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# Gender Pay 2018 – States of Jersey Report

## HSBC Bank plc Channel Islands and Isle of Man

September 2018



## Introduction

### Message from Elvina Aghajanyan - Head of HR, Channel Islands & Isle of Man

HSBC CIOM sees the creation of Gender Pay Reporting as an integral step in having more meaningful conversations with all our employees around equality. Whilst we recognise that for a number of people, gender doesn't simply refer to male or female, however for the purpose of reporting, we use the approach driven by the regulations which compares the pay of males and females.

I believe we are making excellent progress in diversity and inclusion in HSBC CIOM with the introduction of our Accelerate Programme and our commitment to an open, transparent and fair recruitment process. Whilst our gender pay gap is significantly lower than that of our colleagues in the UK, there is still a gap even if this gap is driven largely by wider norms in society, it is our responsibility to understand the reasons behind it, taking action where necessary.

As with any data, its value is in the awareness it raises, the questions it prompts, and the action we take. We must not fall into the trap on focusing too heavily on the numbers, as this could lead to regressive actions. As an example hiring people into roles to influence the data. We need to look at all opportunities to ensure all our employees fulfil their potential.

We pride ourselves on being an inclusive business, we are actively promoting flexibility in the workplace and have created a People Management programme, these initiatives along with the work we are undertaking as part of our Islands People Strategy workstreams #Develop, #Enable and #Engage help us to support our employees.

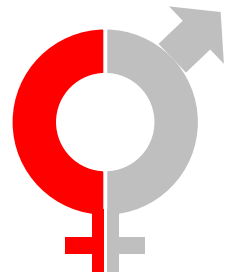
What this does remind us of is how we can seek further opportunities to stretch our ambitions, there is always more we can do.

Our promise is to continue fostering honest conversations with all our employees, regardless of gender or level of seniority, so that we can truly understand any barriers that prevent anyone fulfilling their potential within our progressive, future looking business.



Elvina Aghajanyan

Head of HR, CIOM



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## Responses to questions

### 1. Do you think there is a gender pay gap in Jersey?

From our findings within our own company, then we do see a gender pay gap within our business areas, in many cases though they are not seen as a true gender pay gap, but have been driven by the wider norms in our society, such as career breaks which have traditionally been taken by females post maternity. We also have male and female dominated business areas such as IT and Corporate Banking being predominately male orientated and with the Retail Branches and HR being predominately female orientated. See slide 4

### 2. Do you have any evidence to support this perception?

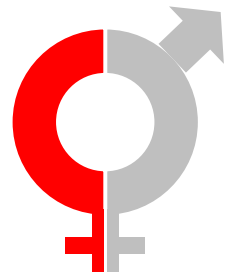
Yes we have undertaken extensive analysis internally within our business to understand our gender pay position. See slide 5

### 3. Has your company developed any initiatives to ensure a more gender diverse business?

Please see slides 6 & 7

### 4. Looking at the composition of your business, are the more senior roles held mostly by males or females?

As with most large financial organisations there are fewer roles at a senior level and turnover tends to be lower than the roles we have in place for example at clerical levels, therefore vacancies do not occur as frequently. At our Executive Committee level we have a 60/40 split male vs female, with our CEO being female.



## The detail behind the data

We place a great amount of emphasis in HSBC on fairness, and our approach to pay is no different. We have taken time to understand and analyse the data in our report.

As in many organisations, and the economy across the Islands the key factor behind our gender pay gap is the balance of men and women across roles and grades.

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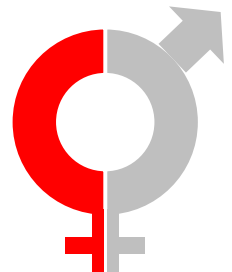
We employ more than 1,100 people across 3 jurisdictions in a variety of roles, differing grades, across a number of business areas and functions all with fixed pay ranges that are driven by their market value.

This range also impacts the gender split, for example we have a higher proportion of women in clerical grades in the branch network vs the number of men in senior roles in our Corporate Banking Teams.

Whilst we strive to be consistent in our pay for similar roles, for the same grades within business areas, we start to see gaps where women have taken a career break to look after their families.

One of the areas we have been focusing on with the introduction of our Accelerate programme in 2017 is how we can help our talented female employees progress and develop their careers to more senior levels.

We want all our employees to understand the reasons and explore solutions behind the gender pay gap and to that end we are bringing this debate to the centre of discussions with our Islands Exco Team, who can help us to build our gender plan for the future.



## Key observations

### HSBC View

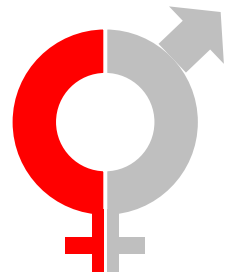
- Understanding the reasons for any gaps are important if we want to be agents of change in our peer group, developing an action plan is key, despite being optional.
- An action plan will help us establish the key identifiers of our gender pay gap, such as a lack of women in senior roles, and consider how to improve the landscape in the longer term.
- Some areas to focus on:
  - Promotion of parental leave and flexible working
  - Tackling unconscious bias
  - Placing Diversity and Inclusion firmly in our strategic agenda
  - Commit to transparency with regards to pay ranges
  - Build a long term plan

### General Industry Statistics

Whilst not yet a regulatory requirement for the CIOM to publish their gender pay data, it is interesting to see what the feedback is from the UK to date

- Nearly 4,000 employers have published their gender pay gap data, although the UK government says it expects another 5,000 companies to report their data in the next few weeks.
- From the data released so far, a consistent trend across almost all sectors is that there is a significant mean gap in hourly pay as well as bonus pay.
- Most employers attribute this to the prevalence of men in senior roles. This is particularly relevant in certain industries such as financial services. For example, the data as at 12 March 2018 revealed that, on average, men working in financial services firms received double the bonuses received by women in the same businesses.
- In general terms, the data so far shows that the worst-performing sectors at this point are financial services, construction, professional services, and information and communications.

The gender pay gap reporting obligations have been heavily criticised as a blunt tool that does not show 'real' comparisons between male and female pay for equivalent work. There are many reasons that an employer may have a gender pay gap. For some industries, particularly those operating reliant on science, technology, engineering and mathematical (STEM) expertise, a major issue lies in the low overall participation of women, and improvement will involve long-term change. In other areas, the gap is down to limits on progression and under-representation in senior roles.



## Our CIOM commitments to date

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### **Open, Transparent and Fair Recruitment Process**

We have pledged to advertise all vacancies, across all islands and to provide feedback to all candidates whether successful or not.

### **Access to Coaches and Mentors**

We have a number of qualified Career Coaches in the Islands who are there to support our employees in their Career Development. There are also Mentors across the business who can provide additional guidance and support.

### **People Manager Programme**

A suite of People Management training courses have been initiated to help both new and existing People Managers succeed in supporting and developing their people.

### **Accelerate**

For the second year, and now open to all eligible senior Managers, this programme will help guide our talented managers to progress to the next level. The first year was targeted at our female managerial population and helped target known issues in our gender gap.

### **Flexible working**

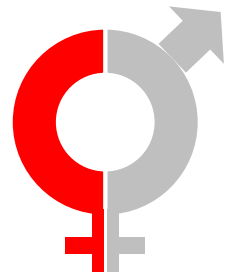
We actively promote a flexible working culture in the CIOM whether it is key time hours to home working and flexible working hours.

### **Diversity and Inclusion**

A new D&I committee headed up by Tracy Garrad, CEO CIOM, is being set up to ensure this important area is high on our agenda.

### **Sustainability and Community**

Our Sustainability agenda is key to our strategic priorities in the Islands, with our employees undertaking 3,865 hours of community work in 2017



## Employee Value Proposition

### **Proud to be a leading employer in the Channel Islands and Isle of Man (CI & IOM)**

As one of the world's largest financial organisations, HSBC is an inclusive and internationally connected organisation, offering market-leading benefits and career development opportunities.

We give employees the chance to have a fulfilling career, working with colleagues and customers worldwide - whether that's in retail, commercial and investment banking, or key support functions like finance, human resources, technology and marketing.

### **People are the key to our success**

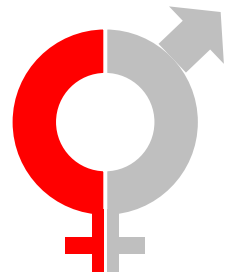
We each feel at our best when we have a clear purpose and are a part of something bigger. With over 1,000 people working for HSBC across the Channel Islands and Isle of Man, employees will be part of a team helping people fulfil their hopes and dreams and realise their ambitions.

We offer a market-competitive package of pay and flexible benefits to support your professional and personal needs - just as you'd expect from one of the world's leading banks. And, on top of that, there's much more we do to help employees in their career development:

- **People are at the heart of our business:** we hire the best people and we give the very best back. We continue to build an open minded, diverse and connected organisation.
- **We celebrate diversity:** employees work in a collegiate, supportive and inclusive environment where we develop and promote people based on merit.
- **Together as a community:** charitable fundraising and volunteering are part of who we are, and this is championed by our colleagues.
- **Achieve potential:** we'll provide employees with tailored training and support to help them find and develop their dream career.

### **Our promise**

We want our employees to be at their best and happy as they fulfil their potential, both at work and at home.



## Final word from Elvina

We are proud of the people activity we already undertake within the CIOM and whilst our data shows that we are ahead of our colleagues in the UK in terms of gender pay, we understand there is no room for complacency and there is always room for improvement.

The production of gender pay comparisons offers us an important opportunity to reflect on our current position and to review and reinforce our existing programme of work. This data also provides us with fresh opportunities for new initiatives.

This data also allows us to measure our ongoing progress, ensuring we fulfil our commitments that allows our employees to reach their full potential.

These calculation covers over 1,100 employees across the CIOM, and as the Head of HR I can confirm that the information contained in this report is accurate.



Elvina Aghajanyan  
Head of HR, CIOM

