



Gender Pay Gap Report

Third Report - July 2019

Diversity & Inclusion at the CAA

Reflecting the diversity of the public and consumers whose interests we serve will make us better as a regulator and an organisation committed to its people. This is the cornerstone of our approach to Diversity & Inclusion (D&I).

People are at the heart of the work we do at the CAA, reflected by our core purpose of 'protecting the public and making sure consumers are fairly treated'. Everyone at the CAA contributes to this purpose and it is essential that we attract, develop and retain great people. We also want to provide an environment where everyone can flourish, and where they can bring their whole selves to work.

We understand there is challenge and complexity to the Gender Pay Gap which requires long term, sustainable action. We welcome the transparency of annual reporting which promotes conversation both internally and externally and brings us together in a shared commitment to improving our Gender Pay Gap and diversity as a whole.

Our third Gender Pay Gap report includes further insight into our activities over the past year to highlight our commitment to improve. There is still more to do and we are committed to support positive change.

"Our people set the CAA apart. Ensuring each year we create an open, inclusive and balanced environment where everyone can thrive is an unwavering commitment which myself, our Board and Executive Committee all share."

Richard Moriarty, Chief Executive Officer



Richard Moriarty
Chief Executive
Officer

Paul Smith

Paul Smith
Director Consumers
and Markets



Peter Drissell
Director Aviation
Security



Mark Swan
Director Safety and
Airspace Regulation



Jane Cosgrove
People Director

Kate Staples

Kate Staples
General Counsel



Tim Johnson
Director Strategy
& Policy



Chris Tingle
Chief Operating
Officer



Ben Alcott
Director International
Directorate



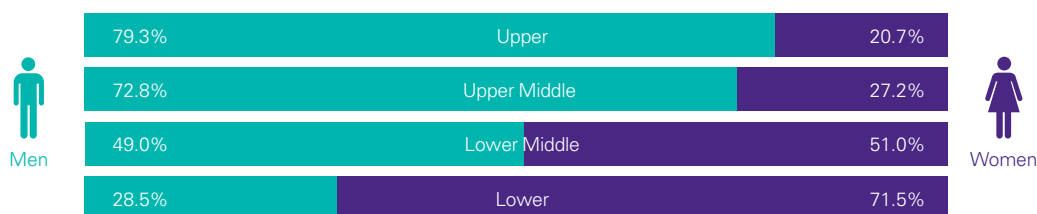
Richard Stephenson
Director Communications

Understanding our Gender Pay Gap

Our Gender Pay Gap by Quartiles

When we analyse our gender distribution across our different pay quartiles, (i.e. where colleagues are in the organisation when looking at hourly rates of pay), we see fewer women than men occupying more senior positions, and more women than men in junior positions. This is the primary driver for our gender pay gap.

Our lower middle quartile has a 49%:51% split, and to narrow our gender pay gap we need a similar picture in other quartiles.



From our last report, we have seen an increase in female representation at every quartile, including in our upper quartiles. Whilst we are encouraged by this, we aim to continue increasing the representation of females in more senior positions, whilst ensuring we recruit or promote the best person for the role regardless of gender.

Addressing the Balance of Senior Leaders:

Since our first Gender Pay Gap Report, we have worked on various actions to promote better gender balance across the organisation. These include:

Attracting Talent:

- Overhauled our **recruitment practices**, including a new careers page, re-designed job descriptions and introduced new technologies, to broaden our appeal and breadth of candidates.
- Embedded new ways of working, with colleagues embracing the **greater flexibility** to balance the demands of work and life.

Developing Leaders:

- Championed the **Women in Aviation Charter**, being an industry wide aspiration to see gender balance at all levels across aviation and aerospace.
- Signed up to **ALTA Mentoring**, supporting career development and personal growth for women in aviation.
- Developed our leadership, management and induction programmes to focus on **D&I and Wellbeing**.

Inspiring the Next Generation:

- Encouraged new entrants into **STEM and aviation**, through working with local schools and supporting campaigns such as **Girls in Aviation Day**, to hiring our **first apprentices** into the CAA.

Our Gender Pay Gap

Mean and Median Gender Pay Gap

Our Mean Gender Pay Gap is 31.9% and the Median is 40.1%.

We can see that since we began reporting, both have reduced slightly year on year as the proportion of women in more senior (and higher paid) roles increases.

Please see our glossary of terms for how the Mean and Median are calculated.

“We have made significant progress this year in designing and delivering an ambitious plan which sets the foundation to address our Gender Pay Gap. Whilst it is pleasing to see incremental change in-year, we are committed to a long-term, multi-factor approach. Through open discussion and debate, we will develop and refine our activities, and this joint approach will remain at the core of our commitment to improve our Gender Pay Gap.”

Jane Cosgrove, People Director

2019 (3rd Report)



Mean
31.9%

2018 (2nd Report)



Mean
32.9%

2017 (1st Report)



Mean
34.0%



Median
40.1%



Median
40.9%



Median
41.6%

Please note: This report follows the regulatory framework for how gender pay is calculated and reported.

Our Gender Bonus Gap

Mean and Median Gender Bonus Gap

Our bonus payments are awarded to recognise performance; this is irrespective of gender. In this report, 17.7% of women and 14.5% of men received a bonus, meaning women are slightly more likely than men to receive a bonus (see overleaf for more details).

However, a Gender Bonus Gap still exists as bonuses in the CAA are normally paid as a percentage of salary and the value of women's bonuses tends to be lower than men's. This is because in the CAA:

- Women tend to occupy more junior roles (as shown in our Gender Pay Gap by Quartiles).
- Women are more likely to work part time (and therefore receive a salary directly proportionate to the full time equivalent).

Our Gender Bonus Gap can change depending on the amount spent on bonuses – it has reduced compared to last year as we spent less money on bonuses. Although broadly the same proportion of colleagues received a bonus compared to the year before, the average cash value of those bonuses was lower.

2019 (3rd Report)



Mean
21.4%

2018 (2nd Report)



Mean
38.4%

2017 (1st Report)



Mean
9.2%



Median
32.5%



Median
33.9%

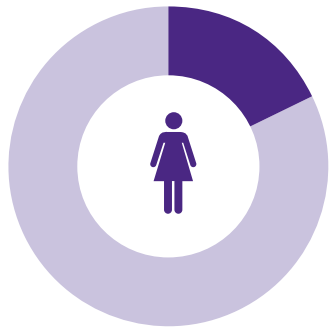


Median
16.7%

Our Gender Bonus Gap

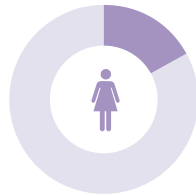
Percentage of colleagues who receive a bonus

2019 (3rd Report)



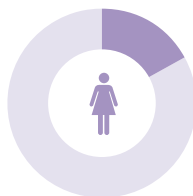
Women
17.7%

2018 (2nd Report)



Women
17.3%

2017 (1st Report)



Women
16.6%

2019 (3rd Report)



Men
14.5%

2018 (2nd Report)



Men
13.1%

2017 (1st Report)



Men
12.3%

Our ongoing commitment to Gender Pay

Our focus to drive change – Next steps for 2019

There is still a significant Gender Pay Gap and we will continue to work hard to encourage positive change for the future. We want to continuously improve our activities and actions each year and reporting offers us a chance to reflect on what has worked, what needs improving and what we can do differently. We are therefore pleased to confirm the following for 2019/2020:

- Our Executive Committee have agreed a joint performance objective, at the heart of which is an aim to reduce the gender pay gap at company level and to increase the proportion of female representation year-on-year.
- Our work is diverse; we have learnt that our approach needs to be tailored to the different D&I challenges we face. We are therefore moving to the creation of local action plans, underpinned by CAA-wide actions, to ensure we are creative in our approach and actions are tailored to specific departmental needs. Each department will nominate a leader to be accountable to both our D&I Board and Executive Committee for delivery of their department's action plan.
- Most importantly, our colleagues are key to ensuring D&I is embedded in all parts of our organisation. This is why we are creating a colleague network that will help us to create a culture where everyone is included, where challenges are addressed, and advice and support can be shared across the organisation.

“As the inaugural Chair of the Diversity & Inclusion Board, I am delighted to see the passion and engagement across the organisation to drive positive change for all. Our listening sessions, Employee Forum, Lunch and Learns, and internal campaigns are always well attended and have created positive discussion and debate, with many of our colleagues spending their weekends and spare time on STEM events and external activities - all in the desire to make a difference. I am proud to see the progress we have already made in changing the conversation at the CAA and the continued commitment for the future.”

Richard Stephenson, Communications Director

Glossary

Terms

Mean: A method of arriving at an average. For gender pay gap reporting the mean average is calculated by adding up all men's salaries and dividing the total by the number of men, then adding up all women's salaries and dividing by the total number of women to arrive at a mean average salary and hourly rate of pay both for men and for women. The mean Gender Pay Gap is the percentage difference between the men's and women's average hourly rate of pay. The same method is used for calculating the mean gender bonus Gap.

Median: The middle point in a range. For Gender Pay Gap reporting the median is calculated by listing all men's salaries in ascending order and then taking the salary in the middle of the list and then doing the same for women's salaries to arrive at a median salary and hourly rate of pay both for men and for women. The median Gender Pay Gap is the percentage difference between the men's and women's median hourly rate of pay. The same method is used for calculating the median gender bonus Gap.

Quartiles: These were calculated by placing all employees' salaries in ascending order and then dividing them into four equal groups. The upper quartile represents the 25% highest paid colleagues in the organisation; the upper middle quartile represents the 25% second highest paid group of colleagues; the lower middle quartile represents the 25% third highest paid group of colleagues; and the lower quartile represents the 25% of colleagues who are paid the lowest salaries in the organisation. Within each quartile the proportion of men and women occupants is expressed as percentage.

Bonus: Lump sum cash awards paid as non-consolidated payments. Typically, in the CAA, these are awarded to recognise outstanding performance although the amount we spend varies from one year to another.

Glossary

		First Report	Second Report	Third Report
Publication deadline		30 March 2018	30 March 2019	30 March 2020
Gender pay	Gender pay snapshot date:	31 March 2017	31 March 2018	31 March 2019
	Gender pay by quartile snapshot date:	31 March 2017	31 March 2018	31 March 2019
Gender bonus gap	Bonuses paid in period:	1 April 2016 to 31 March 2017	1 April 2017 to 31 March 2018	1 April 2018 to 31 March 2019
	Proportion of colleagues receiving a bonus in period:	1 April 2016 to 31 March 2017	1 April 2017 to 31 March 2018	1 April 2018 to 31 March 2019

Gender Pay Gap and Equal Pay

The difference between gender pay gap reporting and equal pay is not easily understood. Whilst they both deal with the difference in pay women receive in the workplace, they are two different issues.

The gender pay gap is the measure of the difference between the average hourly pay of all men and all women across a whole organisation. It is reported on a mean (average) basis, and median (middle point) basis. As shown by our own Gender Pay by Quartile profile, it helps to reveal potential inequalities in respect of the distribution of gender in an organisation. Organisations like ours, with a large proportion of men in senior roles, will typically report a Gender Pay Gap – this does not mean that there are any equal pay issues.

Equal pay is a measure of whether a man and woman receive “like pay for like work.” Since the 1970s, UK law has prohibited paying different amounts to men and women who are performing the same or comparable work, unless there is a “genuine material factor” for doing so. We have several existing measures in place for ensuring we provide equal pay for work of the same or equal value.

