

A close-up photograph of a Black woman with long braids, wearing a patterned sweater and a green lanyard. She is holding a black telephone receiver to her ear and looking off-camera with a thoughtful expression. The background is a blurred office or home workspace with shelves and plants.

MACMILLAN
CANCER SUPPORT

Gender Pay Gap Report 2021

1 Introduction

Gender pay gap reporting has taken place in the U.K. for the last five years. During this time, at Macmillan we have worked hard to understand more about how equity, diversity and inclusion must be fully embraced across all of our work to achieve our mission of supporting everyone living with cancer. We're committed to making Macmillan a more diverse and inclusive organisation, and reducing our gender pay gap is one important way of doing this.

In this most recent reporting year (5 April 2021), we have seen our mean gender pay gap increase from 8.67% to 10.15%, which is disappointing. This means that – on average – female colleagues are paid -10.15% less than their male colleagues per hour, highlighting how important it is that our work to address this continues. The disparity we have is lower than the current national average, but we know we still need to do a lot more to close the gap. We are committed to making progress and we continue to see a steady increase in females holding positions in our most senior leadership roles (+8% since April 2019) coupled with greater representation of males in our most junior roles (+13% since April 2019).

Furthermore, we have already started making changes to the production of our gender pay gap reports, to ensure we are reporting in a more timely manner. This will allow us to review the data and react more quickly to address our gender pay gap. We will also be working with our Gender Equality Network to further understand how we can address our internal challenges, working with network members to develop solutions that help us bring about real change. It is more important than ever that we work efficiently and effectively, and that we as an organisation are clear about what we want to achieve and how we will go about achieving it.

We have made becoming more inclusive a strategic priority for Macmillan and everyone working here. This commitment to equity, diversity and inclusion will continue to guide us through the changes we need to make internally to ensure that everyone sees themselves in Macmillan and that they can relate to us. This in turn will mean we can appeal to and subsequently support more people with cancer; regardless of their sex, gender identity or anything else that makes them who they are.

You can read more below about the steps we have taken so far – and continue to take – to address our gender pay gap at Macmillan.



Lynda Thomas, Chief Executive Officer, working from home

A handwritten signature of Lynda Thomas in black ink.

2 Introduction

What is the gender pay gap and how is it calculated?

Organisations with more than 250 employees are legally required to report on their 'gender pay gap' – or the difference in average earnings between females and males – in the following ways each year.

- The mean pay gap: the average amount earned by female employees compared to the average amount earned by male employees each hour.
- The median pay gap: the difference in pay between the middle-ranking female and male employees.
- The proportion of females and males in each pay quartile: this is calculated by splitting the overall workforce into four equal-sized groups, based on hourly pay and ranked from highest to lowest. The percentage of females and males in each quartile is then calculated.

- The pay gap between female and male employees who receive bonus payments (Please note – we do not make bonus payments at Macmillan, so we do not report on this).

We then share our report on our website and the dedicated Government website.

It is worth noting that gender pay is not the same as equal pay, which deals with the pay differences between males and females who carry out the same jobs or work of equal value.

A note on language – sex and gender

Despite being called the 'gender pay gap', this report is based on a binary definition of sex (which is assigned at birth – female and male) rather than gender (which is largely culturally and socially determined and often expressed in terms of how people act, dress or behave – women and men). This is because the regulations require us to report in this way and categorise our employees as either female or male, as stated on their legal documents such as the sex stated on their passport.

However, as part of our ongoing commitment to actively supporting colleagues of all gender identities, we want to acknowledge that some individuals may not identify with either 'gender' mentioned in this report.

3 Summary

Our gender pay gap has increased

This report is based on data we captured on 5 April 2021. Compared to our Gender Pay Report 2020 – which used data captured a year previously – and we have unfortunately seen an increase in our gender pay gap.

Since our last report, we have seen an increase in the difference of average hourly earnings between female and male colleagues of 1.48%. The difference we reported in 2020 was 8.67%, but this has since risen to 10.15%. Whilst this is disappointing, it is reassuring to see that this is lower than the national average in April (ONS April 2020). So, our mean gender pay gap in April was 5.4% below the national average, but we know that this is not good enough and we are committed to getting rid of the gap entirely.

This increase is largely a result of the organisation's response to the coronavirus pandemic and the severe impact that this had on our ability to fundraise. In line with a range of other cost-cutting exercises, we had to considerably reduce our number of employees – we now have 373 fewer employees than when we last reported. This equates to a 18.73% reduction in females and a 17.50% reduction in males since our last report, which has contributed towards the increase in our gender pay gap.

However, we have also seen some positive changes in the most recent reporting period. These are:

- We've seen a 0.60% rise in females holding positions at a senior management level (upper quartile).
- A 1.90% increase in females holding positions with higher levels of responsibility (upper middle quartile).
- A 1.80% reduction in females and a 1.80% increase in males holding positions in the most junior roles (lower quartile).

Read on to understand these findings in more detail and also find out more about the action we continue to take to address our gender pay gap.

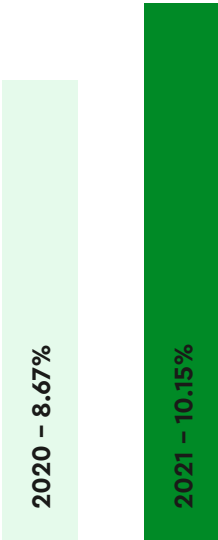
The data

Our mean gender pay gap

Our mean gender pay gap is the difference between the average amount earned by female employees and the average amount earned by male employees each hour.

On 5 April 2021, when we captured the data for this report, our mean gender pay gap was 10.15%. This means that on average males earn 10.15% more than females per hour. For every £1 a female earns per hour, a male earns £1.10 per hour.

Compared to our last report and the data we took on 5 April 2020, this represents an increase of 1.48%, meaning the average female earns £0.08 less and the average male earns £0.28 more per hour.

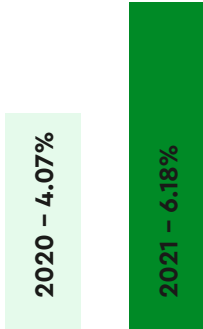


Our median gender pay gap

Our median gender pay gap is the difference in pay between the middle-ranking female and male.

On 5 April 2021, when we captured the data for this report, our median gender pay gap was 6.18%, which means a middle-ranking male's salary is 6.18% higher than that of a middle-ranking female.

Compared to our last report and the data we took on 5 April 2020, we have seen an increase of 2.11%, which means a middle-ranking female earns £0.38 less and a middle-ranking male earns £0.04 more per hour.



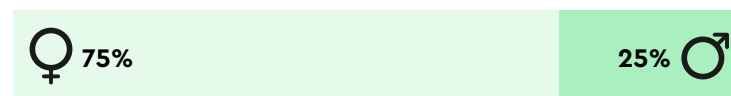
5 Summary

The data

Our percentage of females and males in each pay quartile 2020 vs 2021

On 5 April 2021, our figures show a slight change across all four quartiles within the organisation.

Upper quartile 2020



Upper quartile 2021



We have seen a small increase of 0.60%, meaning we have more females in our most senior leadership positions (upper quartile). We are continuing to make steady progress in this quartile, having seen an increase of 8% since April 2019.

Upper middle quartile 2020

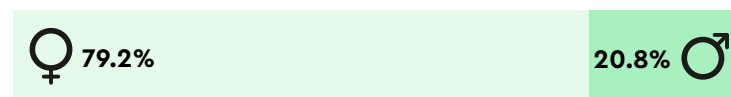


Upper middle quartile 2021



In the upper middle quartile, we have also seen an increase of females by 1.90%, showing us that more females are continuing to move into more senior roles than in 2020.

Lower middle quartile 2020



Lower middle quartile 2021



In the lower middle quartile, we have seen an increase in male prominence by 1.50%.

Lower quartile 2020



Lower quartile 2021



We continue to have more females in our lowest paid roles overall (lower quartile) than males. However we have seen a 1.8% increase in males moving into these roles in 2021.



Closing our gender pay gap

Wye Valley Mighty Hike

7 Closing our gender pay gap

Improving our recruitment practices

In line with the launch of our organisational Values earlier this year, we have moved to Values-based recruitment, which means that assessment and selection is completed even more fairly and consistently, helping to avoid bias amongst our hiring managers. We have also sought feedback on our recruitment processes and tools from two external providers, as well as from our internal Equity, Diversity and Inclusion (EDI) Team, on how we can be more gender neutral in our adverts, questions and assessment. All recommendations have been taken into account and we've subsequently updated the templates for the role adverts that we use.

In terms of recruitment, we are also at the end of a review of all the recruitment agencies we use across Macmillan. As part of this process, we have been discussing our requirements and the importance of embedding equity, diversity and inclusion in our recruitment and placement of candidates, and only agencies that share our view will remain on our list of preferred suppliers.

We also no longer use the word 'competitive' instead of advertising a salary range for a role. This transparency helps us to avoid significant salary disparity when new people join. It also holds managers to account, as being transparent about salary ranges in job adverts allows existing employees to see where roles in their team are benchmarked. This enables conversations around an individual's salary if theirs isn't in line with what is being advertised.

As part of our new Talent Acquisition Strategy, we have focused on several other activities this year to support more equal pay decisions for our employees. These include introducing additional prompts on our recruitment platform to manage bias during the recruitment selection process, and updating all of our training materials and HR support guidance to include references to bias. We're also developing additional training to ensure we're making fair and consistent decisions on salary offers and have started to trial the use of anonymised and partly anonymised recruitment processes for several roles. Over the next 12 months we will assess the best way to recruit to ensure we remove decisions based on bias wherever possible.

We've also introduced additional steps to support colleagues with settling into Macmillan. Throughout 2020, we have moved towards a more virtual development offer for our employees. Even though this was accelerated because of the coronavirus pandemic, it allowed us to explore more flexible training solutions. As part of this, we have introduced a virtual onboarding offer to all our new starters and increased our employee development offer, giving colleagues more choices than before to develop at Macmillan at a time that suits them.

8 Closing our gender pay gap

Enabling flexible working

Following the start of the coronavirus pandemic, we transitioned to working from home across the organisation. Our colleagues adapted quickly to this new way of working, which has helped us to understand how flexible Macmillan could be in the future.

We conducted an employee survey towards the end of 2020, which showed that a large proportion of colleagues want to work from home more often after the pandemic. Therefore, as we start to use our offices again in some capacity, we have also introduced changes to the current flexible working offer, so that employees can enjoy a better work-life balance.

Flexible furlough

Throughout the coronavirus pandemic we have utilised the government furlough scheme to support colleagues in balancing their work with their commitments at home. We empowered our teams further by topping up the furlough allowance and ensuring individuals on furlough continued to receive 100% of their salary, to ensure that no employee was financially impacted.

During this time, we put additional focus on the training resources that we provided both for furloughed and non-furloughed colleagues, to ensure they could continue to focus on their development and career progression, despite the pandemic.

Managing people change

As a result of the coronavirus pandemic, we completed a people change programme to make Macmillan a more cost-effective organisation. As part of this change process we conducted an Equality Impact Assessment which looked at all characteristics, including sex and gender identity, to understand the impact of the change programme on the organisation and how inclusive we are. This will become standard practice for all people change programmes moving forwards and we will place even greater focus on doing this earlier in the process, supporting leaders to mitigate the impact on how diverse we are.



Al Manaar Mosque Coffee Morning

9 Closing our gender pay gap

Working families

Following our commitment in 2020 to make Macmillan a more inclusive place to work, we asked members of our Working Families Employee Network to take part in a benchmarking survey. This has helped us to identify what we're currently doing well for our colleagues with families and where we can make improvements.

Prioritising employee wellbeing

During 2020 we increased our communication to all employees around their wellbeing and focused on four key areas: financial, mental, physical, and social. We also coupled our internal communications with individual wellbeing conversations between our people managers and their line reports, to help promote healthy ways of working and to support employees struggling to balance home and working arrangements. These conversations helped our leaders to better understand how the pandemic was affecting the individuals in their teams and what they could do to provide more tailored support. These conversations helped to encourage a culture of openness and honesty, helping to disperse any stereotypes that may be placed on certain characteristics or gender, as well as making line managers more aware of any responsibilities that their team members have at home that we can support them with.

New development programmes

We have recently launched our new development offer – this is a blended approach, made up of digital learning modules, guides, toolkits, videos and virtual workshops. All of these resources (aside from the virtual workshops) can be accessed at a time that suits the individual, rather than at set times, further supporting our colleagues in working more flexibly. Our offer also includes virtual workshops around wellbeing and supporting people to work effectively in a remote environment.

Furthermore, any facilitated sessions are spread throughout the month, at varying times to support our employees who may have caring responsibilities. This new way of working enables new learning experiences and supports career progression without barriers.

10 Closing our gender pay gap

Encouraging pay transparency

We are in the process of conducting an in-depth review of every role and the pay range associated to it. We know that we have more work to do to reduce the gender pay gap and we have already started to take additional steps to do this, such as conducting a gender pay analysis each time a new role is evaluated where applicable. This then allows us to put additional focus into the areas that need higher levels of female representation. We carry out regular pay benchmarking exercises and we are also signed up as a Living Wage Employer with further work planned in this area. This includes more open communication with colleagues about how pay at Macmillan is determined, to make the whole process as transparent as possible. We want to make sure that no employee is adversely affected because of their sex, gender identity, or anything else that makes them who they are. We have also contracted several different external organisations to carry out reviews of our pay procedures and policies, to help us ensure we are making the right decisions when designing our Reward Strategy later in the year.

Benefits review

At Macmillan we are continually reviewing the range of benefits that we have on offer. We know that having the right benefits in place helps us to motivate, reward and retain our employees for the hard work they do to help

support people with cancer. By the end of 2021, we will have reviewed all the benefits that we currently offer, looking at how they support employees during their time at Macmillan. Following this, we will then start to look at what benefits we can add to our portfolio that support our colleagues' life decisions, especially with our female colleagues as they are more likely to use salary sacrifice schemes.

Performance objectives

This year we have launched our new approach to performance management to enable colleagues to have regular conversations with their line manager about their performance, wellbeing and personal development. Every employee will have a quarterly and end-of-year performance meeting and rating, along with an ongoing personal development plan.

In 2022 we will be launching our new talent management approach for all employees, recognising that everyone at Macmillan has potential. The new approach will enable more regular career development conversations and help create more internal opportunities for employees to progress and develop, not just upwards but also across and within their current roles.

We will aim to monitor both processes throughout the year and highlight any trends identified through the process.



How did we put this report together?



- The report uses a data snapshot taken on 5th April 2021.
- The total number of employees on the snapshot date was 1,664.
- The current analysis is based on 1,542 full-pay relevant employees.
- 122 individuals were excluded, as they were employees who were not in receipt of their normal pay, due to reasons such as being on unpaid or maternity leave.
- The data does not include volunteers or Macmillan professionals such as nurses, who are not employed by Macmillan, but by partners such as the NHS.
- Macmillan operates throughout the UK and has pay schemes that reflect national requirements, as well as additional market pressures in London and in specific areas of the organisation.



At Macmillan, we give people with cancer everything we've got. If you're diagnosed, your worries are our worries. We will move mountains to help you live life as fully as you can.

And we don't stop there. We're going all out to find ever better ways to help people with cancer, helping to bring forward the day when everyone gets life-transforming support from day one.

For information, support or just someone to talk to, call 0808 808 00 00 or visit macmillan.org.uk

Al Manaar Mosque Coffee Morning

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Macmillan Cancer Support, registered charity in England and Wales (261017), Scotland (SC039907) and the Isle of Man (604). Also operating in Northern Ireland. MAC18649 2021