

Taking action on gender diversity

## Gender pay gap report 2020-2021 (UK)

**CUNDALL**

# Executive summary

---

As a consultancy operating within the built environment, and employing a primarily engineering and technical workforce, we continue to operate within an industry constrained by its lack of diversity. The challenges facing our industry are well-documented, not least the growing skills shortage. It therefore makes good business sense to find new ways of attracting, retaining and developing great people of all backgrounds and identities. Only by doing this will be able to meet our commitment to being the best place for talent to grow and flourish; thought-leaders in our industry; and the consultant of choice for clients.

Whilst the publication of our first Gender Pay Gap report (in 2017) was in response to legislation in the UK, the issue of gender diversity in our business (and the wider industry) is one that we have been working for many years to address. In 2019, we appointed our first Head of Talent, Diversity and Inclusion, and this has led to a significant focus on building a truly inclusive culture, bringing about real, measurable change within the business over the past year.

Our analysis up to this point has highlighted some key issues in relation to gender diversity in our business, and led us to examine more closely the underlying reasons for these issues, and what else we could do to address them. For instance, we identified that we do well in hiring a substantial proportion of women for more junior positions, but that we experience a “retention gap” as these women progress, which leads to women being under-represented in more senior roles.

We continue to work hard on our diversity and inclusion initiatives. Many of these have been focused around improving the representation of women at all levels within our business, and engaging more widely within the industry and society to raise awareness of the benefits of diversity and appeal to talented young people of all identities and backgrounds. While positive progress has been made, there remains much to be done. In the 12 months ahead, we will continue to focus on practical strategies that will drive real change within our business, improving representation and pay equity for the long-term.

Whilst it will take time for our investment in identifying and nurturing talented women to have a significant impact on our gender pay gap figures, we have made some very positive progress over the past 12 months:

- Our mean gender pay gap is at its lowest level since publication of our first gender pay gap report in 2017, at 22.5%.
- Our mean gender pay gap compares favourably against our competitors of a similar size.
- Our mean gender bonus gap is at its lowest level, at 11.8% (down from 46.4% in 2017) and our median gender pay gap remains at 0%.
- This year we have seen the highest proportion of women receiving a bonus since 2017 at 97.3%.
- 25% of the “early career” talent (Apprentices, Trainees and Graduates) that we hired in the period 1 May 2019 to 30 April 2020 were women.
- The proportion of women who were internally promoted in the same period has increased by 10%.
- The proportion of women recruited into leadership grades in the same period has increased by 30% .



## 1.0 A view from the top

A diverse workforce can increase creativity, innovation and employee engagement. It brings a variety of perspectives, better decision making and faster problem solving. Each of these benefits can be aligned with our own core values of excellence, creativity, integrity and collaboration.

Women continue to be underrepresented at all levels in the construction industry, in particular at senior management and leadership levels. We have already taken steps to address this imbalance at Cundall, with positive results; but in order to make significant, sustainable change, we must be bolder in challenging ourselves and each other to dismantle the cultural and institutional barriers that continue to perpetuate workplace inequalities.

Our 2020 - 2025 Diversity and Inclusion Strategy Valuing Diversity commits us to building “the most inclusive consultancy in our industry” and we have made significant steps towards achieving our commitments over the past year with the launch of three new employee-led affinity networks, including GAIN, a network dedicated to promoting gender equality and inclusivity across the practice.

Another meaningful change we have seen over the past year is the launch of our new global recruitment policy, which commits us to taking new steps that will encourage the hiring of more women, particularly within leadership and managerial positions. These changes include mandatory diversity of applicant shortlists and the eradication of hiring influenced by nepotism and/or cronyism.

It is encouraging to see that we continue to close the gender pay gap but we still have a significant way to go. I look forward to the next 12 months and beyond, to see the positive impact of the steps we have taken so far and to continue our focus on creating a truly inclusive workforce.

Tomás Neeson, Managing Partner

“Cundall continue our focus on creating a truly inclusive workforce.”



## 2.0 Introduction and context

This report presents statistical data regarding gender diversity at Cundall, and commentary relating to these statistics. It also sets out some of the key steps that we are taking to improve gender diversity within our business.

### 2.1 Statistical method

We report our data in accordance with the requirements of the UK's "Equality Act 2010 (Gender Pay Gap Information) Regulations 2017".

The "mean" figure on each measure is calculated by adding together all of the salaries (or bonus payments) in the sample, then dividing the total figure by the number of salaries (or bonus payments) in the sample. The "median" figures represent the mid-point in each list of numbers. The distribution of salaries in each office means that the "mean" and "median" figures can look quite different, when the calculations are undertaken. "Bonus pay" includes long-service bonuses, Chartership bonuses, annual profit shares and other discretionary bonuses, including Christmas gifts awarded as cash (or cash equivalents), awarded in the 12 months to April 2020. For reporting purposes, annual bonus payments are pro rated (by dividing by 12) to give a notional monthly figure.

It is worth noting that the offices that make up the sample vary in size, from less than 5 people, up to over 200 people. In statistical terms, the difference in sample size means that there is more likely to be a pay gap (in either direction) in a smaller office than in a larger one.

Except where otherwise stated, data relates to staff paid through our UK PAYE payroll (or, where applicable, one of our international payrolls) on 28 April 2020. Contract / agency staff and Partners within the business (who are self-employed) are therefore excluded.

### 2.2 Going beyond

Whilst we report in line with UK legislative requirements, we are committed to going beyond our compliance obligations, which require only that we analyse and report on our basic gender pay gap data for the UK business (including mean and median basic salary and bonus information, and pay quartiles).

This report therefore includes additional analysis to help us better understand our workforce as well as commentary in relation to the specific targets and KPIs we have set (and against which we will monitor our progress) in relation to diversity and inclusion.



### 3.0 Statistical data

This section presents raw data regarding the demographics within our UK business, as at April 2020.

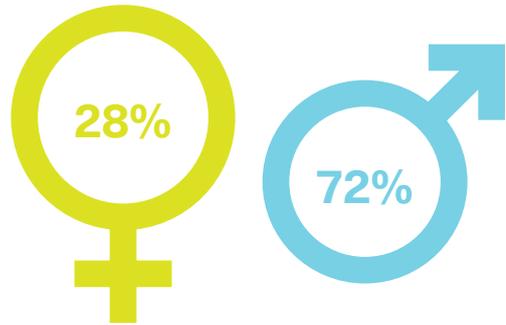
#### 3.1 Gender diversity

This is 55.4% higher than the figure for the construction industry as a whole, in which women are reported (by Engineering UK) to make up just 12.4% of the total workforce.

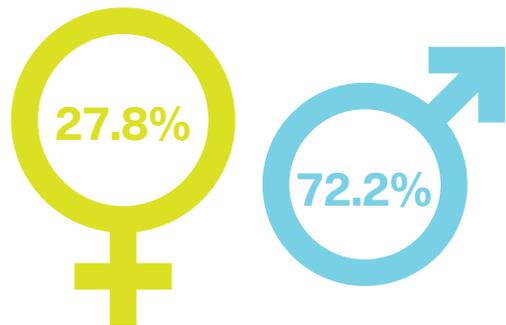
The Partners who lead our business are excluded from the majority of the statistical data set out in this report (due to being the owners of the business, and therefore self-employed). However, just 11% of this group are currently women.

We are encouraged by the fact that 30% of our UK-based Management Board population are women. However, we recognise that this statistic is heavily influenced by the presence of functional directors from non-engineering functions on the board. We know that women in engineering are under-represented in senior roles, and on our Management Board in particular, and that we have further work to do to ensure that we retain our talented women and provide equality of opportunity for all to progress to more senior roles within the business.

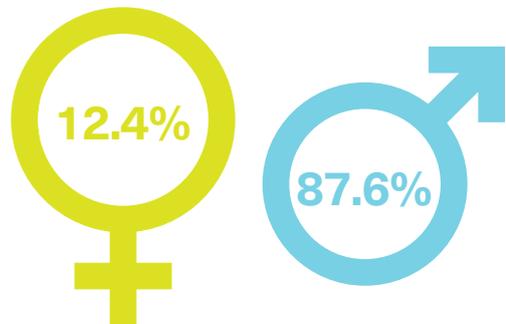
#### % Women in workforce



#### Cundall 2019



#### Cundall 2020



#### Industry

Figure 1: Workforce gender split (industry figures from Engineering UK 2018)



of our payrolled staff are women



of our UK-based Management Board population is women

## 4.0 Gender pay gap

### 4.1 Contextual information

We have calculated our “gender pay gap” based on our April 2020 payroll and using guidance from the UK government with regard to how the data should be analysed. It should be noted, however, that this analysis takes no account of the demographics of our workforce. In particular, it does not allow for an analysis of pay data by “job type”, nor by geographic region. We have therefore included some commentary later in this report which provides some context for the figures below.

#### 4.1.1 Job roles and functions

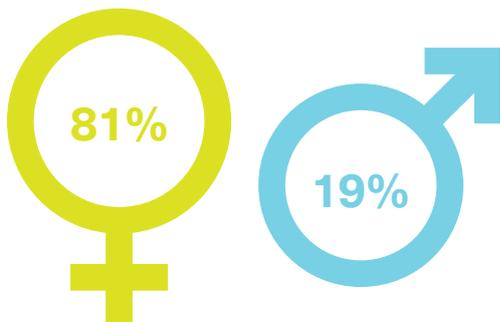
Salaries are typically affected by a variety of factors, in particular the nature of the work being undertaken, with job roles and functions being a significant factor in determining pay rates. The gender split within our business is very different for engineering / technical functions, as compared with administrative / professional support functions, as shown below:

The proportion of women in technical roles has decreased very slightly since last year (17.6% compared to 18%, however is still higher than 2018, when it was 16%).

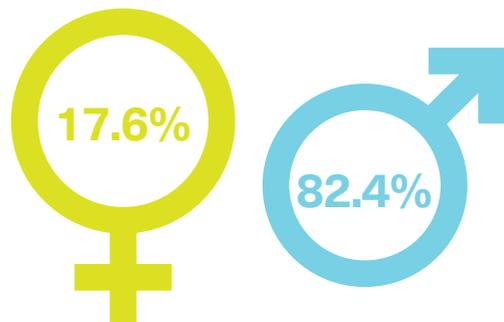
We have seen a slight increase in the gender diversity within support and administrative roles. 19% of these roles are now filled by men, up from 18.6% last year.

The gender pay gap in support and administrative roles has decreased significantly from last year at 16.6% compared to 36% in both 2019 and 2018. The gender pay gap in technical and engineering roles has improved slightly at 18.2% compared to 18.9% in 2019.

#### Gender split by job type



Supportive / Administrative roles



Technical / Engineering roles

Figure 2: Proportion of men / women employed by job type

## 4.2 Gender pay gap figures

Our gender pay gap figures as at April 2020 are shown below.

Average pay for women has increased slightly more than for men over the reporting period. The mean hourly rate was £17.86 for women (up by 10.8% from last year) and the mean hourly rate was £23.05 for men (up by 5% from last year)

Both our mean and median gender pay gaps have reduced in the past 12 months and are at the lowest rate since we started reporting our gender pay gap in 2017.

### 4.2.1 Median

Our median gender pay gap stands at 27.1%, which is 3.1% lower than last year. This reflects the difference in median hourly rates between men and women across the UK business. The median hourly rate for women was £15.38 (up by 9.6% from last year) and the median hourly rate for men was £21.11 (up by 5% from last year).

### 4.2.2 Mean

Our mean gender pay gap stands at 22.5%, which is 4.2% lower than last year.

The chart below compares the median and mean gender pay gap figures across the four reporting years to date. It is encouraging to see such a reduction in the gender pay gap for this period, particularly after three years with minimal movement. We are hopeful that this indicates the action we have taken to-date is making an impact in reducing our gender pay gap.

That being said, it is worth noting that because of the relatively small (compared to many of our peers) size of our business, and the proportion of women represented within senior/leadership roles in particular, small shifts in our gender representation whether by via recruitment, promotions, departures, or salary increases, can have a marked impact on the pay gap data (both positive and negative). We will need to review ongoing data to identify if this is a longer-term trend.

Gender pay gap - Year on year

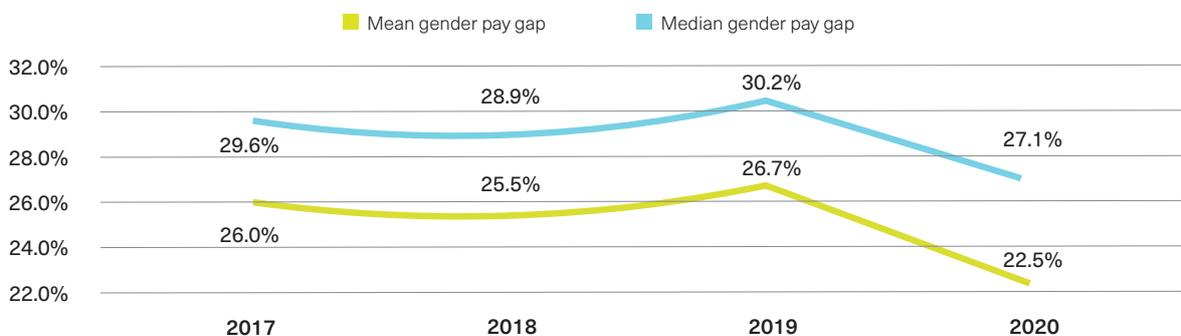


Figure 3: Gender pay gap - Year on year

### 4.2.3 Quartile pay bands

The hourly rates of all relevant employees have been ordered and separated into the following quartiles:

- Lower quartile
- Lower middle quartile
- Upper middle quartile
- Upper quartile

The proportion of women in both the lower and lower middle quartiles has decreased during this period (by 8.1% and 4.5% respectively) and it is encouraging to see an increase of 1.5% in the proportion of women in the upper quartile over the past 12 months. This suggests that improved gender diversity in more senior roles within the business may be starting to impact positively on our gender pay gap data.

The proportion of men and women in each quartile across the four years we have been reporting Gender Pay Gap data is represented below in Figure 4.

We are pleased to be able to report that over the past four years the number of females in the upper quartile has increased by 3.7%. This data points to some progress as a result of the work that we have carried out to nurture and develop talented women, but also tells us that we still have a great deal to do. We continue to have a strong pipeline of female talent in early- to mid career roles (in our lower and lower middle quartiles), but we have yet to make real progress at more senior grades, and this continues to be a priority for the next 12 months and beyond.



### UK quartile pay bands 2020

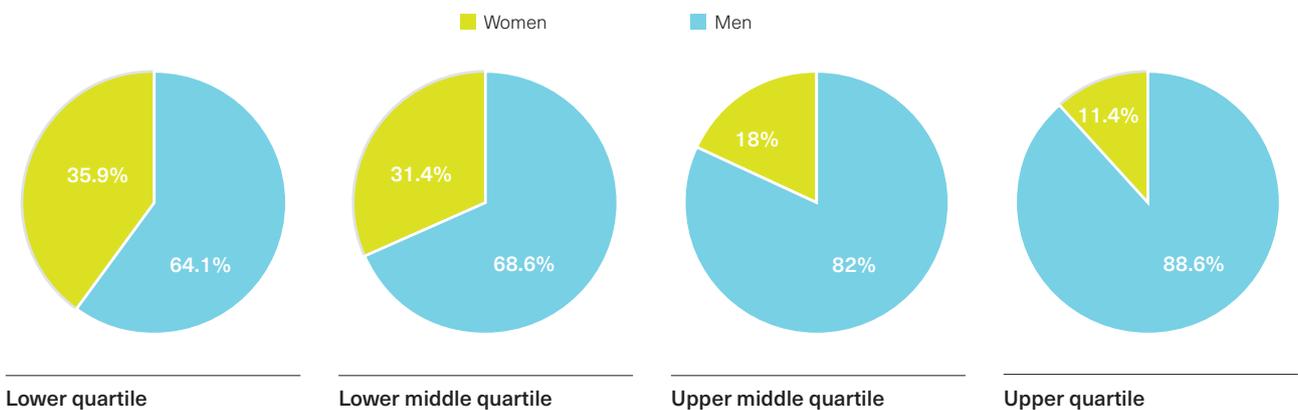


Figure 4: UK quartile pay bands - 2020



### Quartile pay bands - Year on year

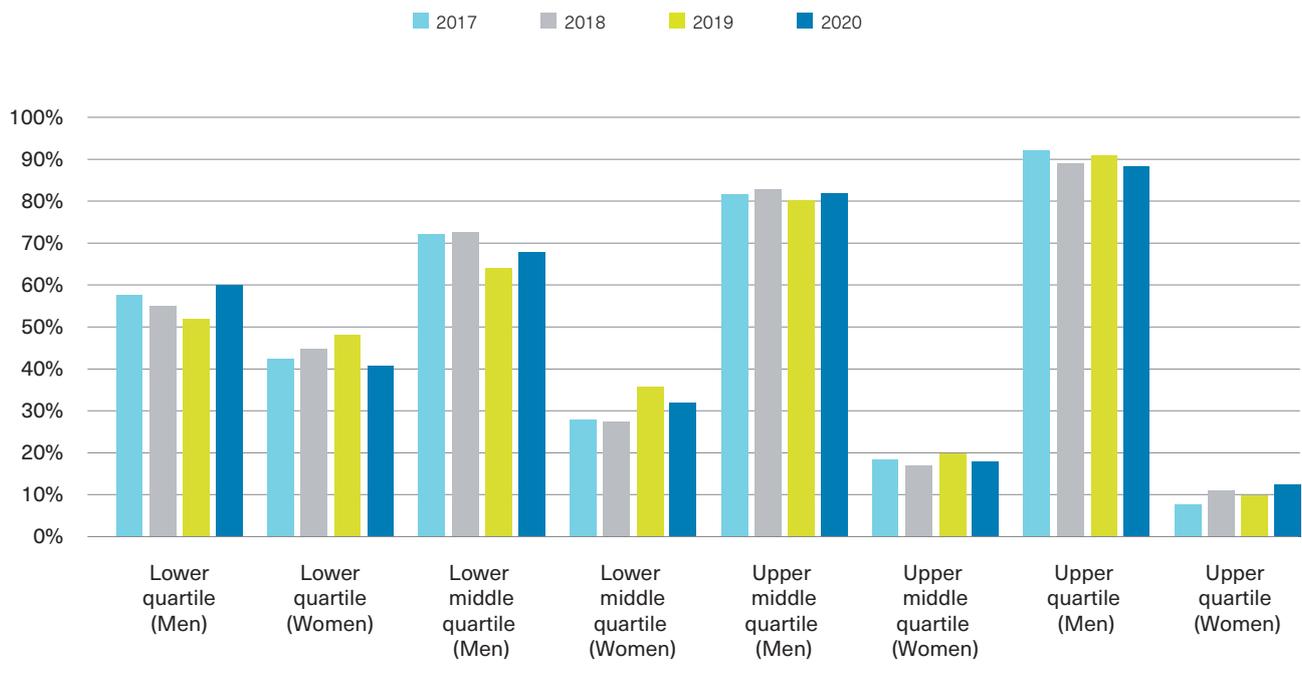


Figure 5: Quartile pay bands - Year on year

#### 4.2.4 Bonus data

We have analysed our bonus data for the 12 months to 28 April 2020. For the purposes of this calculation, “bonus pay” includes:

- Discretionary profit shares
- Joining bonuses
- Chartership bonuses
- “Recommend a Friend” bonuses
- Discretionary bonuses
- Prizes
- Christmas bonuses (whether paid in cash, or as cash equivalents such as vouchers)
- Long service awards

In this period, 97.3% of women, and 94.7% of men received a bonus. This is an increase of 4% for women and a decrease of 1% for men on last year’s figures. The graph below shows the proportion of women and men who received a bonus over the past four years.

The mean bonus paid to women was £256.18 and the mean bonus paid to men was £290.51 giving a mean bonus pay gap of 11.8%. The difference is largely accounted for by the fact that more men than women occupy senior positions within the business (which provide for participation in our discretionary profit-sharing scheme). It is nonetheless very encouraging to note that the mean bonus gap has reduced by 4.6% in the past 12 months and 34.6% in the past four years.

The median bonus pay for both men and women was £16.67 giving a median bonus pay gap of 0%.

This difference in the bonus gender pay gap across the mean and median figures arises as a result of the fact that the majority of our workforce received a discretionary Christmas gift of high street shopping vouchers in December 2019 which was fixed at a standard £200 per employee. As the median average is identical for both women and men the median gender bonus gap is 0%. A smaller proportion of our workforce (at a senior level) are entitled to be considered for a discretionary bonus, by way of a share of the business’s profits. The bonuses awarded under this scheme are typically of a substantially higher value. Due to the profile of our workforce, a greater number of men than women receive this higher value bonus, affecting the mean figure. As mentioned above however, this mean figure has reduced over the past 12 months.

#### 4.2.5 Gender Pay Gap by Job Title

Whilst the government framework does not require (nor permit, on the governmental website) organisations to report on their gender pay gap by job title, we have nonetheless undertaken this analysis, to establish whether there are disparities between men’s and women’s salaries in particular roles. This measure eliminates the contextual factors which can affect the gender pay gap figures at an organisational level and allows a side by side comparison of salaries by gender for the same job roles. This measure is crude, as the number of women in some categories are very small. In addition, the measure is based on an analysis of the salaries of our technical staff at a specific point in time and can therefore fluctuate dramatically over the course of a year.

This year’s data shows a narrow (or in some cases a positive) gender pay gap in most grades.

#### Proportion of staff receiving a bonus by gender

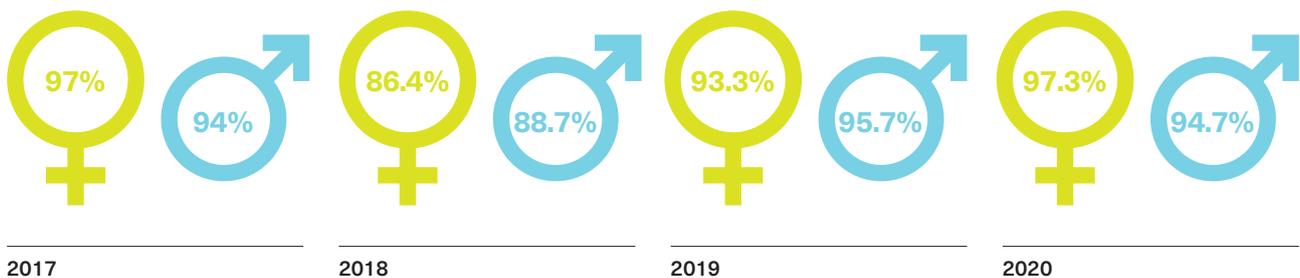


Figure 6: Proportion of employees receiving bonus pay in the 12 months preceding each reporting date)

The average hourly rate for women in both Graduate Engineer/Consultant and Senior Engineer/Consultant roles is higher than the average hourly rate for men in these same groups resulting in a positive gender pay gap at in those roles. The gender pay gap in Engineer roles is extremely low at 1.1%, whilst we see a slight increase in Principal Engineer/Consultant roles (4%) and Associate/Associate Director roles (8.2%)

Our pay gap data, particularly at more senior levels, is currently open to significant variation due to the small proportion of women represented throughout the business within management and leadership roles (i.e. a small number of leavers/new joiners/promotions can make a big impact on % fluctuation year on year). For context, there were only 5 women in the analysis of Principal Engineer roles and 7 women in the analysis of Associate/Associate Director roles. In addition, regional variations in salaries have a significant impact on the mean figures, particularly in circumstances where there are small populations in each group, and low numbers of women.

It is also worth noting that whilst the Technician/Senior Technician group have the highest gender pay gap at 19.9%, this should be interpreted with caution as there were only 3 women in the analysis of this group.

In previous years we have analysed the data by grade rather than job title, however the job grade can include a broad spectrum of job roles, both technical and non-technical. We have therefore taken the decision this year to move to analysis by job title for more comparative data.



**Mean Gender Pay Gap (UK) of Technical Employees by Job Title 2020**

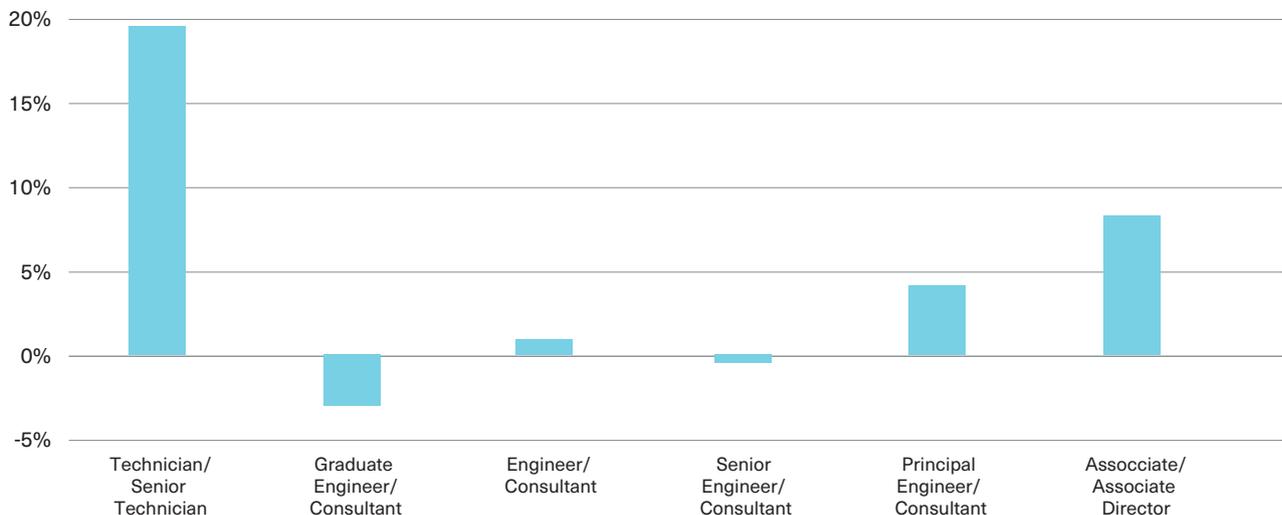


Figure 7: Mean gender pay gap of technical employees by job title

#### 4.2.6 Gender Pay Gap by Age

Again, we have chosen to analyse the data beyond the requirements of the government framework by analysing gender pay gaps by age. This enables us to identify disparities between men's and women's salaries across all age categories.

The graph indicates that generally the gender pay gap increases with age. This is unsurprising as the number of women in senior technical roles, who are in receipt of higher salaries tends to decrease with age for many and complex socio-economic reasons. In fact, in this year's analysis there were only four women in the 56-68 category, all of whom held support function and administrative roles.

The average hourly rate of women was 2.1% higher than that of men in the 17-25 category (i.e. a negative gender pay gap). This has improved year on year since we started analysing the gender pay gap data by age in 2018. Whilst we have seen a very slight increase in other age categories, the gender pay gap in our 36-45 category has reduced from 32.2% to 22.3% in the past 12 months.

#### 4.2.7 Gender Pay Gap by Global Region

Whilst there are no gender pay gap reporting requirements in any of our office locations outside of the UK, we have chosen to analyse gender pay gap data from all of our regions following the same guidelines as the UK analysis to allow us to compare figures globally. It is however worth a note of caution here, as many of our global offices have significantly smaller headcounts than our UK offices, which makes for a cruder analysis of the data. It is potentially still useful to look at the data as an indication of changes in gender pay gaps over time.

We have been unable to analyse the gender pay gap data in Dublin and Shanghai during this reporting period due to the insufficient numbers in some gender categories.

The highest gender pay gap was in Madrid at 47.9% which means that men's salaries were 47.9% higher than women's salaries. However, it is worth noting that there were only two females in the analysis, both of whom held junior/administrative roles. In contrast, Singapore had a negative gender pay gap of 13.3% which means that women's salaries were 13.3% higher than men's salaries.

#### Mean Gender Pay Gap (UK) by Age

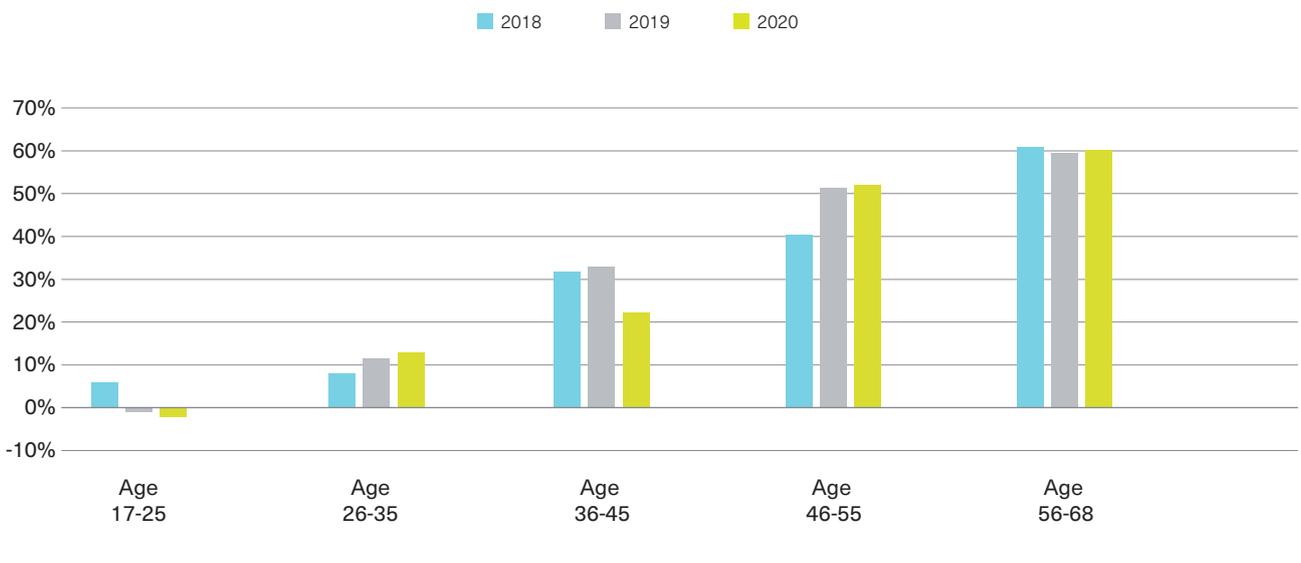


Figure 8: Mean gender pay gaps by age

### 4.2.8 Ethnicity Pay Gap

Whilst not related to gender pay gap analysis, we have chosen to analyse whether there are disparities between the salaries of our Black and minoritised ethnicity groups and white ethnicity groups. The average hourly rate for Black and minoritised ethnicity groups was 1.8% higher than the average hourly rate for white ethnicity groups. This gap has increased marginally from 1.5% in the past 12 months.

Mean Ethnicity Pay Gap by Year

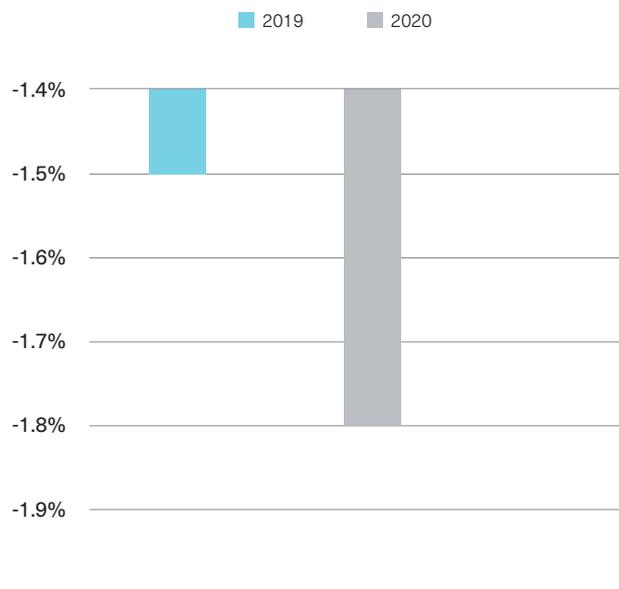


Figure 10: Mean ethnicity pay gap by year

### Global Mean Gender Pay Gaps 2020

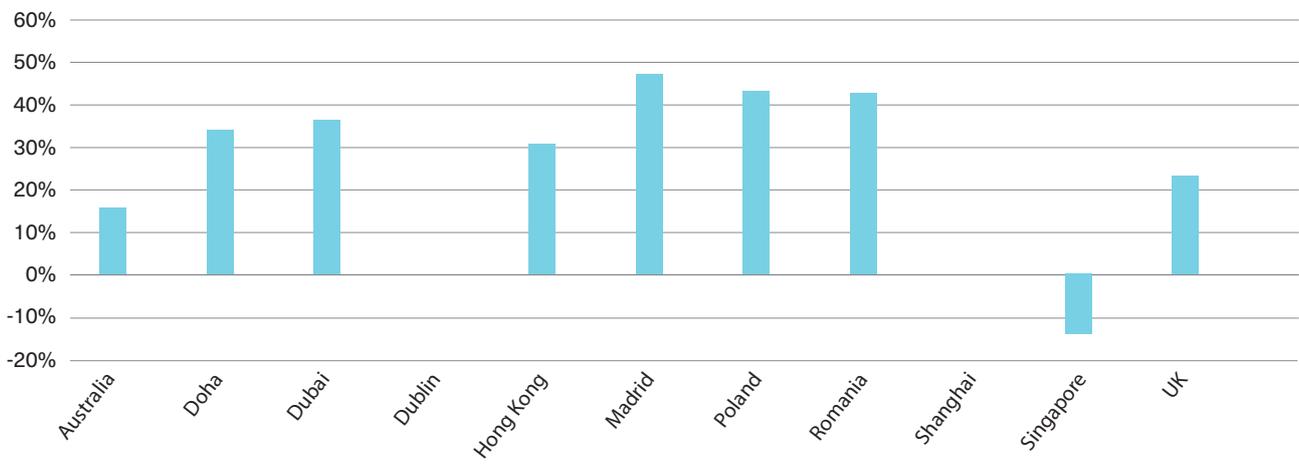


Figure 9: Mean gender pay gaps by global location



### 4.3 Industry benchmarks

To help us understand the challenges facing our wider industry, we have analysed some of the gender pay gap data published by UK firms operating in the construction industry. To ensure relevance, we have focused on organisations who we consider to be our immediate competitors – firms who operate in the same (or a similar) space to ours. Due to COVID-19 the government have extended the reporting deadline for April 2020 data from April 2021 to October 2021. Of the firms below, only ourselves and Mott McDonald have submitted April 2020 data to date and therefore the remaining company data is based on their 2019 figures. The charts below set out how our data compares with these firms:

The mean gender pay gap across the firms reviewed stands at 24.8%, with larger firms typically reporting a smaller gender pay gap than smaller firms. We compare well to firms of a similar size as well as some larger firms with a mean gender pay gap of 22.5%.

The larger firms report a higher proportion of women in the upper middle and upper pay quartiles. Cundall do not perform as well as our larger competitors in the representation of women with the upper pay quartiles, which suggests there is more that we need to do to promote and attract women into leadership roles across our business. Our diversity and inclusion strategy, Valuing Diversity, outlines a number of methods and initiatives, which we will continue to implement over the next four years and beyond to ensure we redress existing inequality and underrepresentation, some of which are already underway.

We compare favourably with other firms in terms of the proportion of our staff who receive a bonus; a higher proportion of our staff (of both genders) received a bonus in the last reporting period than in any of the other firms. Our mean bonus pay gap (of 11.8%) was the lowest of all the firms included in the analysis.

Industry benchmarks

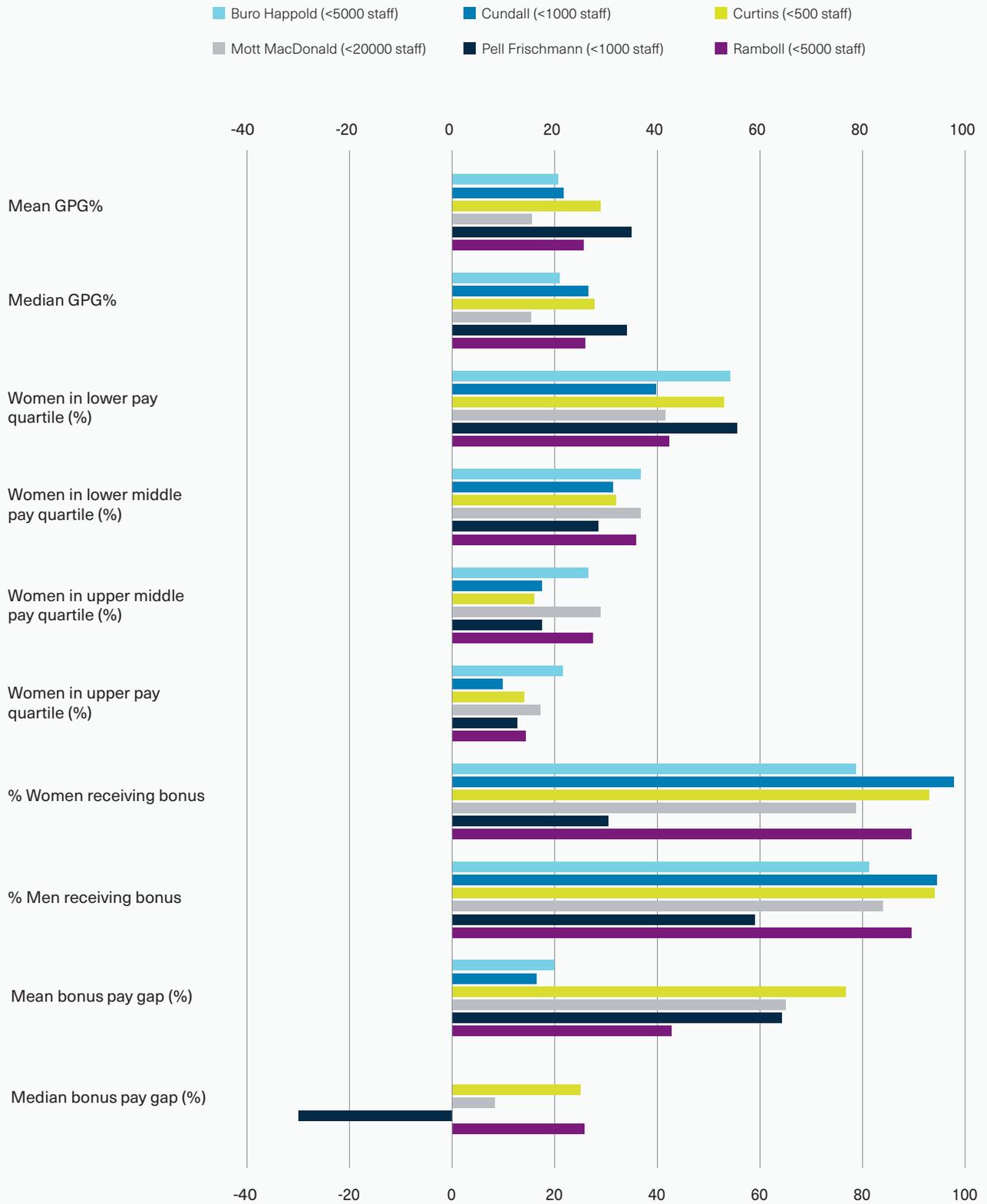


Figure 8: Benchmark data from competitor employers (April 2019/20)

## 5.0 Action plans

### 5.1 Completed actions

We remain committed to significantly reducing our gender pay gap, by focusing on attracting, retaining and empowering talented women within our business. In support of this goal, we have already delivered a number of the actions to which we committed in last year's report, as well as some additional actions identified following the publication of that report. In particular:

1. In 2019 we made a specific commitment as part of our Sustainability Roadmap to "substantially increasing the proportion of women in leadership roles" within our business over 5 years. In the first year we have made a positive start to this commitment by increasing the proportion of women in leadership roles by 2%.
2. We have, for the third consecutive year sponsored five "Engineering Horizons" bursaries through the IET. These bursaries provide financial support to disadvantaged students, who might not otherwise be in a position to pursue engineering careers. Following their objective assessment and selection process, we request that the IET present us with a balanced mix of candidates from their pool of successful applicants, so that we ensure that our efforts in supporting the next generation of engineering talent is deployed to the equal benefit of candidates of both genders. Of the 10 students granted one of this year's Cundall bursaries, four are women. In addition, four are from Black and minoritised ethnicity identities.
3. In 2019 we joined Stonewall's Diversity Champion's Programme and we have continued this relationship into 2020. Over the past year our collaboration with Stonewall has led to the introduction of new policies around trans equality and an increased awareness of LGBTQ+ inclusion across the business.
  - 3a. In 2020 we launched two new employee networks (in addition to Kaleidoscope – our LGBTQ+ network).
  - 3b. GAIN: A supportive network for women, non-binary, and intersex (WIN) staff; that works to influence greater gender diversity, representation, and inclusion across the practice.
  - 3c. Mosaic: Our ethnicity & culture network provides a forum for people of Black and minoritised and underrepresented ethnicities and cultures to connect and share experiences and ideas. Mosaic are influential in promoting ethnic diversity, representation and inclusion around the practice.
4. All networks have been instrumental in bringing together colleagues of similar identities and backgrounds, in shaping new and improved company policies, and hosting educational online events and workshops on a wide range of subjects including antiracism, gender inequality, and trans inclusion.
5. We continued to partner with external equality groups such as WES (Women in Engineering and Science), NAWIC (National Associate of Women in Construction), and Building Equality (industry wide LGBTQ+ network) to promote equality and inclusivity across our industry.
6. We are a founding member of the PlanBee initiative which sees us work alongside Ryder, Xsite, Turner and Townsend and Sir Robert McAlpine to offer paid rotations across multiple industry sectors, and have continued to facilitate apprenticeships for young people through this as well as other similar schemes.
7. We have launched our new recruitment processes to encourage the hiring of more women across our business. This includes revised advertising materials, mandatory diversity of applicant shortlists (including adoption of the Rooney rule), targeted recruitment, and updated training for interviews on bias. The new processes have also prohibited nepotistic and cronyistic hiring practices across all levels and locations of the business.
8. In the past year we have reviewed our existing promotion processes and have made them accessible and equitably applied. The assessment criteria and questioning for promotions has been adapted to make it more inclusive so it is not biased in favour of any particular identity. The assessment criteria have also been more clearly weighted to better reward inclusive behaviours and values.
9. In the past year we have delivered 2-hour interactive education workshops at Senior Leadership level on issues including privilege, bias, racism/anti-racism and meritocracy (the myth of) to raise awareness of barriers to inclusivity, and encourage a more inclusive culture.

10. We have, and will continue to, benchmark our own gender pay gap data against that of our industry peers (as described in this report), to help us understand better how we perform in comparison with the others, and the extent to which gender pay issues are specific to our business, or endemic within the wider industry.
11. We have included more detailed analysis of our gender pay gap data than is required by legislation for the past 2 years. This year we have expanded this further by including analysis by ethnicity and age, as well as looking at data from all of our global offices.

## 5.2 Ongoing and new actions

1. We will undertake our second business wide diversity and inclusion survey in 2021, the findings of which will be published externally in report form.
2. It is our ongoing aim to explore the availability of development programmes targeted specifically at women, to support and nurture talented women within the business. In 2021, led by our employee gender inclusivity network, we will be providing opportunities for women around the business to increase their exposure and network with executive level colleagues. The initiative will include reverse mentoring opportunities, where leaders will learn from the perspectives of women around the business.
3. We will continue to highlight and promote positive examples of flexible working practice from within our business and educate leaders and managers (in particular) about the business benefits of flexible working. The past year has forced us to work more flexibly, which has accelerated the change towards a more flexible working model. As we move towards the lifting of Covid-19 restrictions, it is important that our leaders and managers acknowledge that flexible working practices can have significant benefits to both the business and the employee and that we can adapt to more flexible working practices in the long term.
4. For many years we have been involved in a wide range of “outreach” activities with schools including those within low income areas, and those that cater for specialist needs and learning challenges. The aim of which is to encourage work experience opportunities for young people from a variety of backgrounds. Whilst opportunities have been limited over the past year



due to Covid-19 restrictions, we will be embracing opportunities to get involved in such scheme will become available over the next 12 months.

5. Cundall staff are encouraged and supported to volunteer their time in schools and colleges to raise awareness of engineering and construction careers, as well as supporting young people with CV writing and interview skills. Again, whilst opportunities have been limited over the past year due to Covid-19 restrictions, we hope that opportunities to get involved in volunteering activities will become available over the next 12 months.
6. We have committed to meeting the Living Wage Foundation benchmark, guaranteeing that UK staff will be paid at least the minimum rate of £9.50 per hour (£10.85 per hour in London).
7. Our 360 reviews for business leaders have been updated to include specific criteria around inclusive leadership behaviours. These reviews provide the basis for leadership development discussions between business leaders and Board level Partners and will encourage greater emphasis on accountability where inclusive leadership behaviours and actions are concerned.





[www.cundall.com](http://www.cundall.com)  
Asia Australia Europe MENA UK & Ireland

