

2020

Gender Pay Report

IMAGINATION

Imagination remains committed to being a diverse and inclusive employer across its global business. We are passionate about our talent and committed to paying people fairly and equally.

In line with UK legislation, this report sets out the gender pay data for the UK business. The report is relevant to the UK business only and is not reflective of our broader global business.

Introduction

In 2017, the UK government introduced a requirement for UK businesses to analyse the difference in pay between men and women according to a number of prescribed criteria. For gender pay reporting the total pay for all men and all women across the organisation is analysed, with the gap being the overall difference between the average pay for a woman versus that of a man, shown as a percentage. The results are not reflective of pay differences at an individual employee level.

Gender pay reporting is not the same as Equal Pay, which is a legal requirement for men and women performing the same roles or work of equal value to be treated the same. We remain confident that we have no equal pay issues across our business.

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Business context

In our 2017 report we set out the context of the business, which was founded in London. We explained that many of the senior management roles, which have contributed to the growth of the business since its founding, had been held by long-serving men. Although we had seen modest improvement in our reports since 2017, we are now seeing greater change as planned retirements come into effect, providing some opportunity for us to redress the balance.

What our data tells us

We are pleased to report that we have achieved a further improvement in the overall mean and median pay gap for this report. The mean pay gap reduced notably to 33% (2018: 37%), with the median pay gap reducing more modestly to 17% (2018: 18%). These reductions are encouraging, although we appreciate that there is still room for further improvement over the coming years.

In our previous reports we have explained that the overall mean pay gap, currently 33%, is largely due to having more long-serving men in senior management and board positions. When we exclude these positions the average pay gap improves to 10%, significantly less than the national average of 15.5% (Source: ONS report Gender Pay Gap in the UK, October 2020). We have continued to analyse pay gaps at various levels across the business. The average hourly rate for women ranges from being 10% higher than men at junior positions (2019:6%), through to being 6% less than men at more senior positions (2019: 7%).

Similar to our report for 2019, our overall diversity remained stable at 57% male and 43% female. As we have explained in our previous reports, currently we employ more women than men in junior to mid weight positions, and more men than women in the senior and head of function positions. This remains the case and the diversity across the lower quartile through to the upper middle quartile remains broadly similar to prior years. However, we are pleased to report a modest improvement in gender diversity in the upper quartile, now 26% female (2019: 23%). It remains our ambition to achieve distribution levels that are more representative of the general population across all quartiles.



Bonuses

All employees have equal opportunity to earn a bonus under the eligibility rules of the scheme in operation, which solely relate to a consistently applied minimum service requirement. Bonuses were paid to 72% of women and 85% of men, which is broadly similar to the levels detailed in our previous reports. The difference in the levels of percentages is solely down to more of the men having joined the business earlier in our financial year. More of the women joined later in our financial year and were ineligible for bonus for this particular bonus payment because they did not meet the minimum service requirement.

We are pleased to report that the mean bonus gap improved significantly to 44% (2019: 65%). It remains the case that the bonus gap is influenced by the fact that we currently employ more men than women in senior management and board positions, mirroring the impact cited around the mean pay gap. The extent of influence becomes clearer when we calculate the median bonus gap, which is considerably lower at 8% (2019: 7%). This 8% gap represents just £100 of difference in median male and female bonuses paid. It is this data which is more representative of the true position regarding bonus payments across the UK business.

Taking action

In our first gender pay gap report in 2017, we cited a number of initiatives we were implementing to improve the gender balance across Imagination. These are ongoing and we are continuing to build upon them.

Career paths: We have continued our focus on helping employees to fulfil their potential. The career paths implemented in 2017 have helped individuals progress and grow within the business. Since our 2019 report 17% of employees received promotions, of which 49% were male, 51% were female.

Mentoring programme: Having received very positive feedback from the inaugural mentoring programme, we continued with a 2019/20 programme of 15 mentor/mentee pairs meeting regularly. We were again pleased to see 47% of the participants from the 2019/20 programme being promoted or broadening their experience over the period since the initiative's commencement, the significant majority of which were women (85%).

Unconscious bias: The unconscious bias training remains mandatory for all employees with a short annual refresher module. The training also continues to be mandatory for future joiners.

Recruitment: We have continued to ensure recruitment partners submit balanced candidate shortlists for vacancies. At the same time the in-house recruitment team will continue to build a balanced and diverse talent pool of candidates for future vacancies.

Diversity: The Diversity, Equity and Inclusivity group (DE&I) launched in 2018, held a number of events over the 2019-20 year to raise awareness of among our existing employees in the business. We also partnered with Future Frontiers, an award-winning education charity, with employees coaching students around fulfilling their career aspirations. Diversity related activities and initiatives continue with the company engaging external consultancy expertise to help formulate a strategy for implementation over the coming years.

Data monitoring: We regularly collect diversity data from across the business, benchmarking our performance against relevant market competitors. We will continue to monitor and track progress, sharing data with business leaders and the DE&I group.

We're pleased to see more positive improvements over the 12 months since our 2019 report as we make progress towards our objectives.

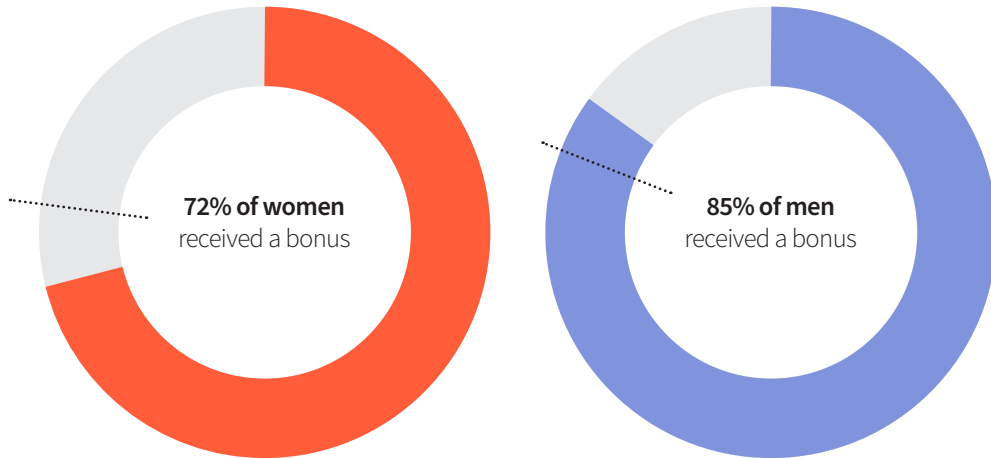
We recognise that there is still further progress to be made and we look forward to achieving this as the business continues to grow.

Pay and bonus gap across the overall business

Below is the mean and median hourly gender pay and bonus gap at the snapshot date of 5 April 2020. Bonus data is based upon bonus awards made in the 12 months up to 5 April 2020.

	Mean	Median
Pay:	33%	17%
Bonus:	44%	8%

Percentage of employees receiving a bonus



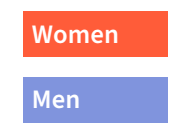
Mean: the average, the gap being the difference in average hourly pay by gender, expressed as a %.

Median: the mid-point, the gap being the % difference between the male and female hourly pay mid-points when all pay is listed highest to lowest by gender.

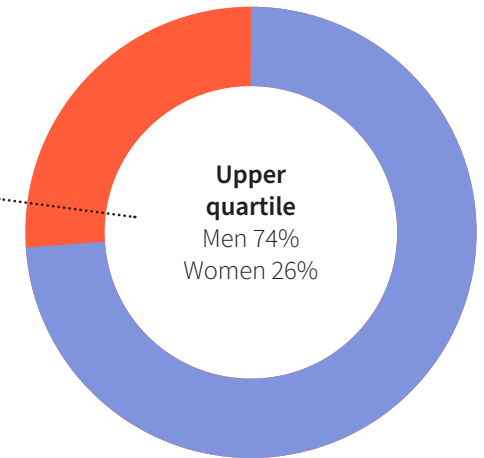
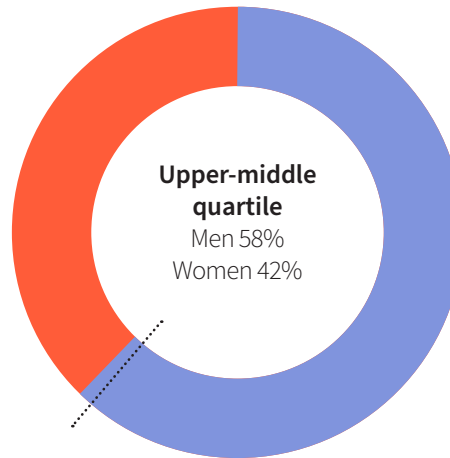
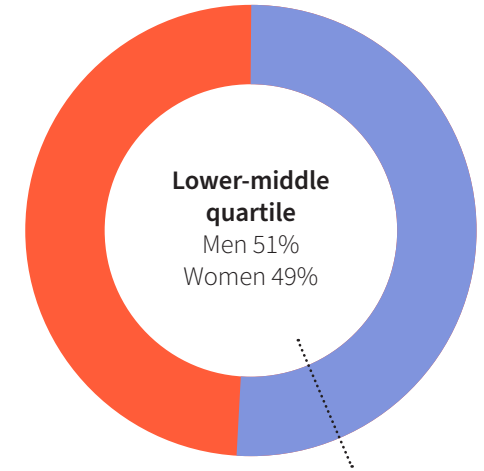
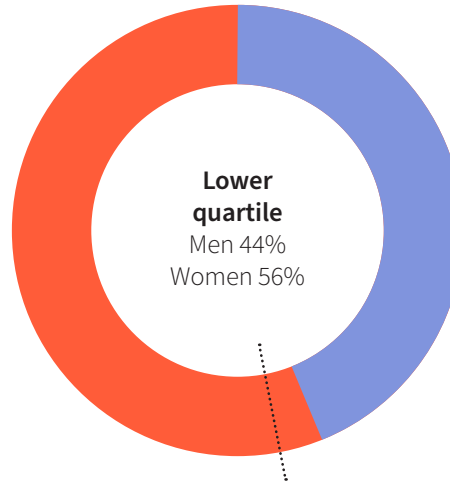
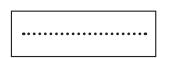
Pay quartiles

These help us to understand the gender distribution of employees across the company from lowest to highest paid, split into four equally sized quartiles.

2020 Results



2019 Results



Patrick Reid, CEO
Claire Dykes, HR Director

