



**Gallagher**

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# Gender Pay Narrative

## Dorchester Hotels Ltd

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## 1. Introduction

In light of the Government Regulations regarding Mandatory Gender Pay Gap Reporting, Gallagher Reward Consulting have been tasked with writing the Gender Pay Narrative to support the gender pay gap reporting requirements for Dorchester Hotel Ltd.

## 2. Foreword

As a business we have a passion for excellence and innovation, honouring the individuality and heritage of our iconic hotels. Everything we do, from our financial disciplines to our human resource policies, is focused on that aspiration. Our business comprises three key areas: The Dorchester, 45 Park Lane and the regional office which supports our London hotels. As an organisation, our vision is to be the ultimate hotel management company delivering expertise and care to our guests so they feel treasured, while cherishing our employees and ensuring our brand is celebrated worldwide.

Like many organisations, the Coronavirus (COVID-19) pandemic has had a significant impact on our organisation. In some areas of our business, we have needed to furlough teams, adapt quickly to remote working, and assist individuals with shielding, self-isolating or increased childcare and home-schooling responsibilities.

We recognize that the Coronavirus (COVID-19) pandemic impacted on women with increased childcare and home schooling responsibilities and that these pressures are shrinking an already pressurised female talent pool and continue to create the potential for the gender pay gap to widen as a result across the UK. We believe in our organisation it is therefore even more critical to remain committed to and focused on equality as we work towards a more gender balanced workforce.

We care for our people and recognise that they are our greatest asset. We want to ensure our workforce is diverse and inclusive and our culture continues to be open and fair. We are passionate about being an inclusive organisation and seek to provide job opportunities for everyone regardless of gender, age, background and nationality. We are committed to building an organisation which leverages individuals' unique talents so that we deliver a world-class service to our customers.

We continue our journey towards a more gender balanced organisation, building upon the action plan we established to improve our programmes and activities already in place. We have a mean gender pay gap of 5.53% favouring males, with our median gender pay gap sitting at just 0.99% in favour of males. These figures compare very favourably to the national figures reported by the Office for National Statistics. We actively continue to invest in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 47% of our overall workforce. Last year 41% of employee promotions were female, with 39% of those being promoted into management positions.

In our sixth reporting year, our leadership team continues to strive towards making our organisation a fair and balanced workplace. A number of diversity initiatives are collectively influential in taking strides towards moving Dorchester Hotels Ltd towards a more gender balanced workforce.

Our Women in Leadership programme, designed to highlight the importance of female capability across our organization, continues to evolve. We continue to actively focus on increasing the proportion of female candidates identified for new roles and developing alternative recruitment pipelines. We ensure our HR policies encourage and support flexible working within the organisation and are working to ensure that what we have in place works for everyone. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture which reflects our company values.

### 3. Gender Pay Gap

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales and Scotland with at least 250 employees as of the 5th of April 2022 snapshot date. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, with the aim of eliminating the gender pay gap:

<b>Mean gender pay gap</b>	<b>Median gender pay gap</b>	<b>Gender bonus gap</b>
Difference between average hourly earnings of males and females	Difference between median hourly earnings	Proportion of male and female employees receiving bonus within the 12 month period
<b>Mean gender bonus gap</b>	<b>Median gender bonus gap</b>	<b>Pay quartiles</b>
Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

As of the 5th April 2022 payroll, our mean gender pay gap stood at 5.53% favouring males, with our median gender pay favouring males at 0.99%:

Mean Hourly Pay Differences		Median Hourly Pay Differences	
Male Hourly Rate	£16.65	Male Hourly Rate	£13.64
Female Hourly Rate	£15.73	Female Hourly Rate	£13.51
<b>Pay Gap</b>	<b>5.53%</b>	<b>Pay Gap</b>	<b>0.99%</b>

These are both significantly below the national mean (13.9%) and well below the median (14.9%) as reported by the Office of National Statistics, 2022.

The underlying reason behind the mean gap is predominantly due to the higher representation of women in more junior roles in our organisation and higher representation of males in more senior leadership roles. Both

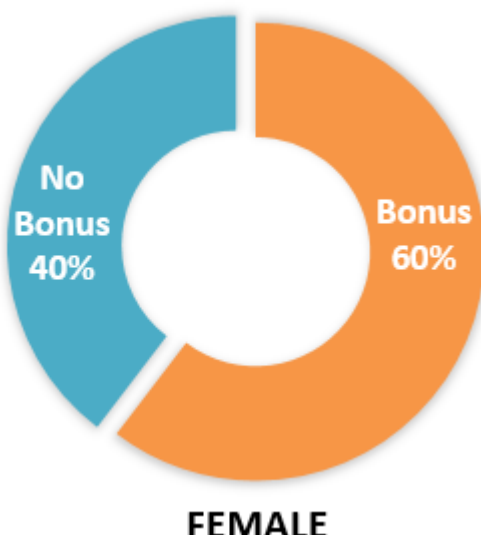
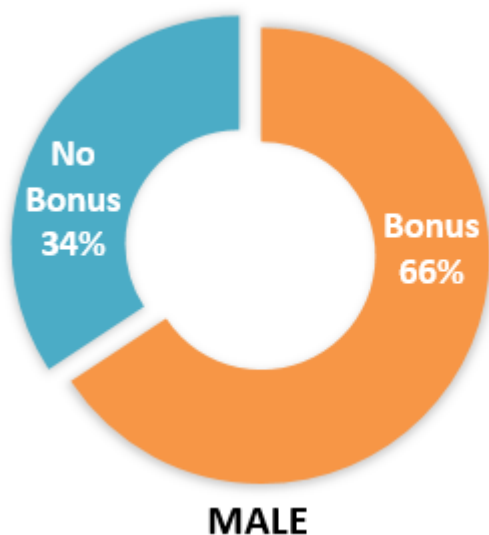
the Food & Beverage & Hospitality sectors of the industry are typically male-dominated and this is reflected across our organisation, recognising the majority of our roles are sourced from this industry. We know we have a lack of female representation in some of our more highly-skilled roles which is contributing to our pay gap as we have a predominance of highly-qualified males in higher-paid roles though we strive to source female talent when roles become vacant.

We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs across our organisation. While females currently represent 47% of our overall workforce, we are pleased that 28% of our Executive roles are currently being undertaken by females.

#### 4. Bonus Payments and Participation

Our mean bonus gap currently stands at 6.49% favouring females, with our median bonus gap eliminated. We have a slightly higher proportion of male employees receiving a bonus:

Gender	Number receiving a bonus	% Bonus Distribution	Mean Bonus Pay Differences	Median Bonus Pay Differences
Male	236	65.7%	£1,353	£750
Female	192	60.4%	£1,441	£750
<b>Bonus Gap</b>			<b>-6.49%</b>	<b>0%</b>

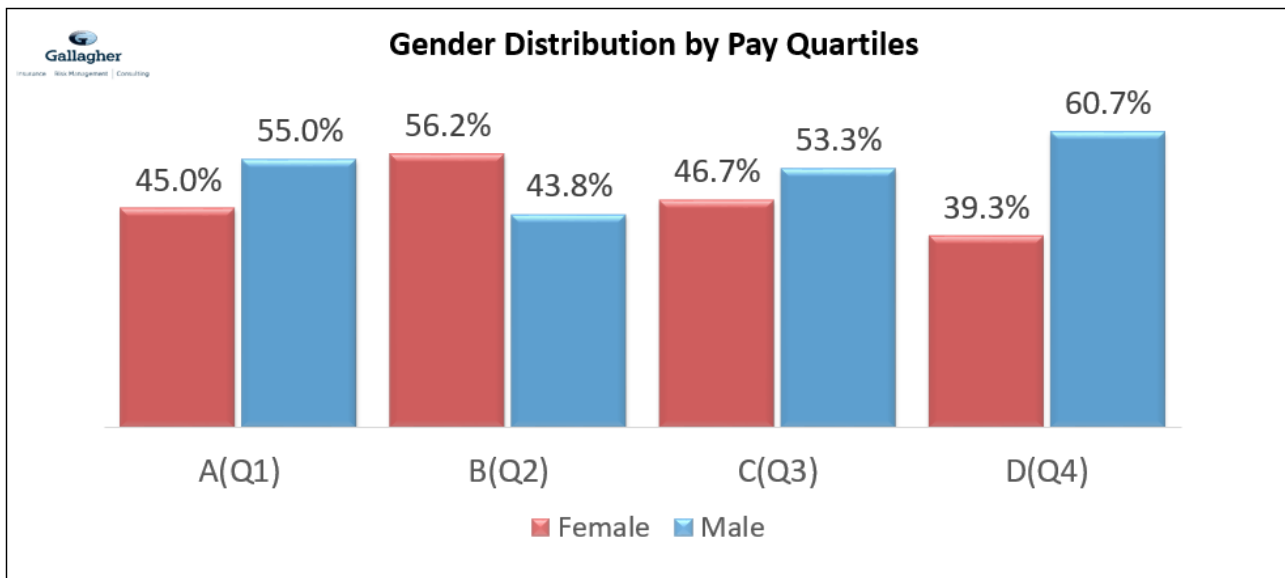


In our organisation, female employees generally occupy more junior roles; in contrast, a higher number of male employees are engaged in more senior, more highly paid roles. This results in a much wider range in bonus amounts received by males, relative to a much narrower range in the smaller female population.

Discretionary performance-related bonuses are awarded and paid on an annual basis, taking account of company, business area and individual performance. As an equal opportunities employer, all our permanent employees irrespective of their position, age, gender or ethnicity, are eligible for bonus.

## 5. Career Paths and Earnings

Our gender distribution by quartiles, as defined by the regulations, show us that while female employees are well represented across quartiles generally, they are significantly underrepresented in the highest pay quartile.



## **HR Strategy**

Our HR philosophy is to attract and retain high calibre individuals and to leverage their unique talents to help create unique guest experiences every day.

We actively ensure that all our HR policies and tools proactively support flexible working across the organisation as we believe that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation. Post pandemic, our industry has experienced a slow recovery over the last 12 months and this has impacted upon our organisation. We have completed a renovation programme during February – April 2022 which impacted upon our recruitment and resourcing requirements. With a new General Manager and Hotel Manager appointed in January 2022, we are moving at pace, reaffirming our direction of travel as an organisation. We have continued to adapt our ways of working and where possible taking account of the requirements of the role, we are more open to flexible working requests and have changed rota shifts and introduced a breakfast shift. All of these initiatives have been positively received. This supports our wider Diversity & Inclusion strategy as we seek to highlight the importance of inclusion across our organisation, opening up dialogue and building awareness on issues relating to respect for diversity in business.

As part of this, we continue to actively create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. We proactively keep in touch with those on maternity leave and are pleased that we saw a 47% return rate in 2022. We look to support our career returners with different tools to positively impact their back to work experience. Doubling our enhanced maternity pay from 6 weeks to 12 weeks, together with increasing our enhanced paternity pay from 1 to 3 weeks have both been very well received.

We recognise the motivational importance of positive senior role models to inspire confidence and success. We are pleased that a quarter of our Executive roles are occupied by females. Overall 34% of management positions are held by women. We are pleased that we have recruited two females as Rooms and Area Manager within the last 12 months. We acknowledge that our strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers reflect our strategic approach to diversity.

We ensure roles are externally benchmarked on an annual basis, enabling us to obtain accurate market rates for each role, with each role receiving a consistent increase which is market driven and not tied to individual performance. We acknowledge pay differentials may still remain in certain cases due to factors such as length of service and seniority. Where pay differentials exist due to gender and are not justified by length of service or seniority, we ensure that every effort is made to bridge those gaps. As part of our annual performance management and pay review process we ensure that our people are being paid fairly based on their role, responsibilities, experience and performance.

## **Recruitment**

We ensure our recruitment approaches have a strong focus on ensuring a greater gender balance in potential candidates presented. We continue to develop alternative pipelines as we proactively engage different sections of the job market and creatively exploit different channels to promote our employer brand. We run targeted marketing campaigns to showcase our women in leadership positions, celebrating when they have been

recognised externally. We continue to actively challenge all our hiring managers to ensure their behaviour reflects our values in all their interactions.

We are committed to building long term partnerships with education providers, promoting our industry, our brand and offering career advice to prospective new hires. We have 5 high schools in London that we work with closely and a broader group of 26 schools, colleges and universities across the UK where we have established close working relationships. Most recently this has involved one of our senior chefs attending careers fairs to showcase our internal diversity. We are pleased that 57% of our graduates are female and we will continue to work hard to increase these proportions.

## **Development**

Employee Development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. We support the training and development of all our employees and as part of this run a Cross Exposure Programme designed to provide cross-functional experience where we actively encourage more females to participate and as part of this, recently swapped our entire HR team with another sister property. As part of succession planning, by partnering with our sister property, we have successfully seconded 2 employees, 1 of whom have now permanently transferred.

We aim to ensure women are not only better represented within our organisation but most importantly supported, and have set female participation goals for each of our training programmes. We actively develop and nurture our female management capability through our Executive Mentoring programme. Through this programme, our General Manager and Hotel Manager have swapped practices. We rigorously apply a gender lens to all our talent development and succession planning discussions.

We continue to develop our Women in Leadership programme, designed to highlight the importance of female capability across our organisation as we seek to nurture women in our workforce. We hosted a Face-Forward training course, inviting an external consultant to develop 12 participants in building inner confidence and driving greater female empowerment to help them progress in our workforce.

We recognize the younger generation are full of bright and innovative ideas that are vital to the long-term success and sustainability of our industry and are pleased that we have a well-established apprenticeship programme in its fifth year of operation, creating opportunities to support this age group. In the last cohort of graduates, all successfully secured full-time, permanent positions.

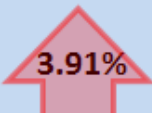
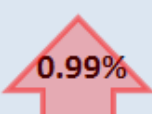
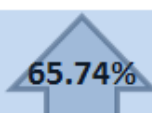
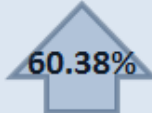
We have an established networking group for our senior leaders which meets on a monthly basis to share experience and collaborate best practices to better execute our organisational strategy.

Supported by our Diversity Executive Champion, we seek to highlight the importance of inclusion across our organisation, opening up dialogue and building awareness on issues relating to respect for diversity in business. Our Diversity Committee are focused on 3 pillars – celebrate, educate and communicate – meeting on a regular basis to deliver targeted D&I initiatives. As part of our Belonging photoshoot, we now have more diverse imagery which we have recently incorporated into our recruitment campaigns, so that we appeal to a more diverse candidate base.



## 6. Year on Year Comparison

When we consider year on year comparison, we see a widening gender pay gap at both the mean and the median. We note increased bonus participation for both males and females.

	2020	2021	2022	2022 Vs 2021
Mean Gender Pay Gap	10.84%	1.62%	<b>5.53%</b>	 <b>3.91%</b>
Median Gender Pay Gap	4.99%	0.00%	<b>0.99%</b>	 <b>0.99%</b>
Mean Gender Bonus Gap	29.17%	-	<b>-6.49%</b>	-
Median Gender Bonus Gap	0.00%	-	<b>0.00%</b>	-
Males receiving bonus	87.40%	0.00%	<b>65.74%</b>	 <b>65.74%</b>
Females receiving bonus	87.40%	0.00%	<b>60.38%</b>	 <b>60.38%</b>

## 7. Closing remarks

We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential, as we try to move towards a more gender balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our values detailed below, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.

### **Our Values**

- Passion: with pride, we enthusiastically deliver exceptional service
- Personality: with confidence, we take on challenges as opportunities to express our generosity
- Respect: with integrity and fairness, we value the diversity of people, cultures and environments
- Working together: with trust, we act as one team celebrating everyone's contribution and successes
- Creativity: with a spirit of curiosity, creativity and ongoing learning, we share creative solutions for continuous improvement

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