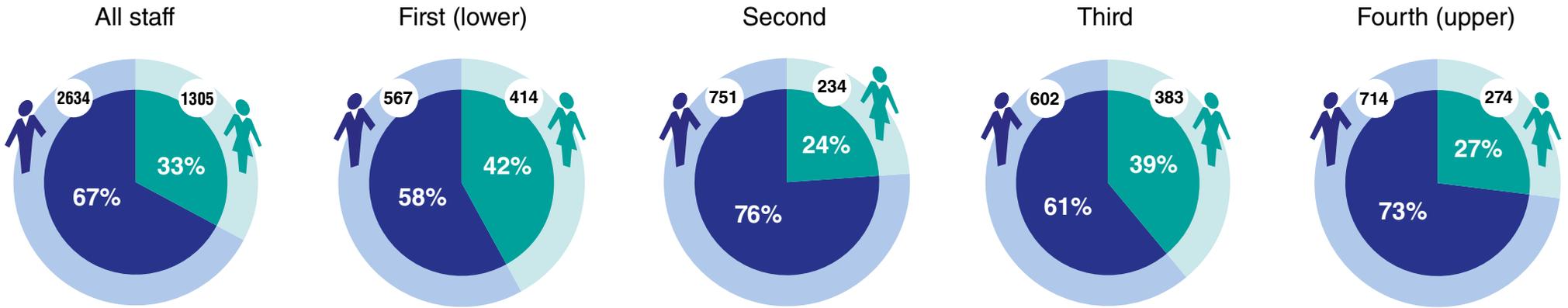
Although uncommon, it is possible for an organisation to have a negative gender pay gap, as is found when looking at Highways England's median pay gap. The negative result means that women earn fractionally more than men on average, however, this can be explained by the smaller number of higher paid women among a majority male workforce.

With regards to Highways England's bonus figures, it is standard practice for non-consolidated bonus payments at Highways England to be pro-rated in accordance with the number of hours worked by each employee. As a result, those working part-time, of whom the majority at Highways England are female will receive a lower bonus when compared to full-time employees.

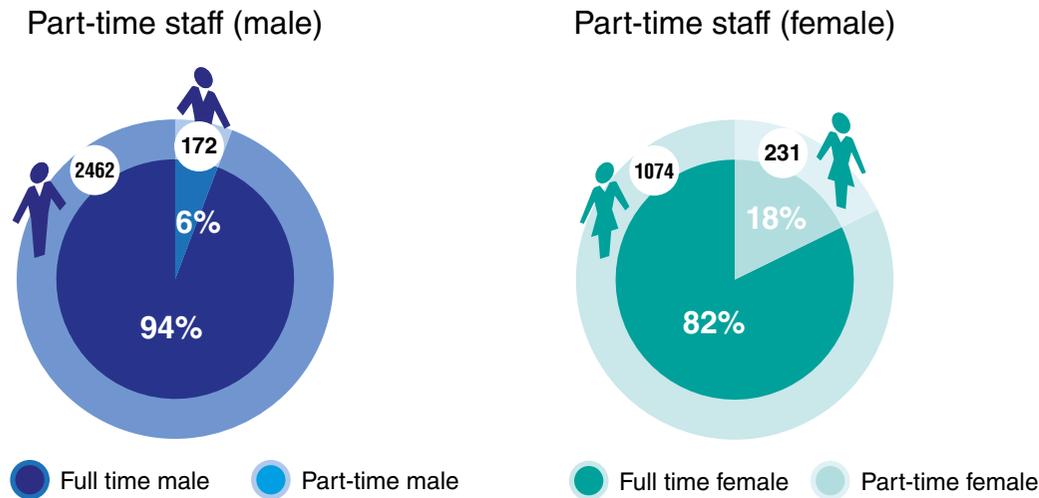


⁴ [Gov.UK news story – UK Gender Pay Gap](#)

Pay quartiles by gender



Part-time and full-time staff by gender



Highways England's workforce divided into four equal-sized groups based on hourly pay rates, with the 1st (Lower) Quartile including the lowest-paid 25% of employees and the 4th (Upper) Quartile covering the highest-paid 25%.

What is Highways England doing to address its gender pay gap?

While Highways England's gender pay gap compares favourably with that of organisations, both across the whole UK economy and within the Public sector, we are not complacent, and are committed to doing everything that we can to reduce the gap.

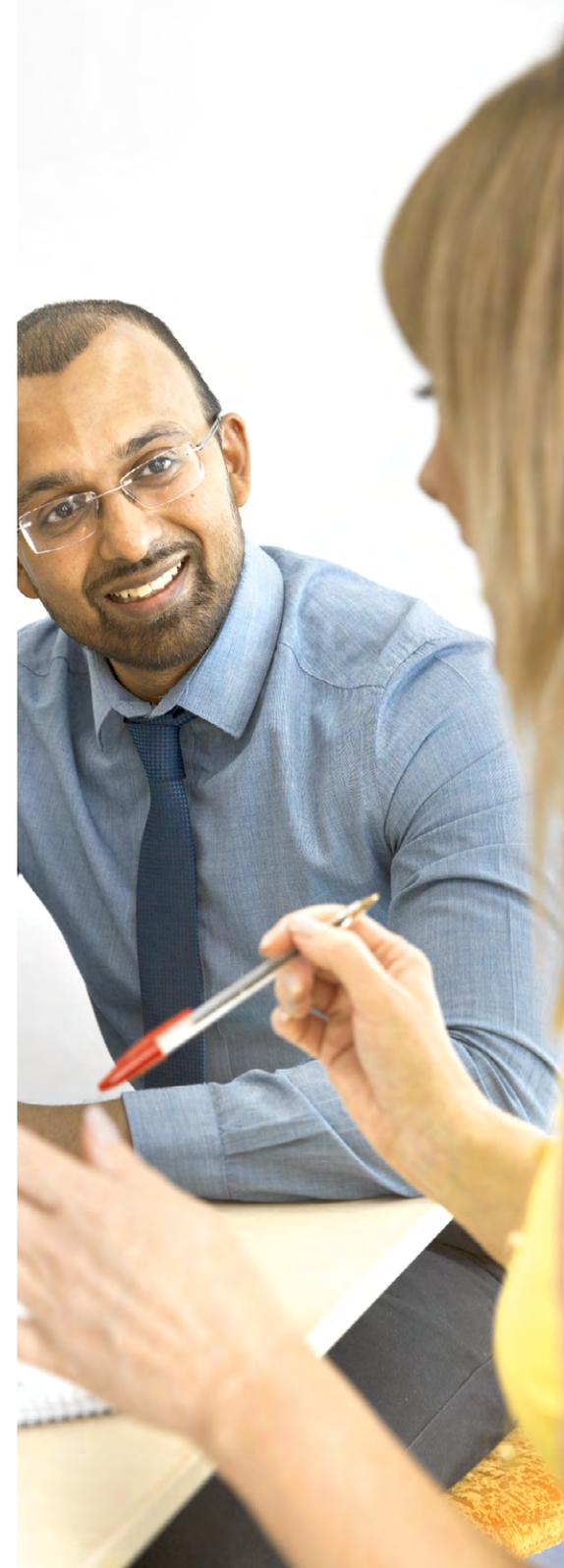
We are also committed to creating a diverse and inclusive organisation and we are working to improve our gender diversity.

Attraction and Recruitment

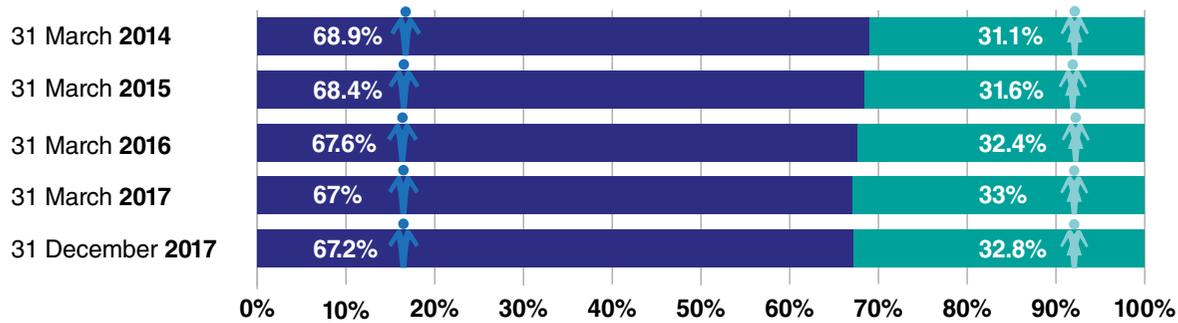
We want to attract and recruit diverse talent. During 2016, we had our recruitment process reviewed by the Clear Company, an inclusive recruitment specialist, to assess our capability to attract and recruit diverse talent. We have since implemented their recommendations including:

- Developing and launching our new careers website which is designed to attract a wider and more diverse audience and workforce. The content was reviewed to use inclusive language and provides information about how we support our staff.
- Producing a new recruitment toolkit for hiring managers, including guidance for sifting and interviewing and interview training to make our recruitment more inclusive.

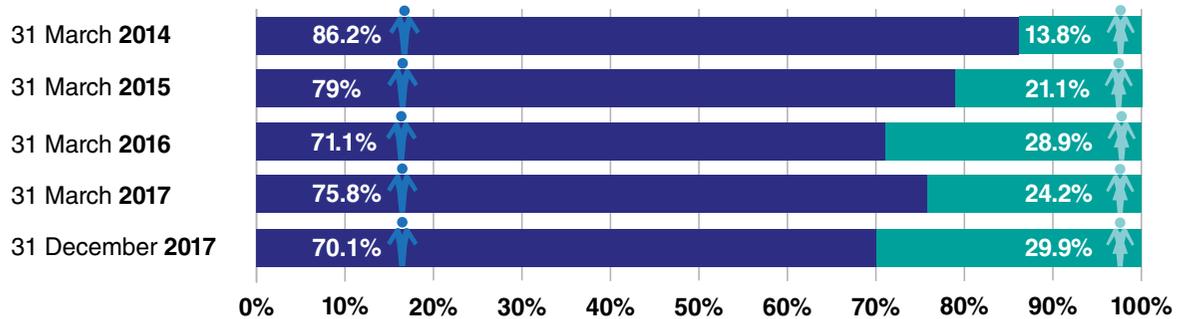
We examine our employment data to look at gender and benchmark ourselves with our supply chain. The percentage of women in our organisation overall has increased over the past three years. The number of women in senior positions has also increased over the past three years.



Gender split 2014-2017



Senior posts 2014-2017



We promote National Women in Engineering Day in collaboration with our supply chain partners, sharing inspirational stories of women in Highways England both among existing staff and externally to the public and potential recruits.

Recognising that women are currently under represented in our middle and senior roles we have actively been looking at ways to address this. In 2017, we successfully launched our first Returners programme, working with Women Returners Ltd. The aim of the programme is to provide individuals who have had a career break of two or more years with the opportunity to come back into the workplace and start to build their career again.

As well as support from their line manager, those on the programme also receive mentoring as well as coaching from Women Returners Ltd. It targets recruitment to placements in mid- to senior-level positions with the potential for further employment at the end of the programme.

We are members of WISE which is a campaign for gender balance in science, technology and engineering. We are also a signatory of the WISE Ten Steps which is a framework to help organisations address gender imbalance.

We will continue to look at ways to address the gender imbalance in attraction and recruitment through developing collaborative partnerships.



Retention

In a competitive sector, retention of diverse talent is critical to our future success. Our offering to our staff needs to be relevant to their needs and add value.

We have a flexible working procedure that applies to all our staff. We also provide additional provisions to statutory pay in both our maternity and adoption schemes. We offer a childcare voucher salary sacrifice scheme and pay a 60% contribution towards the cost of childcare to attend a holiday play scheme.

We need to support our carers so they can manage their caring responsibilities alongside their role. In 2017, we launched our carers workplace support which provides information to carers about the support that is available to them such as flexible working and special leave. In addition, we pledge our support to our carers during Carers Week



Development

We know women are underrepresented in senior roles, so in 2017 we worked with Equal Talent, a specialist coaching consultancy for women, to develop and launch a pilot coaching programme for women. This high-performance programme is designed to support individuals in the development of their career at Highways England.

Early results are positive and will lead to further programmes of this kind, aiming to enable our existing talent to progress to more senior roles within the Company.



Inclusive Leadership

Our values and behaviours set out very clearly the expectation upon our people managers to manage and lead in an inclusive way. Our people managers attend our

management development programme which provides them with the practical training to support the values and drive for high performance in an inclusive respectful and engaging way.

Staff Networks

Staff networks are a great way of enabling us to learn from the experiences of our staff and also empower them to shape company policies. We have a Leading Women's network which aims to:

- promote diverse role models for the women in Highways England
- to challenge the organisation to create the right culture and do the right things so that it attracts, retains and promotes talented women
- to provide a network of support for the women in Highways England

In addition, we have an "Access for All" group which is a staff disability network where people can work together to address issues and share experiences. We also have a LGBT+ network which provides support and raises awareness of Lesbian Gay Bisexual and Transgender issues.



If you need help accessing this or any other Highways England information, please call **0300 123 5000** and we will help you.

© Crown copyright 2018.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence: visit www.nationalarchives.gov.uk/doc/open-government-licence/ write to the **Information Policy Team, The National Archives, Kew, London TW9 4DU**, or email psi@nationalarchives.gsi.gov.uk.

This document is also available on our website at www.highways.gov.uk

If you have any enquiries about this publication email info@highwaysengland.co.uk or call **0300 123 5000***. Please quote the Highways England publications code **PR206/17** Highways England Leeds Creative job number LEE18_0028

*Calls to 03 numbers cost no more than a national rate call to an 01 or 02 number and must count towards any inclusive minutes in the same way as 01 and 02 calls.

These rules apply to calls from any type of line including mobile, BT, other fixed line or payphone. Calls may be recorded or monitored.

Registered office Bridge House, 1 Walnut Tree Close, Guildford GU1 4LZ
Highways England Company Limited registered in England and Wales number 09346363