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# Dorchester Hotel Ltd

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## Gender Pay Narrative

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January 2019

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## 1. Introduction

In light of the Government Regulations regarding Mandatory Gender Pay Gap Reporting, which applies to all employers in England, Wales and Scotland with at least 250 employees as of the 5<sup>th</sup> of April 2018 snapshot date, Total Reward Group have been tasked with writing the Gender Pay Narrative to support the gender pay gap reporting requirements for Dorchester Hotel Ltd as of the 5<sup>th</sup> of April 2018 snapshot date.

## 2. Foreword

As a business we have a passion for excellence and innovation, honouring the individuality and heritage of our iconic hotels. Everything we do, from our financial disciplines to our human resource policies, is focused on that aspiration. Our business comprises three key areas: The Dorchester, 45 Park Lane and the regional office which supports our London hotels. As an organisation, our vision is to be the ultimate hotel management company delivering expertise and care to our guests so they feel treasured while cherishing our employees and ensuring our brand is celebrated worldwide.

We care for our people and recognise that they are our greatest asset. We want to ensure our workforce is diverse and inclusive and our culture continues to be open and fair. We are passionate about being an inclusive organisation and seek to provide job opportunities for everyone regardless of gender, age, background and nationality. We are committed to building an organisation which leverages individuals' unique talents so that we deliver a world-class service to our customers.

We recognise the implementation of mandatory gender pay gap reporting is an important step in terms of progression and transparency to encourage greater equality of opportunity for women in work.

Whilst our Gender Pay Gap Report suggests that we do have some areas where we can do more to support gender equality, we are confident that men and women are paid equally for doing equivalent jobs across our business. We are continuing to build upon the action plan we established last year to improve our programmes and activities already in place.

We have a mean gender pay gap of 11.5% favouring males and a median gender pay gap of 5.8%. These figures compare very favourably to the national figures reported by the Office of National Statistics and we are pleased that we see positive year on year trends in the form of a narrower gender pay gap and a narrower gender bonus gap, with the median bonus gap being eliminated. We are also pleased to see increased bonus participation for males and more significantly, females. This is evidence of the effort we have already invested in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 42% of our overall workforce. Last year 39% of employee promotions were female, with 2% of those being promoted into management positions.

We continue to ensure our HR policies encourage and support flexible working within the organisation. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture.

We know that there is still more work to do to encourage more women to join our organisation as we strive towards a more gender balanced organisation.

### 3. Gender Pay Gap

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales and Scotland with at least 250 employees as of the 5<sup>th</sup> of April 2018 snapshot date. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, **with the aim of eliminating the gender pay gap:**

<b>Mean gender pay gap</b>	<b>Median gender pay gap</b>	<b>Gender bonus gap</b>
Difference between average hourly earnings of males and females	Difference between median hourly earnings	Proportion of male and female employees receiving bonus within the 12 month period
<b>Mean gender bonus gap</b>	<b>Median gender bonus gap</b>	<b>Pay quartiles</b>
Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

As of the 5<sup>th</sup> April 2018 payroll, our mean gender pay gap stood at 11.5% favouring males, with our median gender pay at 5.8%:

Mean Hourly Pay Differences		Median Hourly Pay Differences	
	Full Pay Employees		Full Pay Employees
Male Hourly Rate	£13.62	Male Hourly Rate	£11.55
Female Hourly Rate	£12.05	Female Hourly Rate	£10.88
<b>Pay Gap</b>	<b>11.53%</b>	<b>Pay Gap</b>	<b>5.80%</b>

These are both below the national mean (17.1%) and median (17.9%) as reported by the Office of National Statistics, 2018.

The underlying reason behind the mean gap is predominantly due to the higher representation of women in more junior roles in our organisation and higher representation of males in more senior leadership roles. Both the Food & Beverage & Hospitality sectors of the industry are typically male-dominated and this is reflected across our organisation as when we look across our group, the majority of our roles are sourced from this industry. We know we have a lack of female representation in some of our more highly-skilled roles such as Chefs which is contributing to our pay gap as we have a predominance of highly-qualified males in higher-paid roles.

While females currently represent 42% of our overall workforce, we are pleased that 40% of our Leadership and Executive roles are currently being undertaken by females and in the last year, we have proactively hired one woman into an Executive role.

We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs.

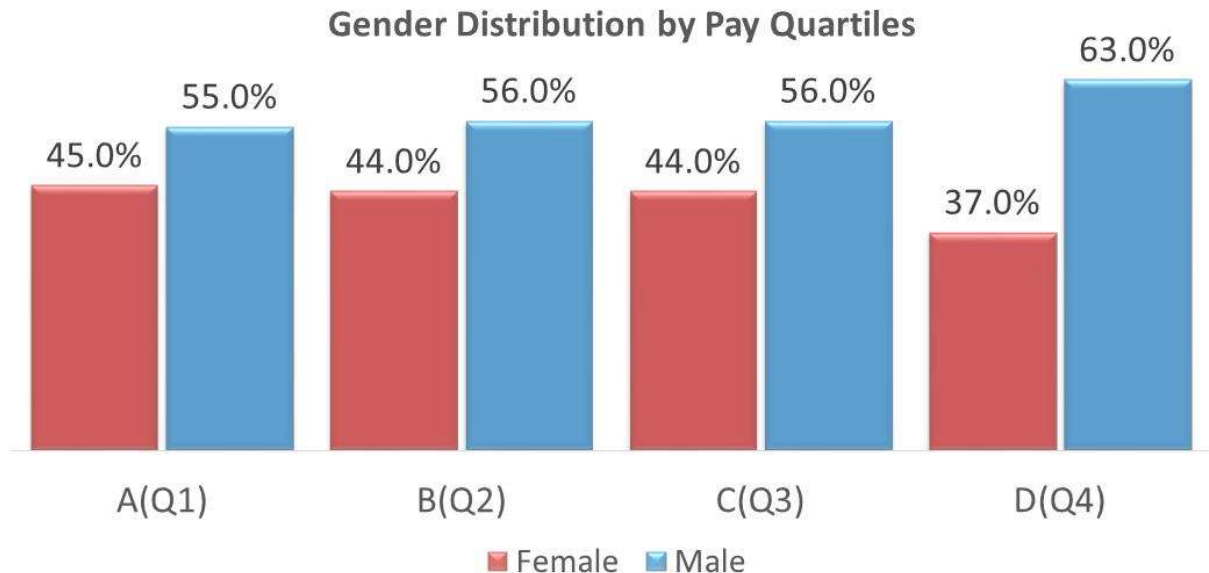
Our mean bonus gap currently stands at 12.8% favouring males, with our median bonus gap at 0%. We have a similar proportion of male and female employees receiving a bonus:

Mean Bonus Differences				Median Bonus Differences			
	Mean Bonus	Number receiving a bonus	% Bonus Distribution	Median Bonus	Number receiving a bonus	% Bonus Distribution	
Female	£1,051.07	222	99.5%	£600.00	222	99.5%	
Male	£1,205.22	300	98.6%	£600.00	300	98.6%	
<b>Bonus Gap</b>	<b>12.8%</b>			<b>0%</b>			

The underlying reason for these gaps is predominantly due to a large number of males receiving higher bonus payments relative to a smaller female population, who are operating in more junior roles.

Discretionary performance-related bonuses are awarded and paid on an annual basis, taking account of company, business area and individual performance. As an equal opportunities employer, all our permanent employees, irrespective of their position, age, gender or ethnicity, are eligible for bonus.

Our gender distribution by quartiles, as defined by the regulations, show us that female employees are underrepresented across all four quartiles, with the greatest difference being in the last quartile where we observe a broadly 63/37 split favouring male employees.



Our HR philosophy is to attract and retain high calibre individuals and to leverage their unique talents to help create unique guest experiences every day. As part of this, we continue to actively



create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. We recognise the motivational importance of positive senior role models to inspire confidence and success and we are proud that half of our senior management roles are occupied by females. We acknowledge that our strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers reflect our strategic approach to diversity.



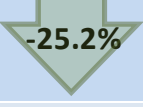
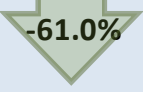
Employee Development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. We support the training and development of all our employees and as part of this run a Cross Exposure Programme designed to provide cross-functional experience by way of Job Swap days – in 2019, we will actively encourage more females to participate. We aim to ensure women are not only better represented within our organisation but most importantly supported. Next year we are launching a women's leadership course called "Step Up" to actively develop and retain 15 female leaders within the organisation.

We ensure roles are externally benchmarked on an annual basis, enabling us to obtain accurate market rates for each role. We acknowledge pay differentials may still remain in certain cases due to factors such as length of service, seniority and performance. Where pay differentials exist due to gender and are not justified by length of service, seniority or performance, we ensure that every effort is made to bridge those gaps. In 2018, we refreshed our flexible benefits platform and are delighted that we have a 44% female take-up.

We ensure that all our HR policies and tools proactively support flexible working across the organisation as we believe that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation. In 2018 we approved 100% of all flexible working requests.

#### **4. Year on Year Comparison**

When we consider year on year comparison, we see positive trends in the form of a narrower hourly pay gap at both the median and the mean and a narrower bonus gap at both the mean and the median, with the median bonus gap being eliminated. This is driven by a much narrower range in the bonus amounts found in both the male and female data sets, compared to last year. We also note increased bonus participation for males and more significantly, females as illustrated in the table overleaf:

	2018	2017	Percentage Difference
Mean Gender Pay Gap	<b>11.5%</b>	15.0%	 -3.5%
Median Gender Pay Gap	<b>5.8%</b>	7.0%	 -1.2%
Mean Gender Bonus Gap	<b>12.8%</b>	38.0%	 -25.2%
Median Gender Bonus Gap	<b>0.0%</b>	61.0%	 -61.0%
Males receiving bonus	<b>98.6%</b>	95.0%	<b>3.6%</b>
Females receiving bonus	<b>99.5%</b>	90.0%	<b>9.5%</b>

## 5. Closing remarks

We are pleased with positive year over year trends and we are committed to continuing to make real sustained progress to understand and manage gender pay gap data to reflect a truly gender balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our values detailed below, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.

### Our Values

- **Passion:** with pride, we enthusiastically deliver exceptional service
- **Personality:** with confidence, we take on challenges as opportunities to express our generosity
- **Respect:** with integrity and fairness, we value the diversity of people, cultures and environments
- **Working together:** with trust, we act as one team celebrating everyone's contribution and successes
- **Creativity:** with a spirit of curiosity, creativity and ongoing learning, we share creative solutions for continuous improvement