



# UK ethnicity and gender pay gap report

2021

# Foreword

**At Mott MacDonald, we believe that equality, diversity and inclusion is everyone's business and that our people will benefit from our company becoming more diverse, equitable and inclusive. We also know that we will only accelerate progress when everyone in our organisation is clear on how they can play a part in achieving this.**

This pay gap report helps us identify our focus areas and enact further change in support of our commitment to improve the diversity of our workforce. I truly believe that being held accountable is the only way we will be able to deliver real change. To support our pay gap action plan and wider equality, diversity and inclusion (EDI) strategy, I personally hold each of our business units accountable for delivering against our EDI priorities.

We knew at the start of this journey that a wide range of actions would be needed to bring about change, some easy and others harder. Since 2017, our actions have resulted in a steady improvement in reducing our gender pay gap and we have widened the scope of our reporting to include ethnicity pay gap reporting to enable the same level of accountability.

I am pleased to confirm that over the past 12 months we have increased ethnic minority representation in our UK business from 13.4% to 14.1%, which is a positive outcome supporting our ambition of better representing the communities that we work in. However, the increase in ethnic minority representation was greater at junior and management levels than at leadership level, which was one of the factors that led to an increase in our mean ethnicity pay gap to 15.2% this year.

During the same period, we also saw an increase in the representation of women at leadership level, achieved through internal promotions, and an increase in female representation among our early career professional staff. However, overall, the representation of women across the business decreased from 31.3% in 2020 to 30.7% in 2021. Alongside other factors explained in further detail in the report, this has resulted in an increase in our mean gender pay gap to 18.3% and our median gender pay gap has also increased to 20.2%. Encouragingly though, our overall trend remains one of improvement, from a mean gender pay gap of 21% in 2017 to 18.3% now.

Our commitment to meaningful goals and actions to support better representation of women and ethnic minority colleagues is unwavering. We know how important it is to improve diversity across the organisation and we are working hard to remove barriers and bias within our processes to ensure our business has a positive social impact as well as a fair and inclusive workplace culture.

## **Cathy Travers**

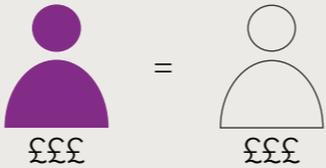
Group executive board director  
Pronunciation: Ka-thee Tra-verz  
Pronouns: she, her



# Pay gap reporting terms explained

When looking at pay gap figures, it is important to remember there is a difference between equal pay and a pay gap.

**Equal pay**



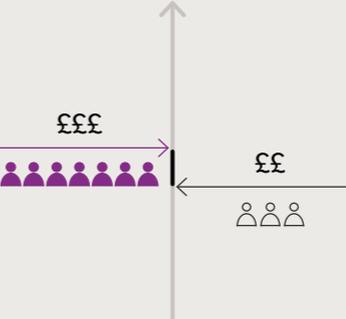
Equal pay means that a person in one group in our organisation and a person in a comparator group should not be paid differently for performing equal work.

**Pay gap**



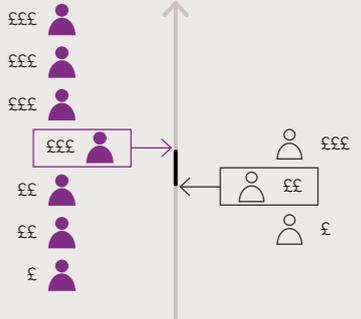
A pay gap measures the difference between the average earnings of one group compared against the average earnings of another group. The difference is expressed as a percentage of the first group's earnings.

**Mean pay gap**



The mean pay gap is the difference between the average earnings of two groups.

**Median pay gap**

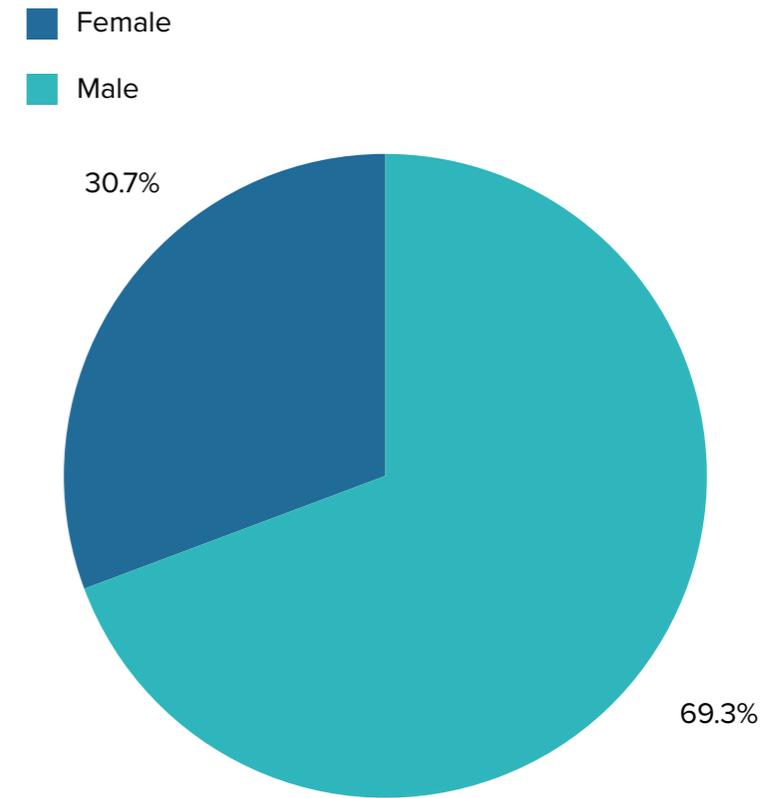
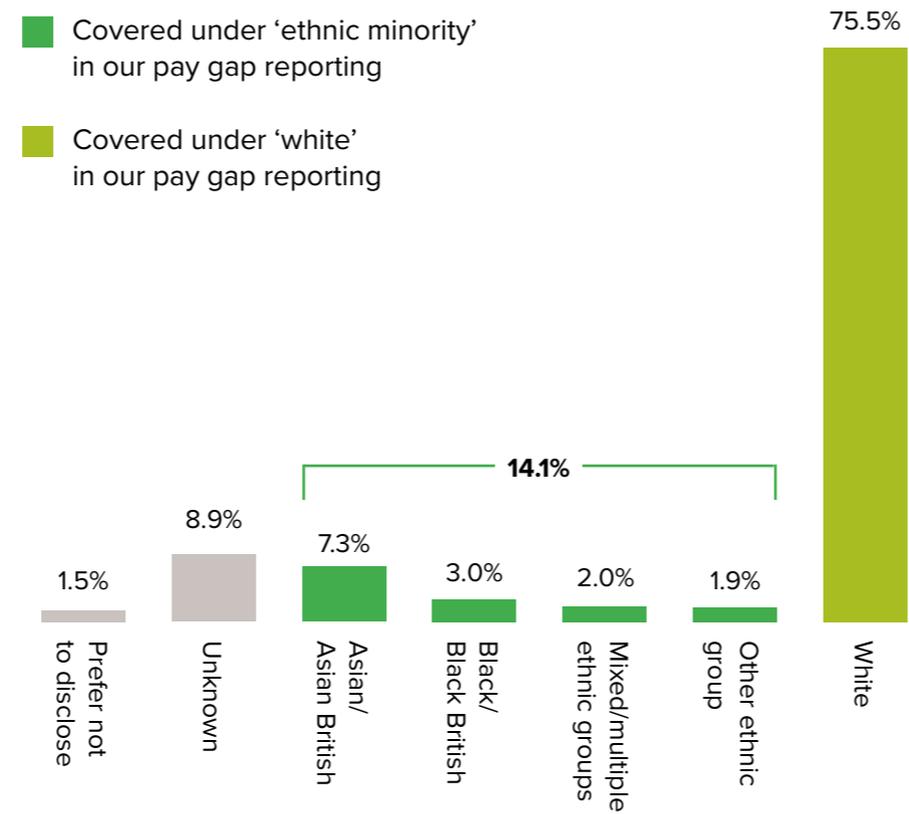


The median pay gap is the difference in hourly pay between the mid-points of two groups' earnings, when their salaries are listed by size.

# Reporting populations

Our reporting is based on a population size of **5,827**.

**Please note:** throughout this report, numbers have been rounded to one decimal place. Sometimes, this leads to what appear to be discrepancies in data. This is solely due to the limitations of rounding numbers and is not a result of inaccuracy.



# How we calculate and report on our pay gaps

Both our gender pay gap and our ethnicity pay gap have been calculated using the UK government's statutory methodology for gender pay gap reporting. Our reporting is based on pay after salary sacrifice as required by statute. Hourly pay is based on the pay period including 5 April 2021 and bonus pay is based on bonuses paid in the period 6 April 2020 to 5 April 2021.

## Note on ethnicity reporting

Our ethnicity pay gap calculations are based on those individuals who have chosen to declare their ethnicity and exclude those we do not hold data for (due to lack of historical diversity monitoring), or who have selected 'prefer not to say'. As of the reporting date, we have ethnicity data for 89.7% of UK employees. The breakdown of our reporting population by ethnicity is shown on the previous page.

Our ethnicity pay gap calculations are based on ethnic minority colleagues collectively rather than divided by specific ethnic groups. We have taken the decision to combine data because we have smaller numbers of different ethnic minority groups within our organisation. As pay gap calculations report on averages, the data is more meaningful when reporting on a larger dataset.

## Note on gender reporting

Gender pay gap reporting guidelines require us to report on gender in a binary way, recognising only men and women, meaning this report is unable to include data on other gender identities. Although the government requirement may remain the same, we have recently introduced a new HR system which will enable us to collect data on gender identities beyond male/female to ensure that in future all colleagues can have their gender accurately recorded.

Although we have used the terms 'gender', 'male' and 'female' for the purpose of this report, we understand that, for some people, this will be referring to the gender recorded at birth and not their gender identity. We acknowledge that there are many people who do not fit into binary categories of gender and/or sex, including non-binary individuals and intersex people, and we continue to take actions to create a more inclusive workplace for our trans, non-binary and intersex colleagues. For example, we have **introduced a pronouns section in our email signatures**, encouraging colleagues to share how they would like to be referred to. We also continue to provide regular trans and non-binary inclusion webinars and remind colleagues of our trans and non-binary inclusion guidance.

## Note on comparison with 2020 figures

As in previous years, this year's pay gap report compares our pay gap figures with those from the previous reporting year. In 2020, our pay gap figures were affected by actions taken in response to the global pandemic. Like many other UK businesses, we implemented a temporary percentage-based pay reduction scheme which was tiered to ensure that lower paid staff were not financially impacted to the same extent as higher paid employees.

This meant that in the 2020 pay gap reporting period, our more senior staff were earning proportionately less than they would have been

had these measures not been applied. As this population had a higher representation of white and male staff, it lowered the average pay of white and male staff more than that of female and ethnic minority colleagues, which reduced both our ethnicity and gender pay gaps. Excluding these pay reductions, our mean ethnicity pay gap for 2020 would have been 13.0%, while our mean gender pay gap would have been 17.5%. This was noted in our 2020 pay gap report and is relevant to the 2021 report due to the comparison we have made between 2020 and 2021 data.

In addition to temporary pay reductions, we also saw a proportion of bonus payments deferred from the 2019/2020 bonus year and paid in the 2020/2021 year. Had these bonuses not been deferred, our mean ethnicity bonus gap for 2019/2020 would have been 52.2%. Our mean gender bonus gap for 2019/2020 would have been 63.7%.

The impact of these factors on our 2020 figures should be taken into consideration in any comparison between the figures reported this year and last.

# Ethnicity pay gap and representation

Our mean and median ethnicity pay gaps have both increased by around 3% in the past 12 months. This is due to a combination of factors.

## Changes in representation

Representation of ethnic minority staff increased over the past 12 months from 13.4% to 14.1%. This is a positive outcome supporting one of our organisational equality, diversity and inclusion goals to better reflect the communities we work in. However, the increase in ethnic minority representation was greater at junior and management levels than at leadership levels. As a result, this lowered both the mean and median average pay rate for ethnic minority staff overall.

## Natural end of a public sector contract

In early 2021, a contract with the public sector came to a natural end and the employees transferred back to local authority employment. This contract had a high percentage of ethnic minority employees who were paid a higher than average hourly rate as they did not participate in any of our employee benefit schemes that require an exchange of salary. The end of the contract resulted in a decrease in ethnic minority representation within our ungraded (hourly paid) staff from 17.1% to 5.4%. This was one of the factors leading to a reduction in the average pay rate for ethnic minority staff across the company. The end of the contract alone led to a 0.5% increase in our mean ethnicity pay gap.

# 14.3%

2021 median pay gap

^ An increase of 3.3%  
on 2020 (11.0%)

# 15.2%

2021 mean pay gap

^ An increase of 3.1%  
on 2020 (12.1%)

# The shape of our workforce

The shape of our workforce significantly impacts our pay gaps. Based on our internal grading structure we have grouped employees into 'staff', 'management', 'leadership' and 'ungraded', as shown in the graph to the right. Ungraded staff are those who are paid hourly or non-payroll, and as such are not included in our grading system. Since 2021, ethnic minority representation has decreased by 11.7% within our ungraded population. Within the same time period, ethnic minority representation increased by 1.7% at staff level, 0.8% at management and 0.2% at leadership.





### Representation per quartile

Pay quartiles are used to show how the representation of white and ethnic minority staff varies throughout an organisation. They are created by ordering the employee population based on hourly pay from lowest to highest and then dividing it into four equal groups.



### Mean ethnicity pay gap per quartile

When we look at our pay gaps per quartile we can see that the pay gaps are much smaller at these individual levels. The larger pay gap in the upper quartile is caused by lower representation of ethnic minority staff at senior management and leadership levels. We are working hard to improve this and recognise that high retention rates at this level means change will be gradual.

	2019	2020	2021
<b>Upper</b>	8.6%	5.6%	6.6%
<b>Upper middle</b>	0.0%	1.1%	1.2%
<b>Lower middle</b>	1.7%	0.7%	0.8%
<b>Lower</b>	-1.8%	-2.6%	-1.1%

# Ethnicity bonus gaps

## Percentage of ethnic minority and white staff receiving bonuses in 2021

**80.4%** of ethnic minority staff received a bonus in 2021.  
**86.4%** of white staff received a bonus in 2021.

The gap between the proportion of white employees and ethnic minority employees receiving a bonus is 6.0%, a decrease since 2021 when it was 9.7%. The main reason for the continuing gap is that we have a proportionately higher number of ethnic minority new hires who are ineligible for bonuses due to length of service.

## Bonus gaps

The lower representation of ethnic minority staff in the upper quartile impacts our ethnicity bonus gaps. Our median bonus gap is lower than our mean bonus gap because it is not affected by the upper quartile which consists of senior staff who receive the highest bonuses.

### 2021 median bonus gap

# 13.7%

^ An increase of **13.7%**  
on 2020 (0.0%)

Our **median bonus gap** has increased by 13.7% in the past 12 months due to **two key factors**:

- The representation of ethnic minority staff has increased proportionately more at staff and management levels than leadership level over the past 12 months.
- Our global performance bonus scheme was changed in the past 12 months to set performance bonus payments as a percentage of base salary rather than a discretionary allocation. This was to ensure consistency of approach and a more meaningful bonus payment. The average performance bonus payment for staff in the upper quartile is higher based on their base salary, and as there is a lower representation of ethnic minority staff in this quartile, we have seen an increase in our bonus gap.

### 2021 mean bonus gap

# 52.6%

^ An increase of **2.6%**  
on 2020 (50.0%)

Our **mean bonus gap** has increased by 2.6%. This is partially due to the changes in the performance bonus scheme outlined previously. The mean bonus gap was also impacted by the deferral of a portion of shareholder bonus payments from March 2020 to July 2020 as this meant that three shareholder bonus payments were included within the 2021 bonus gap reporting period.

# Gender pay gap and representation

Our gender pay gaps have increased slightly in the past 12 months. This is due to a combination of factors.

## Changes in representation

While representation of women overall decreased from 31.3% in 2020 to 30.7% in 2021, we saw an increase in the representation of women at leadership level, achieved through internal promotions, and an increase in the representation of women within our early career professional staff, aligned to our goal of 50% female hires in early careers by 2025.

Alongside increased female representation in leadership, we also saw an increase in the number of men recruited at management levels which negatively impacted our gender pay gap. Looking at early careers representation, while the % increase in representation of women was not as high in this area as it was in leadership, the early careers population is much larger. As a result, more women joined the company in the lower pay quartile, thereby increasing our gender pay gap.

## Ending of a public sector contract

In early 2021, a contract with the public sector came to a natural end. This contract had a high percentage of female staff who were paid a higher than average hourly rate as they did not participate in any of our employee benefit schemes that require an exchange of salary. The contract ending resulted in a decrease in female representation within our hourly paid staff from 67.8% to 17.9%. This was one of the factors leading to a reduction in the average pay rate for female staff across the company. The end of the contract alone led to a 0.6% increase in our mean gender pay gap.

# 20.2%

2021 median pay gap

^ Increased by **4.0%**  
from 2020 (16.2%)

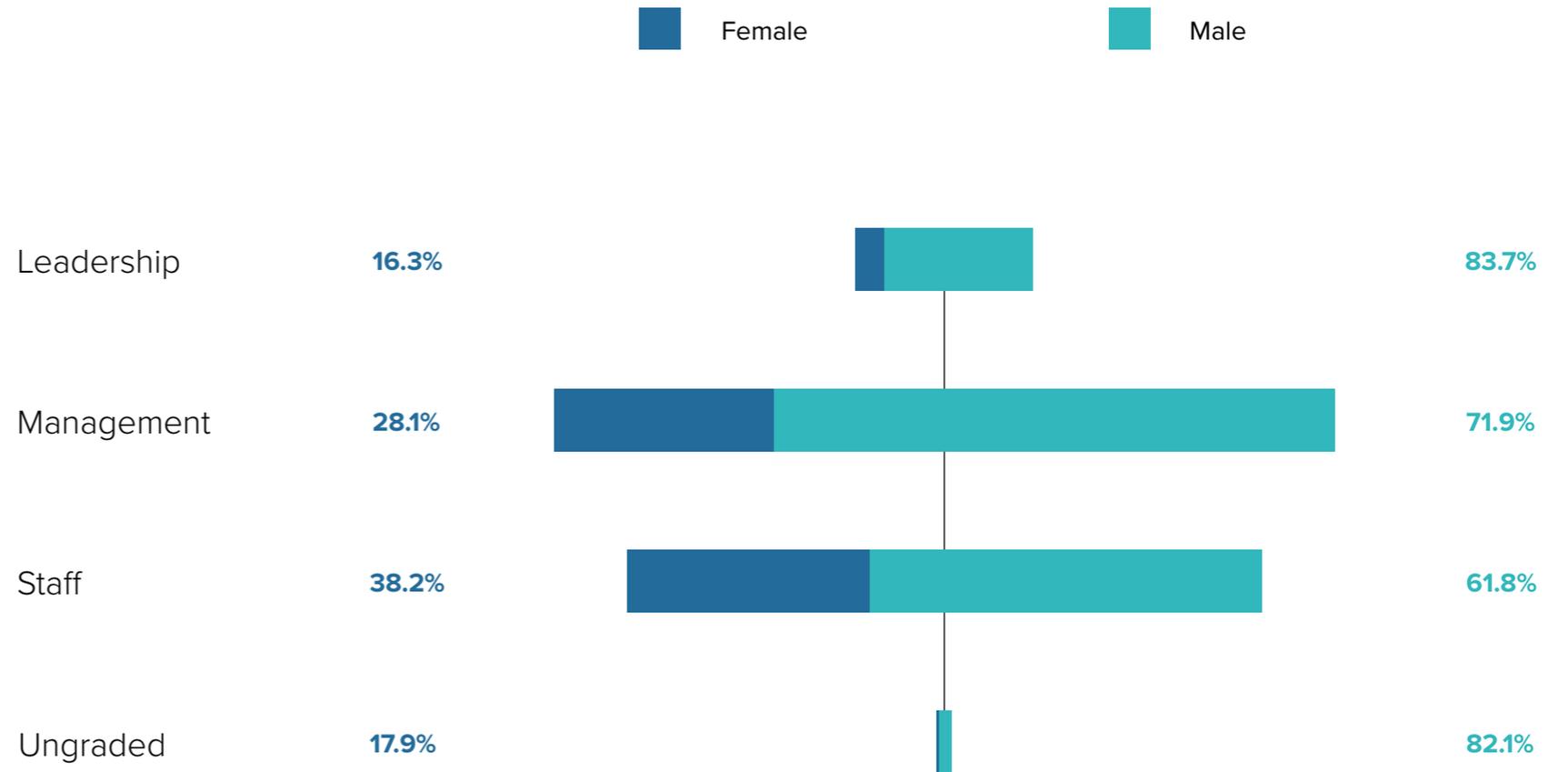
# 18.3%

2021 mean pay gap

^ Increased by **1.9%**  
from 2020 (16.4%)

# The shape of our workforce

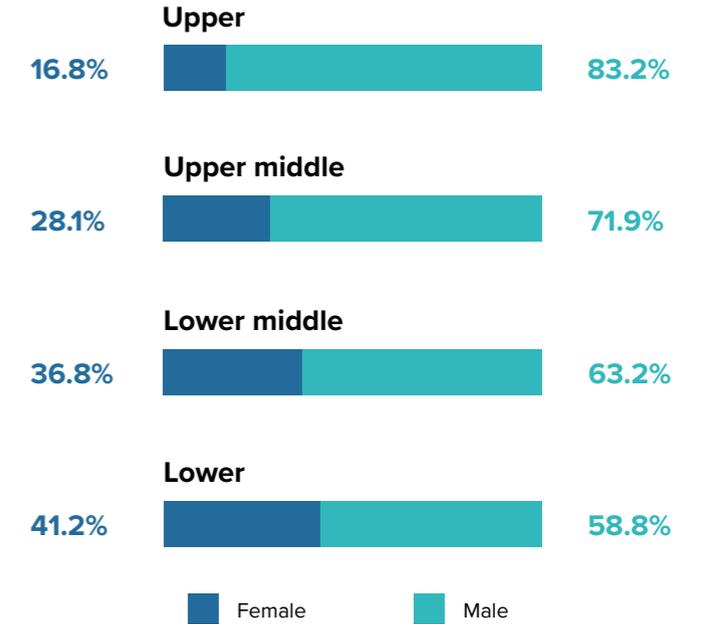
Our gender pay gaps are significantly impacted by the shape of our workforce. We continue to have lower female representation at management and leadership levels. Since 2021, female representation has increased by 0.7% at staff level, 0.5% at management and 1.7% at leadership. However, female representation decreased by 49.9% within our ungraded population.





### Representation per quartile

Pay quartiles are used to show how the representation of female and male staff varies throughout an organisation. They are created by ordering the employee population based on hourly pay from lowest to highest and then dividing it into four equal groups.



### Mean gender pay gap per quartile

Our pay gaps remain smaller when reviewed within each pay quartile. Our pay gap remains largest within the upper pay quartile. This larger pay gap is caused by lower representation of female staff at senior management and leadership levels. While our pay gaps have improved at the lower and lower middle quartiles, we did see an increase in the upper middle quartile in the past 12 months. This is due to a higher number of male hires at this level over the past year.

	2019	2020	2021
<b>Upper</b>	9.2%	3.6%	3.6%
<b>Upper middle</b>	1.9%	1.5%	2.7%
<b>Lower middle</b>	1.0%	-0.4%	0.1%
<b>Lower</b>	-1.2%	0.1%	-0.5%

# Gender bonus gaps

## Percentage of female and male staff receiving bonuses in 2021

**86.0%** of male staff received a bonus in 2021  
**85.4%** of female staff received a bonus in 2021

The gap between the proportion of men and women receiving a bonus is 0.6%, a decrease since 2020 when it was 5.5%. The predominant reason for the continuing gap is that there is a proportionately higher number of female hires who are ineligible for bonuses due to length of service.

## Bonus gaps

The lower representation of female staff in the upper quartile impacts our gender bonus gaps. Our median bonus gap is lower than our mean bonus gap because it is not affected by the upper quartile which consists of senior staff who receive the highest bonuses.

### 2021 median bonus gap

# 14.6%

^ An increase of **14.6%** on 2020 (0.0%)

Our **median bonus gap** has increased by 14.6% in the past 12 months due to two key factors:

- The representation of female staff decreased in the upper and upper middle pay quartiles due to the aforementioned decrease in the representation of women in our hourly paid staff cohort.
- Our global performance bonus scheme was changed in the past 12 months to set performance bonus payments as a percentage of base salary rather than a discretionary allocation. This change was made to ensure consistency of approach and a more meaningful bonus payment. As a result, the average payment for staff in the upper quartile is higher based on their base salary as there is a lower representation of female staff in this quartile, which has led to an increase in our bonus gap.

### 2021 mean bonus gap

# 60.7%

^ An increase of **0.7%** on 2020 (60.0%)

Our mean bonus gap has increased slightly by 0.7%. This is partially due to the changes in the performance bonus scheme as outlined previously. The mean bonus gap was also impacted by the deferral of a portion of shareholder bonus payments from March 2020 to July 2020 as this meant that three shareholder bonus payments were included within the 2021 bonus gap reporting period.

# Addressing our pay gaps

As our pay gaps are largely due to the underrepresentation of female and ethnic minority talent in our business, particularly in senior positions, our actions focus on how we will attract and recruit, retain and engage, and develop and progress female and ethnic minority talent.



Effective talent acquisition starts with an inclusive talent strategy. This must be a conscious decision regarding what methods and approaches to use to identify, source and secure the best talent in the market. We believe that diversity drives innovation – when we widen who can contribute, we in turn widen the problems we can solve.

**Senay Mustafa**  
EUNA EDI talent acquisition Lead  
Pronouns: she, her

Engineering.  
Management.  
Development.

The background image shows a modern office interior. A white wall features a large graphic with the words "Engineering.", "Management.", and "Development." stacked vertically. In the foreground, there are two grey armchairs with orange cushions and a round glass coffee table. The floor is made of light-colored wood-look planks.

## Attraction and recruitment

In 2021 we appointed a dedicated equality, diversity and inclusion (EDI) talent acquisition lead to design and deliver a new data-driven EDI recruitment strategy. Our strategy focuses on four key objectives:

- 1.** Debias our recruitment and selection processes.
- 2.** Develop sustainable talent pools of under-represented groups for now and the future.
- 3.** Build an accessible recruitment process for disabled and neurodiverse candidates.
- 4.** Target our employer brand to attract diverse talent at all levels.

# Attraction and recruitment

Our new EDI talent acquisition strategy includes a number of actions which support our wider pay gap action plan.

## Debias our recruitment and selection processes

1. Ensure that all advertised roles are created using our new **inclusive job descriptions templates and guidance**, candidate specifications are accurate, and essential and desirable criteria used consistently.
2. Use **data to review and identify potential areas of bias** within our recruitment process. Consider alternative forms of assessment to CVs such as application forms and work sample questions.
3. **Increase the uptake of training and provide guidance** to equip hiring managers with the knowledge required to contribute to a successful inclusive recruitment process.
4. **Encourage use of diverse interview panels**, using structured questions to score candidates independently against pre-agreed criteria.

## Develop sustainable talent pools of underrepresented groups for now and the future

1. Advertise our opportunities on job boards and platforms designed to attract underrepresented groups. Ensure candidates are tracked and supported during the process and onboarding if successful.
2. Implement **diverse candidate pipelining** and campaigns for targeting underrepresented talent pools.
3. Partner and collaborate with organisations specifically focused on **ensuring greater employability outcomes** for underrepresented groups. This includes mentoring and placement opportunities, workshop sessions and careers fairs.

## Target our employer brand to attract diverse talent at all levels

1. **Maximise our external memberships** to attract female candidates and identify any gaps where further attraction and collaboration is needed.
2. Review our performance and improve our employer brand on online platforms such as Glassdoor and LinkedIn. Collaborate with marketing on **tailored recruitment campaigns** specifically designed to attract diverse talent.
3. **Bridge the gap between employers and schools** using schools' engagement activities and encourage managers to sign up to their local network.
4. **Showcase our EDI efforts and initiatives** on our external careers' webpages and engage in targeted recruitment campaigns and initiatives.

# Retention and engagement

## Supporting our employee networks

Our employee networks help us to create an inclusive culture and engage our colleagues. Each network is led by a committee which is provided with time, budget, training and a regional board-level sponsor who champions the network at executive level. These networks are at the forefront of our business decisions:

- Advancing Gender continues to help us engage colleagues in our gender equality efforts, running panel events for International Women in Engineering Day, and campaigns for International Women's Day and International Men's Day.
- Advancing Race & Culture supported the roll-out of further 'Time to talk about racism' sessions for all staff in autumn 2021, attended by over 1700 colleagues in the UK.
- Sunshine Parents & Carers continues to provide important peer-to-peer support for colleagues with parenting and caring responsibilities, running webinars on changing schools and supporting children to develop their personal resilience.

## Engagement Survey – Inclusion Index

Our bi-annual staff engagement survey enables us to understand levels of engagement across the organisation and to use the feedback from our colleagues to help make Mott MacDonald an even better place to work. Using the survey, we can now measure levels of inclusion using three different lenses:

1. How our workforce views our approach to EDI. Our 2021 survey told us that our approach to EDI is one of the things that our colleagues are most positive about with a global score of 75%.
2. An Inclusion Index, a set of 10 questions designed to measure six key drivers of inclusion – trust, respect, psychological safety, belonging, fairness and diversity. The Inclusion Index was included in the 2021 survey for the first time and as a result colleagues scored inclusion at 64%. We will use the index to track our progress as we deliver our new global EDI strategy.
3. How each of our engagement questions and dimensions vary by demographics including ethnicity and gender.

The Inclusion Index will help us to identify specific areas for action to ensure everyone in our organisation feels engaged and included and in the longer-term is able to progress and remain with us.





## Development and progression

### Connected conversations – new tool for performance management

A key project for us over the last few years has been the introduction of our new global people management system, supporting performance and development.

In 2021, we rolled out the first phase of Connected Conversations, our global approach for supporting progress, performance, and development to enable us to perform at our best. This enables stronger relationships, more frequent discussions on performance, receiving feedback, and discussion related to career development and progression. We recommend everyone has a minimum of four check-ins per year with their line manager, enabling them to set and review goals, discuss activities and celebrate achievements as well as discussing what support and development is needed to demonstrate excellence and to perform at their best.

We have already seen the positive impact of this new approach through feedback from our 2021 Employee Engagement Survey:

- Our colleagues are already seeing the link between the new regular discussions, and how it enables them to contribute to the success of Mott MacDonald. This particular question saw a 22 percentage-point increase on the previous survey.
- There was also a positive increase in individuals understanding how their work goals relate to Mott MacDonald's goals (an increase of 15 percentage points) as they are able to link personal goals to wider organisational initiatives.
- Positive responses to our engagement survey question on performance management increased 18 percentage points on the previous 2019 survey.
- The number of colleagues showing strong positive perception of performance management overall has doubled.

## Development and progression

### Reverse mentoring

Our reverse mentoring scheme partners ethnic minority, disabled and LGBT+ colleagues at junior levels with senior leaders. The scheme supports the development of staff from underrepresented groups while providing our leaders with the opportunity to learn from colleagues with different perspectives and insights. Participants are paired for six months and are supported through training, regular check-ins and a reverse mentoring toolkit. Over 250 colleagues have participated in the scheme and the sixth cohort is due to start later this year.

At the time of joining the reverse mentoring scheme, Junshi was looking for career inspiration. She was paired with a senior mentor in our Highways division to reverse mentor and the conversations led her to take on new responsibilities within her division.



I reached a point in mid-lockdown where I felt that I needed to move forward in my career. I knew that I wanted to stay at Mott MacDonald but I had no idea in which direction I wanted to go. The benefit of the scheme was that they paired me with somebody outside of my division so I could explore my options. I approached my manager with a business proposal for me to start new initiatives focusing on the wellbeing and development of new graduate starters within our team and now I've been asked to take that forward for the wider division as well. I instigated this and it's wonderful and it wouldn't have happened without my senior mentor helping me put together that first proposal.

**Junshi Wace**

Assistant engineer and **reverse mentoring participant**

Pronouns: she, her

# Opening opportunities with connected thinking.

Talk to us

[EDI@mottmac.com](mailto:EDI@mottmac.com)

[mottmac.com](http://mottmac.com)