

Arnold Clark

Gender pay gap report

2019



The automotive industry is traditionally male dominated, and we're continuing to work hard to redress the gender imbalance within our organisation. Arnold Clark is highly supportive of the government's decision to require big employers to publish their gender pay gap statistics.

Our aims are to:

- Make sure that all line managers are trained on the subject of diversity.
- Continue with our collaborative and targeted approach to female recruitment.
- Encourage women into roles within our workshops and our sales teams by breaking down preconceptions of the industry.
- Train and coach our current females to encourage confidence and progression within the company.
- Promote the successes of our female role models internally and externally via social media.
- Continue to encourage a positive approach to flexible working company wide.
- Further develop our partnerships with BWS, Working Families and Womanthology.

What have we been doing about it in 2019?

During the past 12 months, we have continued to focus on increasing the number of women in our Sales division. Our recruitment campaign has continued to be collaborative in its approach, with a focus on digital targeting of females from retail, hospitality, banking and customer service backgrounds. This is with a view to moving towards an environment that has the customer experience at its heart.

We are always looking at innovative ways to attract women to the business and break down the perceptions of the motor trade. With this in mind and based on the feedback from our female focus groups held last year we created a YouTube recruitment ad showing a female product consultant dealing with the common misconceptions of a job in sales with Arnold Clark. The ad has had huge engagement and many of the women we've recruited since its creation have applied for the product consultant position based on what they have seen on YouTube.

See our ad here:

Where we have opened new sites our recruitment approach has been particularly successful, with our new branches boasting a sales team comprising, on average, 20% females.

Internally, we are constantly reviewing the employee statistics within sales to make sure each branch is working towards redressing the gender imbalance. Where this is not the case, we carry

out coaching with the branch's management team. We have created targeted communication for managers to promote the successes of our current female product consultants to further encourage positive action within the recruitment process.

In order to support new female product consultants who join the company, we have further extended our female coaching team. Female coaches are senior individuals from all areas within the business who assist female new starts in the sales team to settle into the culture at Arnold Clark.

As well as focusing on the sales team, we have been working hard to encourage girls of school-leaving age into apprenticeships through our Girls with Skills initiative. Girls with Skills was trialled in Scotland this year and was so successful that it will now be an annual event; we are trialling it in England in 2020. The initiative saw us reach out to schools to seek out girls with a particular interest in STEM activities. These girls were invited into our GTG training centres for taster days allowing them some exposure to the types of activities an apprentice technician would take part in during their training. The girls sat our apprenticeship tests while at GTG and work experience was arranged for them in the business. Those that were successful were offered apprenticeships with the business and we had 13 girls start as apprentice technicians in September this year, which is a phenomenal result for us. We are now trialling an all-girl class, which means these girls will do all their GTG training together, the hope being that they will feel more supported in the knowledge that they are part of a bigger group of women.

This video gives a fantastic summary of our Girls with Skills initiative:

Although there has been a continued effort to recruit more women into the business, a lot of efforts this year have been focused on the women we already have in the company and how to support them better.

From January 2020, we will be offering enhanced maternity pay to female employees with five years or more service. We have taken on board feedback that our current maternity pay provisions are not only a barrier at recruitment stage but are also causing women to leave the company.

In line with this and our Family values, our maternity pay has been enhanced to six months' full pay.

We have also been working hard to improve the experience of female employees who are taking time out to have a child. We already manage the run up to maternity leave and each employee is met or called to discuss and agree their arrangements. They are also given a maternity gift from the company. This year we have been looking at improving communication with our female employees while they are on maternity leave and also at ensuring their return goes as successfully as possible. We have introduced a manager toolkit to ensure all returning females are inducted effectively back into the company. Every female also receives a return gift to welcome them back.

In order to make it easier to apply for flexible working we have removed the statutory requirement to have 26 weeks' service. Arnold Clark employees can now apply for flexible working from the day they start working for the company.

We also feel strongly that our female employees should feel able to progress within the business. In order to support them with this, we worked through our partnership with BWS to offer them the opportunity to attend one of two pop-up training events on leadership and confidence. The events were held at our GTG centres in Glasgow and Wolverhampton and were attended by over 200 female employees. The feedback was positive and confirmed that there is an appetite for this type of training. We hope that by investing time in encouraging our female employees to be more confident we will see more females moving up into promoted positions within the company.

See our video documenting our female training events:

Finally we are again very proud of the external recognition we have received for our work in redressing our gender balance issues. Arnold Clark was listed by the Financial Times as a top Diversity Champion and we were awarded the People and Culture Award by Autotrader for our work to change perceptions of the motor trade. Working Families recognised Arnold Clark for having the Best Flexible Recruitment strategy at their Best Practice Awards and Working Mums awarded the Group for our Recruitment and Talent Attraction methods at their Top Employer Awards.

What's next for us?

We intend to continue to work on breaking down the perceptions of our industry in order that we can build on the momentum of our successful female recruitment campaign. We will also be continuing to work to support and progress the women we already have in the company.

Our commitment to diversity

We want to provide an open and inclusive environment where people can simply come to work, be themselves and do a great job.



Gender pay and bonus reporting statistics for staff employed at 5th April 2019

The gender pay gap explained

A pay gap is the difference in average pay between two groups within a workforce. It is not to be confused with equal pay. This is a different matter and is concerned with being paid equally for the same or similar work. Below we will consider the gender pay gap.

Arnold Clark Automobiles Ltd (Incorporating Harry Fairbairn Ltd)

Our workforce

Being part of the historically male dominated automotive industry, it is no surprise that the Arnold Clark Group has an uneven gender split between men and women. In the past five years we have made significant improvements in the following areas:

Sales: The number of women in our sales division has quadrupled.

Apprentices: The number of female apprentices has increased from 2 to 47.



Aftersales: The number of women within our aftersales division has increased by 20%.

We are proud to have more women involved in all areas of our business and we are looking forward to building on the progress we have made.



Figures at April 2019



The figures for both mean and median hourly rate and bonus are entirely reflective of the demographic of our organisation. Our business has more males at senior level and as such our average male salary (mean and median) is higher than our average female salary. This pay gap will continue to exist until we achieve a fair representation of men and women at all levels, which is something we are working hard to achieve.

The bonus pay figures confirm that most employees receive a bonus, however the males receive an average of 63.8% more. Our sales division earn commissions for cars sold and are some of the biggest bonus earners in the company. The bonus gap is a consequence of the company having a significantly larger proportion of men within sales.

The gap has widened in 2019 due to a number of factors. The introduction of the industry leading 5 day working week within sales and the associated commission structure is compulsory for all new starts, this is a positive move to ensure that the role appeals to a wider, more diverse population of people. The previous 6 day structure is now closed to new entrants, the majority of those remaining on this structure are male and as they are continuing to work an extra day per week they are on average earning higher commissions. The females we have recruited into sales during our successful recruitment drive have not yet reached their full earning potential as they are still within their training phase. The bonus gap will close as we redress the gender imbalance within sales, it will take time to significantly increase our female numbers but we are fully committed to seeing this through.

Gender pay

Difference in mean hourly rate of pay **13.5%**

Difference in median hourly rate of pay **8.7%**

Gender bonus

90.1%   89.7%

Percentage of men and women receiving bonus

Difference in mean bonus pay **63.8%**

Difference in median bonus pay **34.2%**

Pay banding

Upper quartile
86.7%   13.3%

Upper middle quartile
74.3%   25.7%

Lower middle quartile
64.7%   35.3%

Lower quartile
81.8%   18.2%

Arnold Clark Finance

Within our finance division the picture is very different. Women in this area are paid more (mean and median) than men. Within this area of the business the majority of senior individuals are female, which is testament to the equal opportunities available within Arnold Clark as a whole.

The bonus pay figure confirms that the average bonus for a female within the finance division is 0.9% higher than that of men. Again, this is a reflection of the number of senior females within Finance.

Movement in median female bonus figure is down to additional employees in this area receiving a bonus, as this group is small in numbers this has caused a shift.

Our workforce



Figures at April 2019

Gender pay

Difference in mean hourly rate of pay

-6.2%

Difference in median hourly rate of pay

-12.6%

Gender bonus

91.1%



88.9%

Percentage of men and women receiving bonus

Difference in mean bonus pay

-0.9%

Difference in median bonus pay

12.2%

Pay banding

Upper quartile

52.6%



47.4%

Upper middle quartile

50.5%



49.5%

Lower middle quartile

74.7%



25.3%

Lower quartile

72.2%



27.8%

It starts from the top



F I'm proud to say we're continuing to challenge stereotypes in the automotive industry in order to make every employee feel welcomed and valued at Arnold Clark. We're listening to our employees and making changes to improve our workplace culture based on their feedback. I'm delighted to see the success of our initiatives to bring more female talent into Arnold Clark and look forward to their continued success in 2020.'

Eddie Hawthorne
Group Managing Director and Chief Executive

F Our employees are at the heart of everything we do - that's why it's so important that we ensure every employee feels welcomed, supported and valued. I'm proud to see the steps we have taken in making Arnold Clark a fantastic place for females to build and develop their careers - and we're just getting started!'

Carol Henry
Group People Director

