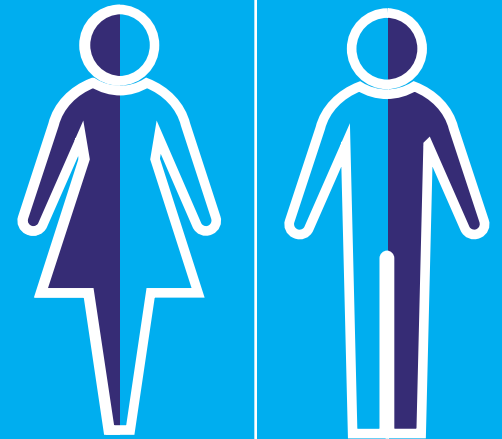




Link Financial Outsourcing Ltd Gender Pay Gap Report 2021

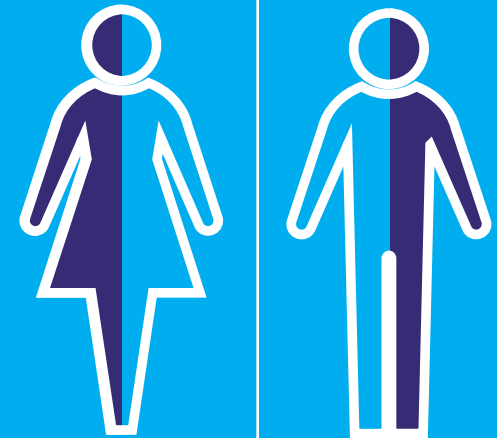


Introduction

All UK companies employing 250 people or more are required to report annually on their gender pay gap statistics. The gender pay gap is the difference in the average pay and bonuses of all men and women across an organisation, regardless of their role, so the numbers don't mean that women are paid less than men for doing the same job. The results show that, on average, men may occupy higher paying roles than women in the organisation. The statistics are inevitably influenced by a number of external and internal factors and should therefore be treated with a degree of caution.

As a company, we welcome the transparency and opportunity to consider the gender pay gap and ways in which we can continue to take positive action to ensure equal opportunity for all.

As an equal opportunities employer, all candidates are given the same consideration regardless of sex, age, religion, ethnicity, sexual orientation, marriage or gender reassignment. We aim to reduce our gender pay gap and we are confident that we have equal pay for work of equal value. Our approach to recruitment, development and reward has enabled us to achieve outcomes that are in most cases significantly better than the average.



Analysis

Gender pay gap reporting in the UK is now in its fifth year and this report covers the 2021–22 reporting cycle, using the required snapshot date of 5 April 2021 measured against the 6 specified criteria.

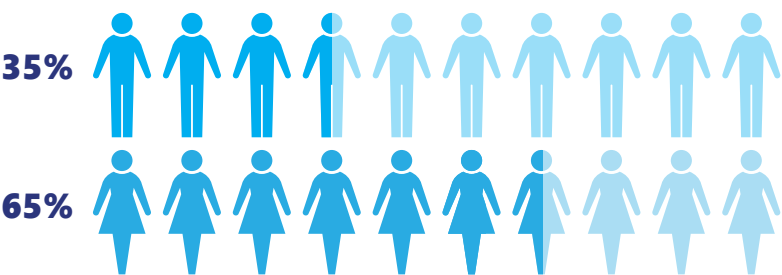
Our median gender pay gap has narrowed over the past few years and it has further reduced this year from 9% to 6%. This is considerably below both the Finance and Insurance average and the UK average of 15.5%.

We are encouraged by further improvements in the gender pay quartiles with an increase in the proportion of females in the upper-middle and upper pay quartiles following promotions and recruitment. Whilst there are no quick and easy fixes when it comes to closing the pay gap we are continuing to move in the right direction and have made positive strides since our pay gap of 16.5% in 2018.

Our Workforce

The proportion of males to females in the organisation is 65% female and 35% male. This is not uncommon in the financial services sector, where women are over represented in certain roles, for example customer service positions.

Proportion of Male and Female Employees



The detailed outputs of the analysis and explanations are set out opposite.

Our Median Gender Pay Gap



Mean and median gender pay gap 2021

Gender Pay Gap	2021	2020	2019	+/- % change
Mean	30%	33%	33%	-3%
Median	6%	9%	19%	-3%

The gender pay gap shows the difference between the mean (average) and median (mid-point) hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees, expressed as a percentage

Table 1: Gender Pay Gap

Our latest data shows that Link Financial Outsourcing Ltd (“Link”) has a median gender pay gap of 6% and a mean gender pay gap of 30%, which represents a narrowing of our gender pay gap figures from the last reporting year.

Median gender pay gap

This is calculated by ranking all our people by their hourly pay. Then we compare the pay of the woman in the middle of the female pay range with that of the man in the middle of the male pay range. The difference between these figures is the median gender pay gap.

Link’s median pay gap has improved by 3% since last year’s report, representing a positive narrowing of the gender pay gap, meaning that women in the middle of the female pay range received 6% less than the man in the middle of the male pay range, rather than 9% as last year. The proportion of women in the lower and middle quartiles has remained consistently higher than those in the upper quartile. Salary ranges in the upper quartile are much broader than in other quartiles because of the more specialised roles at these levels, and this contributes to our median pay gap.

Mean gender pay gap

To find the mean gender pay gap we take the sum of all the hourly pay rates women receive and divide it by the number of women in our workforce. We then repeat this calculation for men. The outcome shows how much lower the hourly pay of the average female employee is against that of the average male employee. The difference between these figures is the mean gender pay gap. This year we have also seen an improvement in our mean pay gap with a reduction of 3% over the past 2 years.

Link is an equal pay company, so employees doing the same job on the same grade are paid the same amount. The mean is distorted by a small number of the highest paid employees (men) in the upper pay quartile, so the median (mid-point) is considered a more representative reflection of the workforce as a whole.

The narrowing of the gap is the result of an increase in the number of women in senior positions. The gap arises because of the unequal distribution of men and women across senior roles and technical and specialist roles that typically attract more men such as IT, and not because of our pay policies and practices

Our Gender Bonus Gap

Mean and median bonus Gap

Gender Bonus Gap	2021	2020	2019	+/- % change
Mean	58%	63%	62%	-5%
Median	41%	35%	43%	+6%

The bonus pay gap refers to the difference between the mean (average) and median (mid-point) bonus earnings of male and female employees, expressed as a percentage of the bonus pay paid to male relevant employees.

Proportion of males and females receiving a bonus 2021



The proportion of male and female employees who were paid a bonus. Only relevant employees who received a bonus are included in the calculation.

Table 2: Gender Bonus Gap

At Link, bonuses are awarded based on personal and company performance irrespective of gender, and are available to all relevant employees at all levels.

Our median bonus pay gap widened this year, while our mean bonus pay gap narrowed.

The median gender bonus gap widened because there is a higher proportion of female employees in the business across the lower quartiles. The gender pay gap therefore remains impacted by currently having fewer women in senior positions, as the upper quartiles receive higher value bonus payments with more men in senior management positions. Additionally, we have a higher proportion of female part-time workers in the company, and their bonuses are pro-rated but the calculation for the gender bonus gap does not allow for any adjustment to bring these bonuses back to their full-time equivalent.

The number of men and women receiving a bonus is relatively more balanced this year with 84% of women and 81% of men having been paid a bonus. Some employees were not eligible to receive a bonus because they had not been in their role for long enough to qualify for one. The slightly lower number of men receiving bonuses relates to a period of recruitment into technical and specialist roles, which typically attract more males.

Our Pay Bands

Proportion of employees in each pay quartile band 2021



The proportion of male and female employees in four quartile hourly rate pay bands ranked from lowest hourly rate to the highest hourly rate by dividing the workforce into four equal parts.

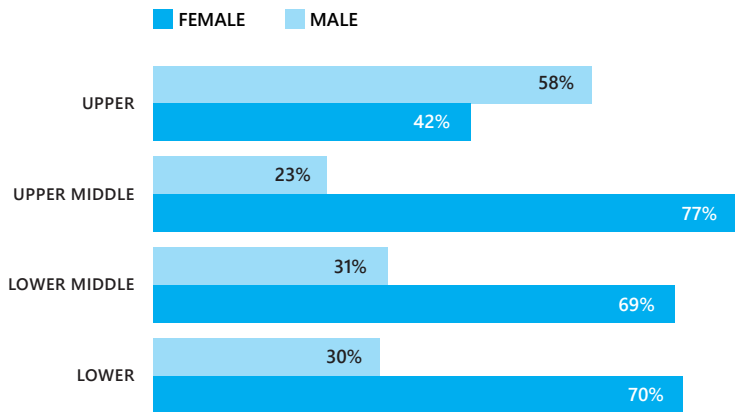


Table 3: Pay Quartiles

Each pay quartile represents a quarter, or 25%, of our total workforce ranked by pay. The proportion of men and women at the lower and lower-middle pay quartiles has remained relatively stable since last year. There remains a higher proportion of men in senior roles in the upper quartile across the company, and this pool of employees remains static and small and has not seen any changes during the reporting year. We are encouraged by the make-up of the gender pay quartiles which has seen an increase in the number of women in more senior or specialist positions within the upper middle quartile from 76% to 77%.

Closing our Gender Pay Gap

Our gender pay gap over the last few years has reduced, which is positive, but there are no quick and easy fixes when it comes to closing the pay gap. There are many societal reasons why more men than women tend to occupy the highest paid roles and closing the gender pay gap for good requires a meaningful shift in cultural norms more widely.

Within Link, our commitment to closing our own gender pay gap is to continue to maintain consistency and fairness across the total reward package and ensure that all our colleagues have the same recognition, reward and career development opportunities, regardless of gender.

Pay Transparency

We follow the principle of fair pay and continue to review our pay and grade structures to ensure equality of pay for people undertaking the same or similar roles at the same level. We carry out regular pay benchmarking exercises to ensure our compensation is fair and in line with the external job market.

Recruitment and Retention

We encourage all staff to respond to our employee engagement survey and our Employee Forums so that we can hear the views of our people, providing us with data on key HR issues. Diversity and inclusion are central to our business to ensure our continued success. An important part of our recruitment practice is to ensure that candidate pools are diverse, particularly for senior roles, and that processes are consistent to reduce the risk of bias.

We have also continued to build on our staff investment in recent years, and are progressing our internal inclusion and diversity plan, which will include diversity and inclusion awareness training for all employees and leaders.

The pandemic has given us the opportunity to trial flexible and hybrid ways of working. Our approach is helping us to attract and retain talented people from all backgrounds.



Development

The Company is committed to encouraging women and giving them the same opportunities as men to apply and be selected for roles at all levels within the business. We continue to focus on developing women at more junior levels to gain experience and seniority and to encourage greater balance in the distribution of women and men across our organisation.

Maintaining a commitment to reducing our pay gap is critical if we are to achieve the growth, productivity and skill advantages that come from greater inclusion and equal progression. Achieving and sustaining this in a medium sized organisation will take time, but we aim to see our gender pay gap narrow further and continue to develop our people strategies to deliver these objectives.

Frank Horvath | MD, Link Financial Outsourcing

