WHY DOES DISNEY HAVE TO REPORT GENDER PAY GAP?

The UK government has brought in mandatory gender pay gap reporting requirements for all legal entities with over 250 employees, for the period of May 2016 to April 2017. Approximately 9,000 companies across the UK are reporting their gender pay gap in April 2018.

WHAT IS A GENDER PAY GAP?

The gender pay gap is the difference between the hourly rate of pay of male employees and female employees, expressed as a percentage of the hourly pay rate of the male employees. The gender pay gap is reported on both a mean (average) and median (mid-point on a distribution) basis.

IS IT THE SAME AS EQUAL PAY?

No, equal pay compares the salaries of men and women doing the same or equivalent work. This is one of the primary measurements that Disney uses to ensure a fair and equitable workplace. A gender pay gap does not mean that women make less than their male counterparts doing the same job.
The Walt Disney Company takes a holistic approach to addressing and ensuring gender equality in our workforce. We are proud of the percentage of women we employ across the organisation and that we compensate and promote people based on their roles, experience and performance.

The statistics included in the gender pay gap measurement are not reflective of that holistic approach as they only measure the difference between average pay for men and women across a workforce as a whole. The gender pay gap therefore does not take into account broader impacts such as whether men and women are paid the same for similar jobs (equal pay), and the complexities of a workforce within a multi-faceted organisation including technical expertise and differing responsibilities and experience.

We believe that equal pay is a more insightful measurement. Why? Because we are confident that at The Walt Disney Company UK, men and women are paid equally and fairly for doing the same job. We benchmark our compensation internally and externally and look at the skills, expertise, qualifications, experience and tenure of each candidate to establish appropriate compensation.

It is also important to note that we are already making progress on our gender pay gap since the data in this report was collected. Our gap is, in large part, driven by a disparity between men and women at the most senior executive level in the organisation.

We are systematically addressing a wide range of variables that enable us to further increase the number of women we have in senior executive roles. This is something that will be addressed over time by taking steps today that provide more growth opportunities for women internally and ensuring gender diversity when hiring externally. These actions include, but are not limited to:

- Ensuring the widest and most diverse pool of candidates for all positions within the company is a priority for management
- Working towards a more gender diverse slate of candidates and a significant representation of women in candidate short lists, especially at senior levels
- Ensuring gender diversity in our interviewing panels as research shows that this has an impact on recruitment outcome
- Focusing on a strong representation of women when we look at successors for key roles
- Developing, mentoring and sponsorship of high-potential female employees to help them with getting the experience and visibility that positions them for senior roles
- Continuing to evolve our approach to flexibility at work to allow personal circumstances to be compatible with roles where possible

At The Walt Disney Company, we know the best thing for the business and our community is to put the right, qualified people into the appropriate roles and actively seek those to be women when possible. At the end of the day, we believe the best workplace is a diverse and inclusive one where the best qualified candidate gets the job.
WHAT ARE MEAN AND MEDIAN PAY GAPS?

The mean (average) is calculated by adding together all values and dividing by the number of values.

MEAN PAY GAP

The mean is the overall average of the whole sample and can thus be subject to the influences of any extremely high or low salaries at the top or bottom of the sample. In other words, the mean is much more subject to skewing by a small number of outliers.

For example, a 25% mean pay gap (which is the private sector national pay gap per the Office of National Statistics) means that the average pay of men is 25% more than women.

MEDIAN PAY GAP

The median is the middle value in a list sorted from lowest to highest.

The median is a statistic commonly used in analysing both internal pay tendency and external market norm, because it looks at the central tendency of the market or sample, showing the middle-most salary of a sample. Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary.

For example, a 19.4% median pay gap (which is the private sector national pay gap per the Office of National Statistics) reflects that the average pay of women by this measurement is 19.4% less than men. Because the median measurement is less impacted by the highest and lowest outliers, it is closest to the experience of the typical man and the typical woman in a workforce.
The gender pay gap figures outlined below show the percentage difference between the average pay for men collectively and the average pay for women collectively across the entire organisation, irrespective of roles. The mean and median gap figures are based on hourly rates of pay for all UK employees.

This table shows there is a mean hourly gender pay gap of 22% between men and women for The Walt Disney Company UK and of 19.8% for The Disney Store organisation in the UK and a median gender pay gap of 15.8% and 13.3% respectively.

With analysis, this gap is attributed to having more men at the most senior levels of the Company and a higher proportion of women in the more junior roles of the Company. Those earning the most and the least skew the mean to a greater extent than the median which is why the mean gap is greater than the median.

The bonus gap figures outlined below show the percentage difference between the average bonus pay for men collectively and the average bonus pay for women collectively across the entire organisation, irrespective of roles. The figures also reveal the percentage of male and female UK employees receiving bonus pay in the reporting time period.

The table shows that there is a gender bonus gap of 41.9% in mean bonus pay between men and women for The Walt Disney Company UK and of 77.2% for The Disney Store UK and a median bonus gap of 14.4% and 23.2% respectively.

Understanding that the bonus measurement includes all types of bonus, from high cash value long term incentives to low cash value incentive vouchers, helps to explain why there is a gap. Not only is there a gap between the highest and the lowest bonuses paid across both organisations, we know that there is a greater proportion of men at the highest levels of the Company which further skews the mean. In this case, looking at the median is a more accurate reflection of the typical employee.
This shows how many men and women are in each quartile of the payroll based on hourly rates. As you can see in the figures outlined below, all four quartiles at both The Walt Disney Company UK and The Disney Store UK have more women than men.