7IM Gender Pay Gap Report

2024

Succeeding together

7IM

Foreword

Reflections from Kate Hughes, Chief People Officer

Gender pay gap reporting in the UK is now in its seventh year. This report covers the 2023–24 reporting cycle, using a snapshot date of April 2023.

Our 2023 report highlights mixed results; we have made excellent progress in the area of our discretionary bonuses, whereby our median gender pay gap has reduced from 33.33% to 0% between all of our male and female colleagues. However, the difference in hourly pay has slightly increased since our last review. This data reminds us that, whilst our policies and processes are moving us in the right direction, this is a large and important movement within our business and the wider industry, and not one that can be transformed overnight.

We remain committed to driving momentum in closing the gender pay gap and making data-driven decisions, led by our colleague demographic. We continue to introduce initiatives that will help attract and retain a diverse workforce, such as making job posts more inclusive to attract more female candidates; ensuring that our hybrid working approach is embraced across all the teams; promoting transparency about flexible working arrangements across departments; creating and promoting family-friendly policies (Hybrid Working policy, Maternity leave guides, Menopause policy); delivering workshops on Imposter Syndrome to help women increase in confidence in the workplace and develop into senior roles; and encouraging more women to participate in our Coaching and Mentoring programme.

This report highlights the difference in earnings between all male and female staff within the organisation; as an LLP, our business comprises self-employed partners as well as employees. To legally abide by the Gov.uk requirements, this report will showcase the data for 'relevant employees' (i.e., staff with contracts of employment) alongside the data captured for all staff (7IM partners as well as relevant employees).

For the purpose of this report, we believe that it is important to demonstrate a holistic view of the business which incorporates our partners in our figures, as female partners contribute to 6% of total 7IM workforce.

At 7IM, we're dedicated to fostering fairness, inclusion, and flexibility, and we take our commitment to understanding and closing our pay gaps seriously. Last year, we increased our Maternity pay significantly to further help support our female colleagues during that important period of their lives; this is also why we continue to review our figures, giving us a clearer understanding of what impacts them and the actions we can take to improve them.

We don't just report our gender pay gap data, we go behind the figures to gain a deeper understanding of how our culture and actions contribute to these gaps. Our commitment to transparency and accountability means that we take responsibility for addressing any issues and closing any gaps.

We're proud of the progress we've made since we began reporting, but we know there is still work to be done. We remain steadfast in our commitment to fostering a culture of equity, inclusion, and flexibility within 7IM, and we're excited to continue our journey towards closing our pay gaps.

Declaration: I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Kate Hughes, Chief People Officer, 7IM

7IM's gender pay gap data

The factors affecting our 2023 gender pay gaps...

At 7IM, we take our commitment to fair and competitive pay seriously. That's why we run an annual remuneration review, with input from external benchmarking providers, recruitment agencies, Executive Committee members, the People & Culture team, and the People Committee (consisting of the CFO, CPO, and CEO). This thorough process ensures that we allocate pay and rewards consistently and fairly, certifying that we're doing right by our colleagues. The gender pay gap looks at the distribution of men and women across all job levels of the organisation, and how this translates into the average salary and bonus payments made as a result.

However, with investments, technology, and service at the forefront of our business, different skillsets naturally command varying salaries. This can lead to significant differences in pay, especially in an organisation with a 62% male and 38% female split. Relatively small changes in the distribution of women across different pay quartiles, especially in senior roles, can significantly impact our gender pay gap. 2022 saw increased attrition rates and disruptions due to colleague turnover, alongside mid-year pay increases to ensure competitive pay within the market, the effects of which also impacted our results. Our 2023 remuneration methodology was centred on rewarding high-performing staff and those below industry benchmarking data, specifically to those employees in the lower quartile pay within the business. As 57.1% of our lower quartile paid staff are male, this had a negative impact on the pay ratio between men and women. In addition to this, we had our greatest number of female staff on maternity leave during this review period, also having detrimental impact to our figures. We are, however, extremely pleased to see an improvement in the balance of our gender diversity; in 2022, our figures highlighted a 65%/35% male/female split, whilst in 2023 we saw a difference of 3%, weighted towards female colleagues.
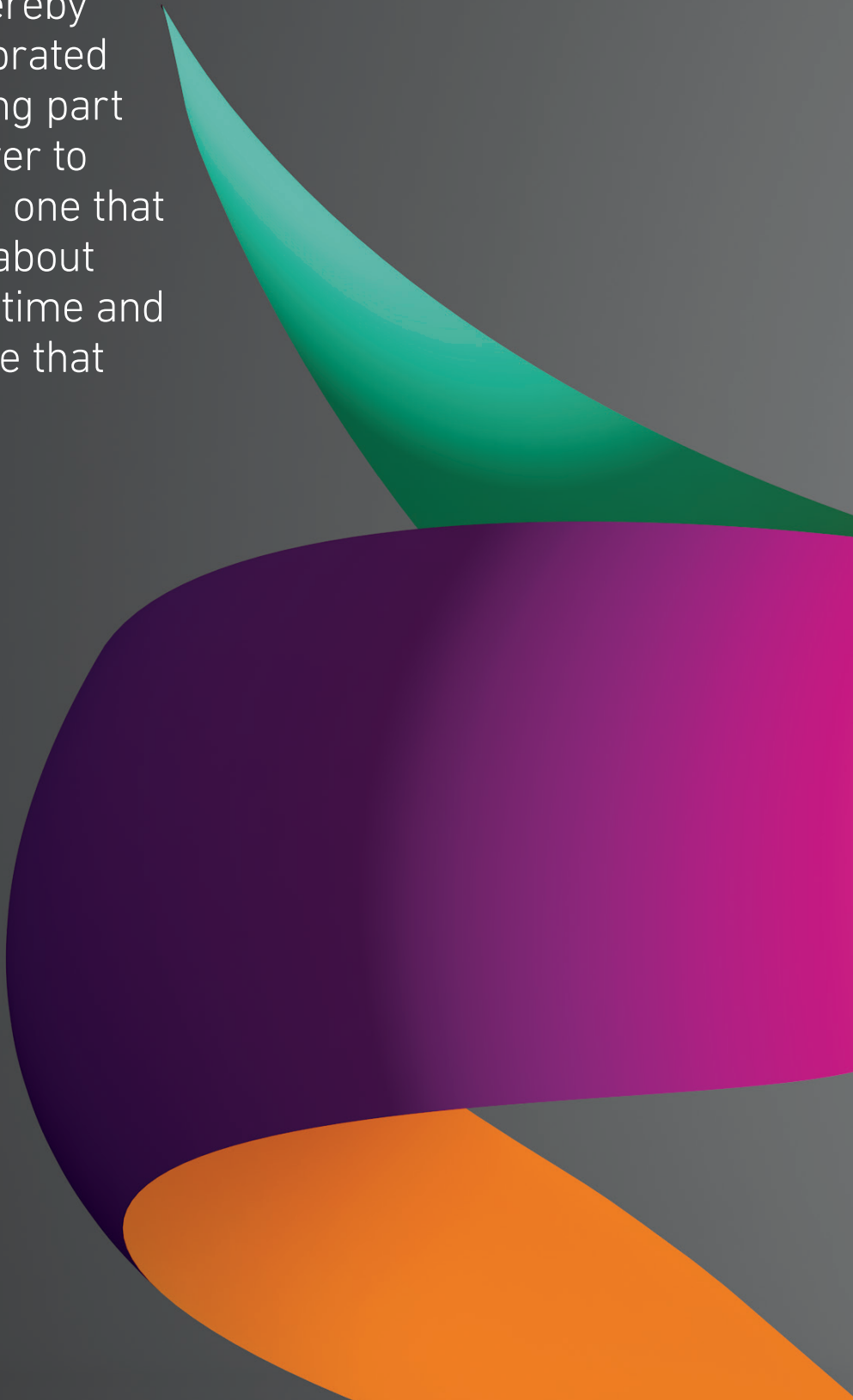
In the last year, we have continued to progress our client offering and, naturally, with growth within the business comes the requirement for experienced professionals to lead our strategy. This has led to the introduction of more senior professional and managerial roles in our middle/upper-middle quartile, which is reflected in our 'all staff' results and also our 'employee' data as we strive to capture talent from the market to grow with our business.

Our gender balance is consistently male-dominated across both lower and upper quartiles, with men accounting for 57% of lower quartile roles and 68% of upper quartile roles. We have seen improved figures in this area however, as our 2022 review highlighted a 73% weighting to males in upper quartile roles; this difference of five percentage points showcases our commitment to appointing female professionals to our senior roles across the business. Our Gender Equality Network initiatives focus directly on addressing the challenges we see from this data. The group has built and delivered workshops tailored to subjects such as confidence-building and promoting personal brand; these series of interviews with senior women have inspired and empowered their more junior colleagues in highlighting their pathways to success. We have also celebrated the accomplishments of some of our female colleagues externally, raising our profile as a champion for women in the workplace. To ease the transition back into the workplace post-maternity leave, we've enhanced support for returning mothers. This includes guides equipping managers with training to provide flexible and understanding leadership. These efforts aim to ensure that women do not just return but thrive and progress in their careers post-maternity. Our Gender Equality Network's initiatives and People Strategy continue to address the challenges identified by our data. As we look to the future, we remain focused on promoting our gender equality and diversity and inclusion initiatives, ensuring that our firm not only attracts but also nurtures and retains talented women.

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An environment whereby differences are celebrated and accepted as being part of our collective power to achieve our vision, is one that I'm very passionate about creating. It will take time and effort, but we will see that vision through."
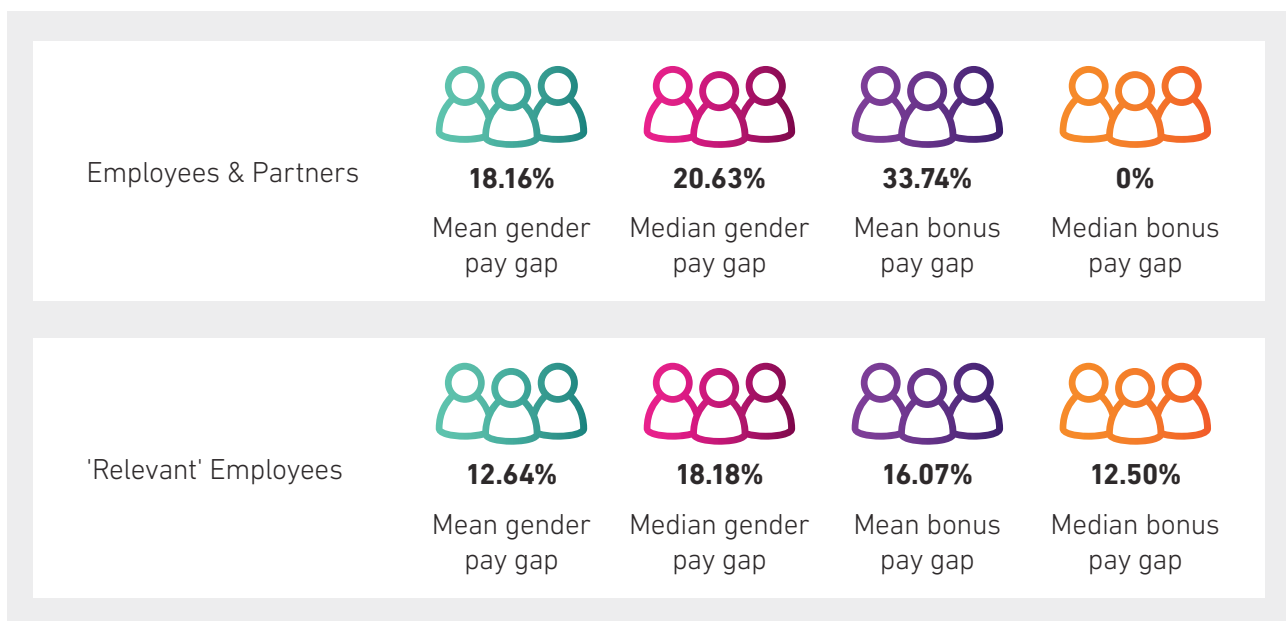
Kate Hughes, Chief People Officer

7IM's gender pay gap data
Continued

Our 2023 data at a glance...

Employees & Partners	**18.16%** Mean gender pay gap	**20.63%** Median gender pay gap	**33.74%** Mean bonus pay gap	**0%** Median bonus pay gap
'Relevant' Employees	**12.64%** Mean gender pay gap	**18.18%** Median gender pay gap	**16.07%** Mean bonus pay gap	**12.50%** Median bonus pay gap

Difference between mean and median

We look at both the mean (average) and median (middle) for pay gap reporting. The mean difference is the difference in average hourly pay; adding all pay rates together and dividing by the total number of people.

The median difference is the difference in hourly pay between the middle paid (the person at the mid-point if you were to line all staff up from low to high pay) male staff member and middle paid female staff member.

The gender pay gap is expressed as a percentage of male earnings (e.g., women earn x% less than men).

Looking at the detail...

Our **Median** gender pay gap in hourly pay as a percentage of men's pay increased by 6.27%, from 11.91% in 2022 to 18.18% in 2023. The median provides a picture of the typical experience of individuals within the group and is less affected by extreme values. In 2022, we had five senior female **leavers**; one fell into the upper middle hourly pay quarter bracket and the remaining four were in **the upper hourly pay quarter bracket**. In the same year, whilst employing **29 women**, we employed **47 males**, 12 of whom were in the upper middle hourly pay quarter bracket and 15 of whom fell into the **upper hourly pay quarter**. These changes from 2022 continued to have an impact on our 2023 gender pay gap.

Our **Mean** gender pay gap in hourly pay as a percentage of men's pay increased by only 0.8%, from 12.56% in 2022 to 12.64% in 2023. The mean can highlight the overall trend in pay discrepancies and indicate whether there are significant outliers skewing the data; in this case, there were three female employees on maternity leave at the time of snapshotting the data. A further four female employees were excluded from the data due to not meeting the HMRC requirements to be deemed as 'full pay relevant employees' for the purpose of the data collection – they either joined or left the business part-way through the month.
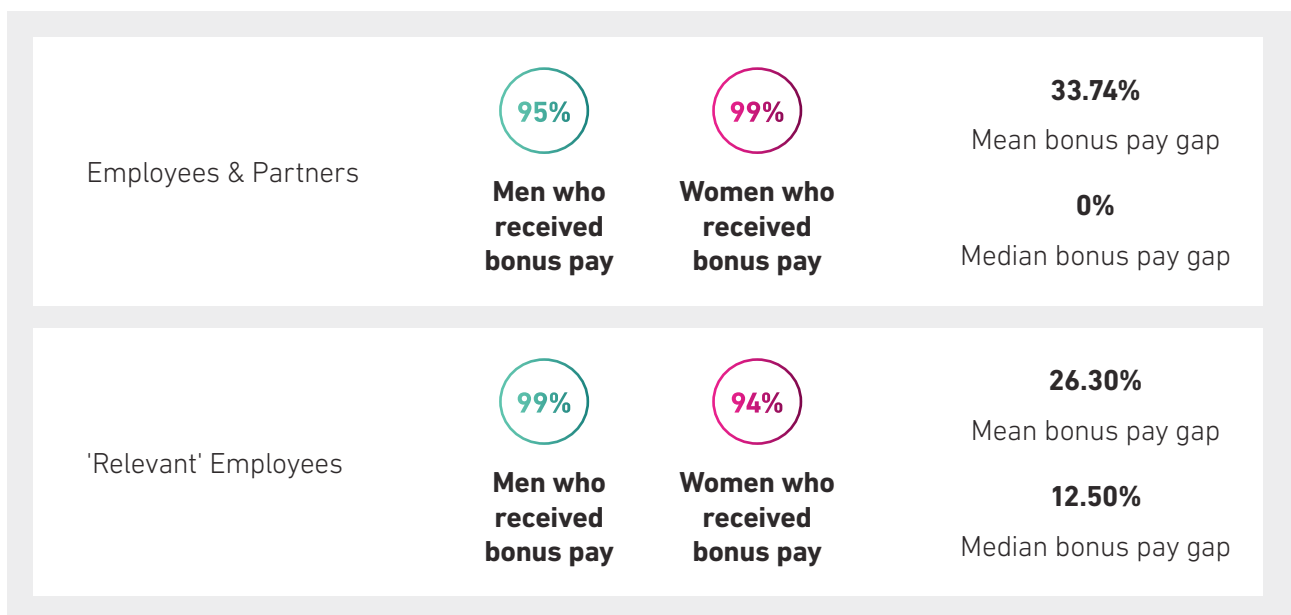
7IM's gender pay gap data
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	2020	2021	2022	2023
Employees & Partners	-£7.27	-£5.77	-£6.02	-£7.19
'Relevant' Employees	-£3.92	-£4.12	-£3.53	-£3.85

When comparing average hourly pay (mean) in 2023, female employees are paid **£3.85** less per hour than men.

Our variable pay (bonus) is higher at more senior levels. We have a higher proportion of male colleagues in senior roles which results in a greater variable pay (bonus) gap. Given the higher proportion of male colleagues in senior roles, this results in a gender bonus gap. Due to *The Great Resignation's* impact to the financial market in 2022, the mean gender bonus gap for the relevant employees increased to **26%**. This figure has stayed level for 2023, and we have seen **a positive shift** in a reduced bonus pay gap when looking at median averages and when including our partners of the firm. We have also seen an **increase of 4.5%** in relevant females who have received bonus payments.

Employees & Partners	95% Men who received bonus pay	99% Women who received bonus pay	33.74% Mean bonus pay gap / 0% Median bonus pay gap
'Relevant' Employees	99% Men who received bonus pay	94% Women who received bonus pay	26.30% Mean bonus pay gap / 12.50% Median bonus pay gap

7IM's gender pay gap data
Continued

This year, the average pay for full pay relevant women
was **12.64%** less per hour than the average pay for men.
This mean gap means that, for every **£1** a man receives,
a woman receives **87.4p**. Inclusive of partners, this figure
reduces to **81.8p**.

Employees & Partners				'Relevant' Employees		
73%	♂ ♀	27%	Upper Quartile	68%	♂ ♀	32%
63%	♂ ♀	37%	Upper Middle Quartile	69%	♂ ♀	31%
65%	♂ ♀	35%	Lower Middle Quartile	52%	♂ ♀	48%
49%	♂ ♀	51%	Lower Quartile	54%	♂ ♀	46%

Looking at the detail...

Our **Median** gender pay gap, using bonus pay figures as a percentage of men's bonuses, highlights a positive reduction of 12.5% when compared to the previous years' data. Out of 45 employees who joined the business and were eligible for a bonus in 2022, 18 of these (40%) were female with seven of this female group (38.8%) being in the upper hourly pay quarter bracket. This contributed favourably to our bonus pay balance and showcases our commitment to employing senior women within the firm. When incorporating our partners into the figures, the bonus pay gap closes completely, reducing from 33.33% in 2022 to 0% as of the recent 4 April 2023 snapshot date.

Our actions

We are determined to tackle our gender pay gap.
Our activity falls into two main areas: recruitment &
retention of female talent.

Annual female and male headcount			
Gender	**2021**	**2022**	**2023**
Female	35%	38%	37%
Male	65%	62%	63%

We have seen a **2% increase in female headcount and 2% decrease in male headcount**
between 2021 to 2023, highlighting a positive impact from our actions to attract and retain
female staff.

Proportion of male vs. female applications and hires:

712 women

1,340 men

Job
applications

29 women

47 men
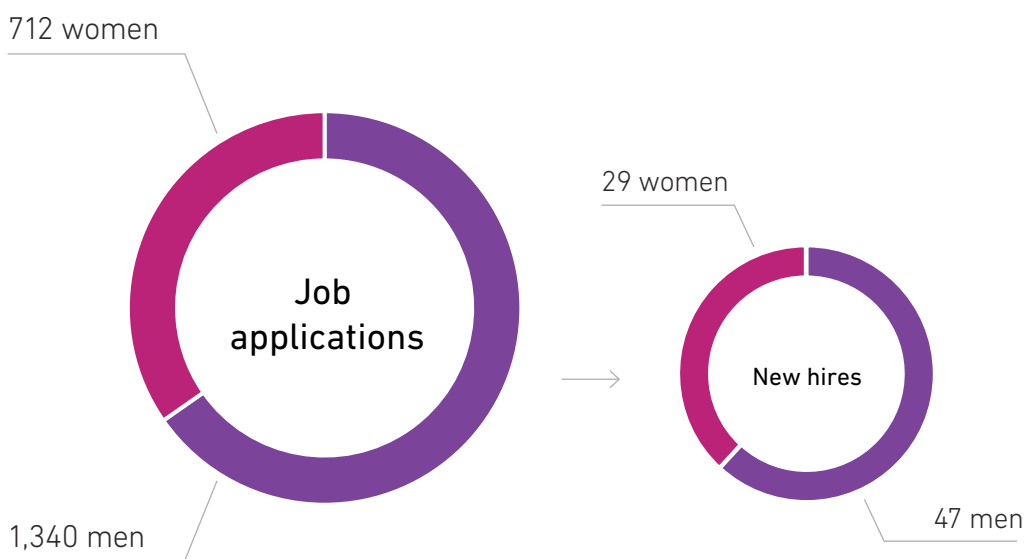
New hires

Based on the job applications against new hires data, **once they apply for the role, women are more likely to get hired**. The challenge is receiving applications. According to studies, men generally overestimate their abilities and performance, while women underestimate both. A Hewlett Packard report found that men will apply for a job if they meet 60% of qualifications, whereas women will apply only if they meet 100% of them. We are pleased to see our results reflecting the fact that in 2023, 3.9% of females were made an offer of employment from their applications, compared to 3.5% of men, demonstrating our comitment to bringing more female professionals into our business.

We are making job postings more inclusive:

According to several studies, the presence of masculine-gendered words discourages women from applying to male-dominated roles, as they can make women feel they don't belong in that work environment.

We've revised our job postings in order to:

Emphasise how we promote an inclusive culture, making individuals feel welcome and supported.

Limit our criteria to only the key requirements of the role.

Review the vocabulary used within job descriptions to avoid any unconscious bias.

We are sharing stories of women who are succeeding across all levels of the business:

When women see themselves represented across websites and social media pages, they are more likely to apply. In promoting more female employees and initiatives on our LinkedIn page, we aim to attract more female applicants.

We are making 7IM an attractive place to work:

We aim to connect and support female employees through gender awareness initiatives, relationship building, and career development, highlighting our commitment to gender parity in visible ways to attract more women and men who want to work in a more diverse environment.

What's to come in next year's report

In 2024, we continue to strive for equality and diversity, embedding the right values and beliefs into all we do.

We will continue to challenge our thinking whilst driving energy and effort into programmes that will drive the required change.

To do this, we will:

Empower our colleagues to contribute to our shared vision; cocreating ideas, driving new initiatives and championing change for the better.

Continue to work will all leaders within the business to bring a collective vision when we hire, onboard and reward our colleagues;

Continue to support our line managers in championing routes to senior positions for our female staff, enabling psychologically safe forums for discussion, development and career support.

Regularly review and refresh our internal knowledge hubs, to signpost useful resources and training modules for staff to access support for their own career development.

Whilst the data in this report and other sources of internal data suggest that we are making strong headway in some areas, we need to ensure that we continue to retain focus on what we are doing well, as well as what we need to start doing better. We are proud of the culture we have created and look forward to **#succeedingtogether** in adding further value to our staff and clients from the action we will take in this and future years.

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