

Gender Gap Reporting

Morleys Stores Group

Introduction

For the first time, this year all large UK companies employing 250 people or more are required to report on their gender pay gap.

As an employer we welcome this step. We believe that it is important for all companies to be transparent about pay, and that by doing this, progress will be made in bridging the pay gap that exists in the UK today.

Our mean results are currently adverse to the UK average of 18.4%, this is due to the majority of our directors who are male. However our median result of 5.7% shows a significant improvement on the UK average of 17.4%.

As an organisation, we are always looking to improve and we want our gender pay gap to be lower than it is. Our strategy is always to recruit, train and develop the best people for the job and are pleased to say that at the launch of our new apprenticeship programme 80% of our cohort are women.

You can be sure that over the coming years we'll continue to do the right things to address any gap and continue with our equal opportunities strategy.

Our Workforce

To help explain the data, it is important to understand a little bit about Morleys Stores. We are a group of 8 Independent Department stores that have grown over the last 90 years through acquisition. Our first store was purchased by our current Chairman's grandfather in Brixton in 1927 and our newest store was opened in April 2017 in Bexleyheath.

We are an open organisation and when deciding how to publish our gender pay gap data, we took the decision to be completely transparent.

We employ just over 1000 colleagues and our workforce consists of central buying, finance and HR functions that support our department stores. Each of our stores are bespoke to the community they serve and we pride ourselves on having the right brands and merchandise for our customers within those communities, whilst offering great value and delivering these things through a great customer experience.

Across our portfolio our offer includes fashion and home as well as floorcoverings and furniture. We pride ourselves in our internal delivery fleet of drivers who give a personal touch to our furniture deliveries.

Our Workforce

Within Morleys stores we also have Morleys of Bicester who are an educational furniture specialist business which has over 80 years experience specialising supplying educational establishments. Morleys is an on-line business who offer a wide range of resources to support the key areas of development from Primary and Early Years Foundation Stages as well as supply products to support children with Special Educational Needs. We also supply quality furniture equipment and furnishings to create safe and fun environments.

Bicester has it's own MD and supporting structure and employs around 40 people in a number of areas including sales, buying and marketing as well as warehousing and distribution.

Understanding the gender pay gap

The gender pay gap is a measure of the difference in the average pay of men and women – regardless of the nature of their work- across an entire organisation, business sector, industry or the economy as a whole. It can be driven be by the different number of men and women across all roles.

It is different from an equal pay comparison, which would involve a direct comparison of two people or groups of people carrying out the same, similar or equivalent work.



UNDERSTANDING THE GENDER PAY GAP

- HOW ARE THE MEDIAN AND MEAN GAPS CALCULATED?
 - Using the calculations set out in the gender pay gap reporting regulations, we have taken pay data from our entire business of just over 1000 colleagues. This data includes many different roles including directors that bring a variety of rates of pay. Imagine a picture where all our female colleagues stood next to each other in one line in order of lowest hourly rate of pay to highest and imagine the same picture where all our male colleagues did the same. The median gender pay gap is the difference in pay between the female colleague in the middle of their line and the male colleague in the middle of their line.
 - The other measure is the mean gender pay gap, which shows the difference in average hourly rate of pay between men and women. This is also affected by the different numbers of men and women in different roles. These median and mean calculations are also carried out when comparing bonus pay over a twelve month period. The proportion of men and women awarded any bonus pay over that period is also reported.
 - HOW ARE THE PAY QUANTILES CALCULATED?
 - In the report we also share the percentage of men and women in each pay quartile. Quartiles are calculated by listing the rates of pay for each colleague across the business from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each. They should not be confused with the position of colleagues within the pay ranges set for each role.
 - These median and mean calculations are also carried out when comparing bonus pay over a twelve month period. The proportion of men and women awarded any bonus pay over that period is also reported
- WHAT'S INCLUDED IN OUR CALCULATIONS?
 - Calculations of mean and median pay and of quartile pay bands are based on data from April 2017 only, including ordinary pay and bonus pay. Ordinary pay doesn't include pay for overtime, pay relating to redundancy/termination of employment, pay in lieu of leave or the value of benefits which are not in the form of money. Bonus pay includes annual profit related bonus, commission and incentives paid. Calculations of mean and median bonus pay use bonus pay from the twelve months ending on 5 April 2017

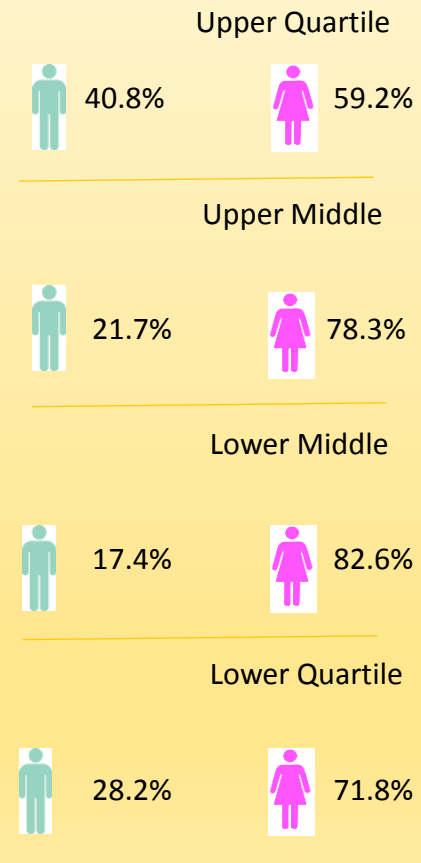
Our Results

Gender Pay – Reported results 2017

	Morleys	Retail Sector	UK
Median Pay Gap	5.7 %	9.3 %	18.4 %
Mean Pay Gap	33.4 %	16.4 %	17.4 %

	Male	Female
Proportion of colleagues who receive bonus	29.7 %	70.3 %
	Median	Mean
Gender Bonus Gap	90.6 %	61.1%

PAY QUANTILES – PROPORTION OF MALE AND FEMALES IN EACH PAY QUANTILE



Understanding the Gender Pay Gap

The shape of our organisation is a key factor in our Gender Pay Gap, as we have a high proportion of females in entry level roles – where flexible working is more prevalent and we see more women than men wishing to work part-time. We also have a higher proportion of men in senior positions – upper quartile includes 4 out of 5 directors who are men.

Both of these factors significantly influence the mean and median Gender Pay Gap.

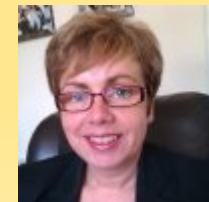
A number of factors influence the Gender Bonus Pay Gap Figure, including:

- Bonus is measured on actual bonus awarded, not like for like. A high proportion of women work part-time and receive a pro-rata bonus, but there is no adjustment for this in the reported figures, this amplifies our Bonus Pay Gap. Furniture commission is also included which is paid at a higher rate than other sales bonuses, and is in line with the furniture industry average.
- Our furniture business has a higher proportion of men with a split of 58% men and 42% women. However, we are working to ensure we have a better average and we have recruited more women in the past year which means the split is now 55% men and 45% women.

Areas we are working on

- Focusing on departments where gender balance is more challenging, such as logistics and Furniture.
- Continuing to work on our training and development strategy with particular focus on our degree courses to build our pipeline of women ready to move into senior roles.
- Encouraging an environment where everyone feels comfortable to ask about flexible working
- Review our bonus and commission framework

I confirm that the information contained within this report is accurate.



A handwritten signature in blue ink, appearing to read 'Liz McGowan', on a white rectangular background.

Liz McGowan
HR & Retail Director

Gender Gap Reporting

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