
Dorchester Hotel Ltd

Gender Pay Narrative

3rd February 2021

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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 5th of April 2020 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.

The full impact of COVID-19 will be reflected in our 2021 gender pay gap reporting as the consequences for women of increased childcare/home schooling responsibilities, furlough and job losses, particularly within the hospitality sector, are realised. Whilst there is potential for the gender pay gap to widen as a result, there is an opportunity for employees to remain focused on equality and embrace initiatives to support women in the workplace.

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, representing the communities in which we operate 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 continue our journey towards a more gender balanced organisation, building upon the action plan we established to improve our programmes and activities already in place. We have a mean gender pay gap of 10.84% and a median gender pay gap of 4.99%, both of which favour males. These figures compare favourably to the national figures reported by the Office for National Statistics and we are pleased that we see the median bonus gap being eliminated for the third year running, while we see a slight widening gender pay gap at both the mean and median. We actively continue to invest in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 41% of our overall workforce. Encouragingly, last year 39% of all hires were female, with 24% hired into management positions.

In our fourth reporting year, our leadership team continues to strive towards making our organisation a fair and balanced workplace. A number of initiatives are collectively influential in taking strides towards moving Dorchester Hotels Ltd towards a more gender balanced workforce.

We continue to actively focus on increasing the proportion of female candidates identified for new roles and developing alternative recruitment pipelines. We continue to ensure our HR policies encourage and support flexible working within the organisation and are working to ensure that what we have in place works for everyone. 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 which reflects our company values. We regularly challenge our

recruitment partners to ensure their approach reflects our values in all they do and creatively exploit different channels to source talent.

We continue to encourage greater female representation across the organisation through a variety of initiatives and are committed to maintaining the momentum we have experienced over the last year, 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 5th of April 2020 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:**

Mean gender pay gap	Median gender pay gap	Gender bonus gap
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
Mean gender bonus gap	Median gender bonus gap	Pay quartiles
Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

As of the 5th April 2020 payroll, our mean gender pay gap stood at 10.84% favouring males, with our median gender pay at 4.99%:

Mean Hourly Pay Differences		Median Hourly Pay Differences	
	Full Pay Employees		Full Pay Employees
Male Hourly Rate	£15.41	Male Hourly Rate	£12.18
Female Hourly Rate	£13.74	Female Hourly Rate	£11.58
Pay Gap	10.84%	Pay Gap	4.99%

These are both below the national mean (14.4%) and well below the median (15.5%) as reported by the Office of National Statistics, 2020.

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, recognising 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 which is contributing to our pay gap as we have a predominance of highly-

qualified males in higher-paid roles though we strive to source female talent when roles become vacant.

We know we have a lack of female representation in some of our more highly-skilled STEM roles which is contributing to our pay gap as we have a predominance of qualified male specialists in higher-paid roles. We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs across our organisation. While females currently represent 41% of our overall workforce, we are pleased that 25% of our Executive roles are currently being undertaken by females.

4. Bonus Payments and Participation

Our mean bonus gap currently stands at 29.2% favouring males, with our median bonus gap eliminated. We have an equal proportion of male and female employees receiving a bonus:

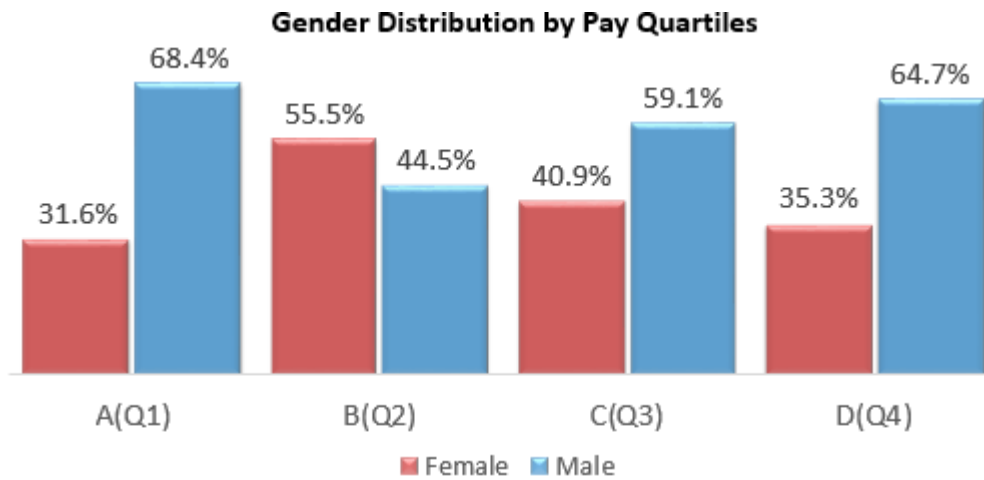
Mean Bonus Differences				Median Bonus Differences			
	Mean Bonus	Number receiving a bonus	% Bonus Distribution		Median Bonus	Number receiving a bonus	% Bonus Distribution
Female	£2,546.15	192	60.2%	Female	£1,500.03	192	60.2%
Male	£3,594.56	263	60.3%	Male	£1,500.03	263	60.3%
Bonus Gap	29.2%			Bonus Gap	0%		

In our organisation, female employees generally occupy more junior roles; in contrast, a higher number of male employees are engaged in more senior, more highly paid roles. This results in a much wider range in bonus amounts received by males, relative to a much narrower range in the smaller female population.

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.

5. Career Paths and Earnings

Our gender distribution by quartiles, as defined by the regulations, show us that female employees are underrepresented in the highest two pay quartiles as well as the lowest pay quartile.



HR Strategy

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 proactively keep in touch with those on maternity leave and are pleased that we saw a 77% return rate in 2020.

We recognise the motivational importance of positive senior role models to inspire confidence and success. We have hired two 'Gold Service Scholarship' winners into management positions and the Spa Director won two awards within our industry for being the Spa Director of the Year (female). We are pleased that a quarter of our Executive roles are occupied by females. Overall 42% of management positions are held by women. 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.

We ensure that all our HR policies and tools proactively support flexible working across the organisation as we are confident that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation. We recognise that the nature of the shift working patterns of some of our roles can detrimentally impact on the ability of parents to balance both family and career and we continue to ensure our HR policies and practices encourage and support flexible working 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. As part of our annual performance management and pay review process we ensure that our people are being paid fairly based on their role, responsibilities, experience and performance.

Recruitment

We have adopted more proactive recruitment approaches with a stronger focus on ensuring a greater gender balance in potential candidates presented. We continue to develop alternative pipelines as we proactively engage different sections of the job market and creatively exploit different channels to promote our employer brand. We run targeted marketing campaigns to showcase our women in leadership positions, celebrating when they have been recognised externally.

We continue to actively challenge all our hiring managers to ensure their behaviour reflects our values in all their interactions and our 6-month recruitment partner review process ensures we keep challenging our recruitment partners to ensure their approach reflects our values in all that they do.

We are committed to building long term partnerships with local schools, promoting our industry and offering career advice to prospective new hires. We are pleased that 55% of our apprentices and 42% of our graduates are female and we will continue to work hard to increase these proportions.

Development

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 aim to ensure women are not only better represented within our organisation but most importantly supported, and have set female participation goals for each of our training programmes and actively identified 2 female participants this year.

We run a Cross Exposure Programme designed to provide cross-functional experience where we actively encourage more females to participate. In 2019, we launched our women's leadership course "Step Up", designed to actively develop and retain female leaders within the organisation and we now operate an Executive mentoring programme for Step Up graduates to actively nurture our female management capability. Encouragingly, 42% of delegates on the Face Forward training, designed to develop leadership style across a 5-week intense external course, were female leaders.

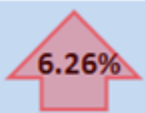
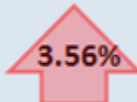
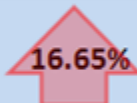
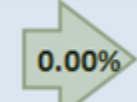
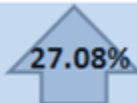
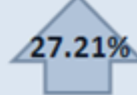
We are pleased that 46% of employee promotions were female, with 35% of those being promoted into management positions.

We actively develop and nurture our female management capability through our Executive Mentoring Programme. We rigorously apply a gender lens to all our talent development and succession planning discussions.

Supported by our Diversity Executive Champion, we seek to highlight the importance of inclusion across our organisation, opening up dialogue and building awareness on issues relating to respect for diversity in business.

6. Year on Year Comparison

When we consider year on year comparison, we see positive trends in the form of increased bonus participation for both males and females. We observe a slight widening gender pay gap at both the mean and median. We see a more pronounced widening gender bonus pay gap at the mean, with the median gender bonus gap again being consistently eliminated. This is driven by a much wider range in the bonus amounts found in the larger male data set (n=333) compared to a narrower range in the smaller female data set (n=229) who are in receipt of bonuses.

	2018	2019	2020	2020 Vs 2019
Mean Gender Pay Gap	11.50%	4.58%	10.84%	 6.26%
Median Gender Pay Gap	5.80%	1.43%	4.99%	 3.56%
Mean Gender Bonus Gap	12.80%	12.52%	29.17%	 16.65%
Median Gender Bonus Gap	0.00%	0.00%	0.00%	 0.00%
Males receiving bonus	98.60%	60.32%	87.40%	 27.08%
Females receiving bonus	99.50%	60.19%	87.40%	 27.21%

7. Closing remarks

We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential, as we work towards a more 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 and focus on growing our own talent. 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