

**SPARK44**

# Gender Pay Gap Report

2017

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**Version**

1.0

# Gender Pay Gap Report

**Spark44 is a different kind of advertising agency. Results count, but people matter. We want to attract and retain the best of talent to keep us from ever being just business as usual.**

For the first time UK companies with over 250 staff have to report on their gender pay gap. We believe that this is an important step forward.

If all companies are transparent about pay and will commit to working towards both identifying and addressing the root causes of pay gaps, they can find the solutions they need to build businesses that both reflect society and are able to make the most of all of the talents of their workforce.

This is the approach we are taking at Spark44. We know that no business can close its gender pay gap overnight, but we are taking action to make meaningful progress on reducing the gaps over the long term. We are passionate about ensuring everyone, regardless of their background, race, ethnicity or gender, has an equal opportunity to thrive at Spark44.

We know that we have made Spark44 a great place to work – that’s why our staff turnover rate is 16% lower than in the advertising industry generally – but there is always room for improvement and we’re committed to doing more.



Ali McManus  
**Global HR Director**

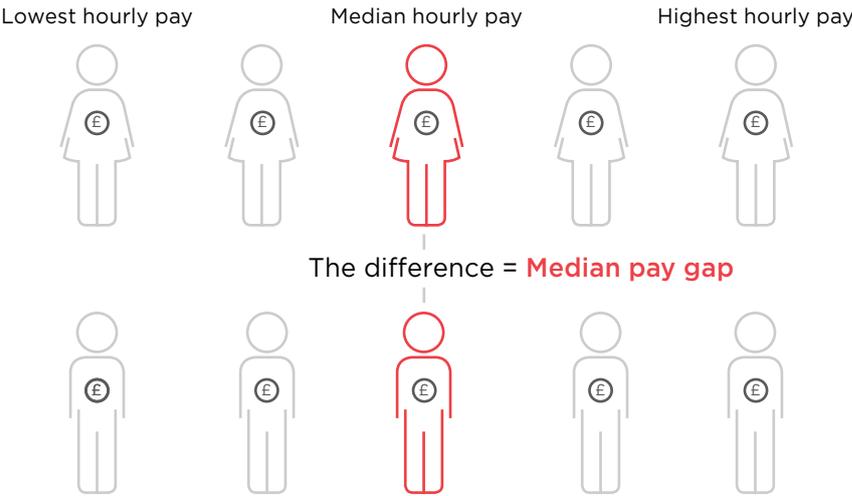
**GENDER PAY GAP REPORTING**

Gender pay gap reporting is a new obligation placed on organisations which have 250 or more employees. It aims to help reduce the ongoing pay gap between men and women in the workplace, by enabling employers to analyse the pay situation within their own workforce, understand any underlying causes for a gender pay gap and take steps to address it.

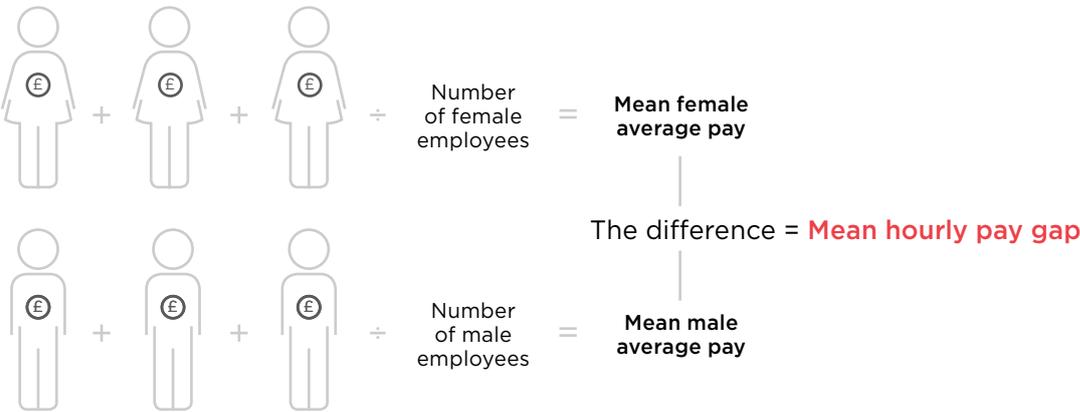
Specifically, employers need to publish six figures: their mean and median hourly pay gap; their mean and median bonus pay gap; the proportions of men and women receiving bonuses; and the number of men and women in each of four pay quartiles. These figures must be calculated using a specific reference date each year, which is 5 April.

‘Mean’ and ‘median’ are both types of average, but they work in slightly different ways and are calculated as follows:

**How we calculate median difference**

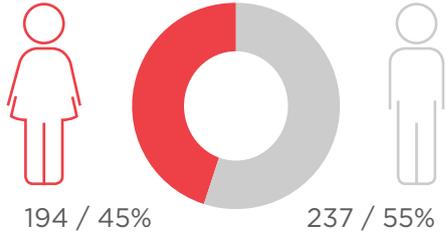


**How we calculate mean difference**



**THE HEADLINE STATISTICS**

The gender split for our office leadership community is 50:50, both in the UK and globally. In the UK, we have two offices, based in London and Birmingham. Across these two locations, we employed 431 staff on 5 April 2017, with the following gender split:



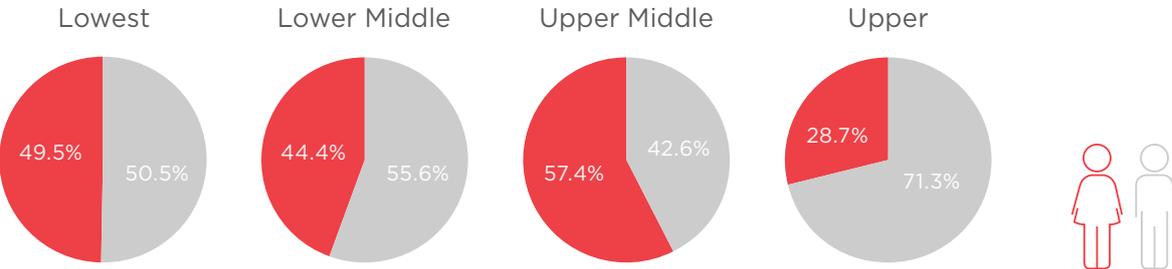
Our reportable statistics are shown below.

**Male versus Female Mean and Median Gender Pay Gaps versus ONS (Office for National Statistics) Comparison.**



At 12.0% our median gender pay gap is lower than the UK median of 18.8%, whilst at 24.2% our mean gender pay gap is higher than the UK mean of 17.7%

**Male: Female Pay Analysis - By Quartile**



To get a 'pay quartile', you rank your male and female employees from lowest hourly rate of pay to highest hourly rate of pay; divide the list into four sections (called quartiles) with an equal number of employees in each section (ensuring an even split for those with the same hourly rate); and then express the proportion of male and female employees in each quartile band.

**Percentage of our Male and Female Staff Receiving Bonus Pay**



Our percentage of female employees receiving a bonus exceeds that of male employees by 3%.

We believe that addressing the gender pay gap is an important issue that needs real action. But we also know that there is not one simple answer. Gaps cannot be closed overnight and not all of the solutions may be within Spark44’s control.

**DEMOGRAPHICS IMPACT SPARK44’S GAPS**

Our analysis shows that our pay gap is influenced by the demographic breakdown of our workforce: 55% of our UK workforce is male. Spark44 also has a higher number of men (78%) than women (22%) in senior executive roles based in the UK, with low levels of natural attrition at this level. We aim to address this by committing to the following:

<p>Global Female Executives Currently 20%</p> <p><b>50% by 2022</b></p>	<p>UK Female Executives Currently 22%</p> <p><b>50% by 2022</b></p>
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In non-senior roles, our mean and median pay gaps are 18.1% and 11.2% respectively, with similar respective mean and median bonus gaps of 27.6% and 15.5%.

We’ve calculated that if we achieved a **50:50 gender mix in our UK Executive Team**, our mean pay gap across the whole business would reduce to 11.6% and our median pay gap would fall to 8.6%. There would be similar reductions in our mean and median bonus gaps, falling to 15.8% and 12.9% respectively.

Research has found that in order to make meaningful progress on gender parity and encourage the next generation to the top, companies must set expectations that all leaders are responsible for encouraging and developing female talent. This is the approach we take at Spark44. Through our annual **talent mapping** process, we ask senior managers at Spark44 to champion the talents and abilities of all of our rising stars in the business. We will be looking at how we can develop this further through introducing a **female leadership network** to foster and develop female talent to create more opportunities for women to reach the top.

We know we need to do more to inspire more women into advertising and support them throughout their careers so that they can flourish. We are taking action to ensure that, over the long term, our junior talent of today will become our senior leaders and female role models of tomorrow.

## **RECRUITMENT**

We won't close the gender pay gap until we are able to get more senior women into the business.

We are looking at how we can reach out to more women by **broadening our external recruitment campaigns and working with our recruitment partners** so that adverts will be visible to a larger number of women.

We use a **competency framework** during interview, which is driven by the specific and objective skills needed for the role and allows candidates to demonstrate their transferable skills. Competencies can be gathered across all areas of life, not just at work; we encourage candidates to showcase their full potential, regardless of their career history and background.

## **WORK AND FAMILY LIFE**

We recognise that the challenges of parenthood can disrupt both men's and women's careers. We think that starting a family shouldn't be a penalty on your career and want to keep hold of the talented women that we have in our workplace.

We strive to make Spark44 a place where parents want to work. We operate a **childcare voucher** scheme (with access to emergency childcare for whoever needs it). We have a permanently designated **private room for new mothers** to express and for expectant mothers to rest and an **employee assistance program** to help provide whatever support our staff may need. Wherever possible, we support **part-time and flexible working** requests. We believe this approach has contributed to the positive number of our female staff (75%) returning to work following maternity leave.

UK	Returned Full Time	Returned Part Time	Didn't Return
	50%	25%	25%
Birmingham	Returned Full Time	Returned Part Time	Didn't Return
	66.7%	0%	33.3%
London	Returned Full Time	Returned Part Time	Didn't Return
	0%	100%	0%

To make sure Spark44 continues to be a great place for parents to work – both mums AND dads – we are going further.

**From January 2018, we have improved our maternity benefits.** Those with over 1 years' service now receive 12 weeks' full pay (up from 6 weeks at 90% average earnings), whilst those with over 2 years' service now receive 26 weeks full pay (up from 12 weeks).

Equalising the gender pay gap isn't just about getting more women into senior positions. It's also about rebalancing family life by giving men a greater opportunity to play a bigger role. This is why we have also raised our **shared parental leave pay to the same level as maternity pay**. We know that unless this is standard across not just the advertising industry, but the economy generally, few men will want (or be financially able) to take shared parental leave and primary childcare responsibilities will continue to fall on women. We want to change this.

We will continue to do our bit, but cannot do it all by ourselves. Industry and Government must continue to do more to help working parents address the challenges they face.

**FAIR, EQUAL AND TRANSPARENT PAY**

We're confident that our gender pay gap is not an equal pay issue; we pay the same salary for the same job.

We regularly analyse and monitor the levels of our pay and also the pay setting procedures. We make sure our male and female staff are treated fairly and equally.

Bonuses are awarded according to **clear criteria through a transparent process**. Nevertheless, we take nothing for granted at Spark44 and we will be looking at whether it is possible to improve upon this process to give clearer guidance to those responsible for awarding bonuses.

When it comes to making decisions about pay, we understand that, even in the most objective of processes, biases can creep in. That's why we are looking to provide unconscious bias training to all staff, including those with any responsibility for pay setting. We are committed to taking bold action to keep Spark44 a great place to work.

**SPARK44 IS TACKLING THIS ISSUE**

We at Spark44 are committed to ensuring that we have a diverse and inclusive workplace where women can maintain successful career paths.

The pay and bonus gaps show that there's more work to be done. We are committed to identifying the causes of our gender pay gaps and working towards reducing them. We know that this is a long-term commitment. We will continue to drive these efforts to make Spark44 a place where even more women can thrive.



Ali McManus  
**Global HR Director**



Ralf Specht  
**Chief Executive Officer**