

NATS

Gender Pay
Report 2019

nats.aero



We are now in our third year of reporting and work is continuing to address our pay gap. We have achieved 27% female representation across NATS, which demonstrates a small improvement in our gender balance in an industry that historically has been male dominated.

There has been little movement in our figures during this reporting period, with our mean pay gap at 18.9%. Principally our pay gap exists because we have more men than women in our senior roles. We acknowledge that there are no quick wins and our figures are likely to show only a small improvement in the short term; however, we are continuing to focus effort on our action plan, which aims to create long term, sustainable improvement.

We aspire to be an organisation that is recognised as a truly inclusive and diverse employer; our key areas of focus for this year are agile working, inclusive people practices, inclusive behaviours and ownership of our action planning across our business, ensuring that gender diversity actions are owned by those who can influence change.

The wellbeing of our employees is also critical to our operation, so creating an agile and inclusive culture is key to our success, as well as crucial to closing our gender pay gap.

Chris Last

HR Director



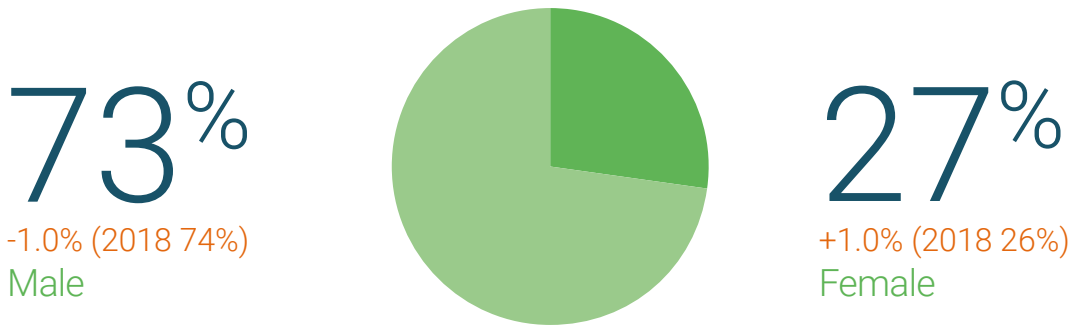
Gender diversity is important to me because as a woman who has had a career in a male dominated environment, both in the RAF and here at NATS, I know first-hand the value of gender balance in our operational environment. The review of our Trainee Air Traffic Controller selection programme was extremely important to reduce bias and ensure we are attracting and selecting a diverse talent pool into this exciting profession.

Juliet Kennedy

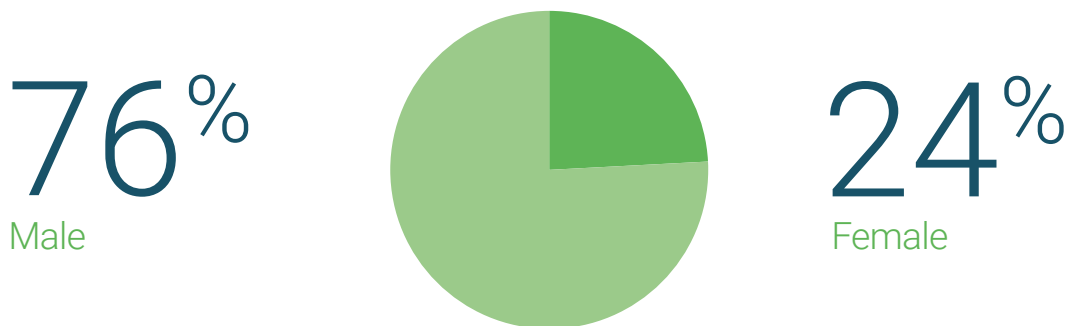
Operations Director

The gender of our employees

The proportion of employees at NATS

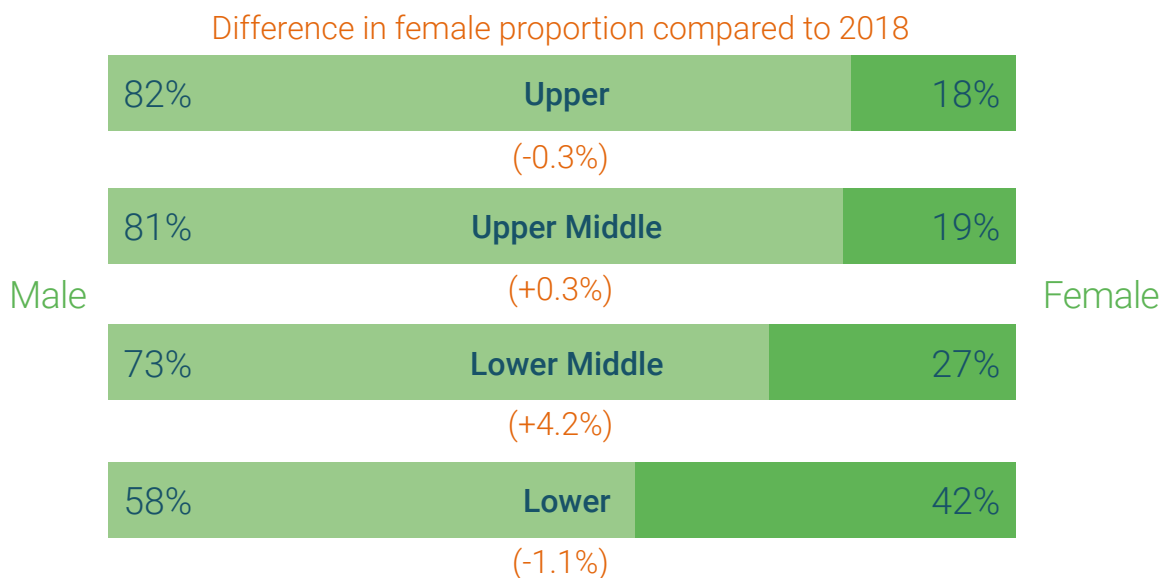


The proportion of employees in our senior management roles



The proportion of employees in each pay quartile

The proportion of females in our middle pay quartiles has increased this year due to progression in to more senior roles and new entrants. We have also seen an increase in the number of males in the lower pay quartile. These factors create an overall improvement in our median pay gap.



Our pay gap

18.9%

+0.3% (2018 18.6%)

Our mean pay gap

22.5%

-2.1% (2018 24.6%)

Our median pay gap

Why we have a pay gap

We have more men than women across NATS, in particular in more senior roles, despite seeing some improvement as a result of our gender pay action plan. We have increased the number of women joining NATS, but many are coming in at a lower level and it will take time for the proactive work we have done at the recruiting stage to have an impact on our figures. It is vital we continue our focus on recruitment, but also ensure we have an environment in which everyone can thrive.

Many women populate the entry level grades, which attract lower salaries. This level also has the highest proportion of flexible working arrangements. Our higher paid roles are our operational and engineering grades, which are predominately male, and with many being shift based, attract additional pay.

Our bonus gap

38.1%

-1.7% (2018 39.8%)

Our mean bonus gap

0%

Our median bonus gap

Why we have a bonus gap

Our managerial group attract additional bonus payments as part of their remuneration package; we have more men than women in this group. Their bonus is calculated as a percentage of salary and, as we have more men than women in senior higher paid roles, this contributes to our bonus gap.

Our median bonus gap is 0% due to our Company Performance Related Pay Scheme, which rewards all our employees the same level of bonus, regardless of role, for their contribution in helping us to successfully achieve our business objectives.

A review of our 2018 gender pay action plan

Last year we published a gender pay action plan, which outlined three commitments to improving the gender balance and reducing our pay gap. We are proud of the work we have done and excited to continue this journey.

- 1**  A continued focus on talent attraction – increasing the diversity of our talent pools through a targeted strategy.
- 2**  Continued work to improve the presence of flexible working throughout the organisation, regardless of gender.
- 3**  We will continue to focus on increasing the proportion of women in senior management roles. In our 2017 gender pay report we set a target of 5% increase by 2020.

Our Talent

We continue to support the retention and development of our talent population through a number of approaches.

We identify talent in a number of different groups reflecting career stage; at all of these we have introduced development programmes over the past year. These are specifically aimed at building capability in identified areas, increasing our understanding of the development needs of our colleagues, as well as giving them the means to better understand their development needs and to support them in driving their own development.

Our talent programmes have supported many women and men across our organisation. Nominations for these programmes are based on merit as opposed to self-nomination and are independently verified.

Gender split of our Talent Programmes



Although there is still gender imbalance in our talent pipeline, we are encouraged to see a larger proportion of women enter our Emerging Talent programme. To assist with the gender imbalance, we have also prioritised women on our development programmes in addition to providing a women’s programme called Pipeline, which is an externally delivered leadership programme aimed at developing women from ‘middle management roles’ into senior leadership roles.

Hear from some of our colleagues about our programmes and the impact it has had on their development.



Over the past nine months I have been through the Future Senior Leaders programme – this has been intense at times with challenging assessments but exceptionally valuable in developing skills and providing support with regards to career development. The programmes have enabled me to self-reflect on my leadership style and to understand the skills and capabilities I need to build for the future.

They have encouraged me to think differently and to consider the importance of sponsorship and personal brand as I establish my career. Greater emphasis has been placed on coaching for performance and team motivation enabling me to consider my teams attributes and how to maximise performance.

Helen Fuge
 Head of Learning and Early Careers
 Future Senior Leader and Pipeline

Our Talent (continued)



I manage a team at our Prestwick Centre which is responsible for providing assurance for project changes delivering into the operation, as well as providing input and advice on safety assurance in general.

I am on the Emerging Talent programme, which has helped to drill down into key areas that I do well in, and those I need to focus on.

Having the chance to spend time with colleagues from across the business to discuss our career aspirations has been invaluable and access to senior leaders to learn from their experiences too and understand how they've shaped their careers both outside and inside of NATS.

Lee Waller

Senior Change Assurance Manager
Emerging Talent



I joined the UK Airports Team in 2019. My role is incredibly varied and involves supporting the UK Airports ensuring all our key business processes run smoothly.

The Emerging Talent programme is supporting me in developing my own leadership skills and capabilities.

I feel that traditionally men have been better at aspiring to reach leadership positions and planning their careers. I think it is great that NATS is providing both women and men in the workplace the opportunity and headspace to take ownership of their career plans and aspirations.

The programme gives you the confidence to try different approaches and experience other roles within the business. It can be uncomfortable stepping into a new role, which may be out of your comfort zone, but it is good to push yourself and try something new. It has reminded me that every day is a learning day and that no matter where you are in your career there is always room to improve.

Nikkie Plomer

Business Support Manager
Emerging Talent

Our Talent (continued)



I am responsible for around 130 Air Traffic Control Assistants and Controllers who support our operation.

Prior to attending the programmes, I was unclear about my future career prospects and felt underconfident in calling out what I want to do. I now have the confidence to set my sights on an executive role in NATS, engaged with a network of sponsors and allies. I am clearer about my personal “brand” and about what I am bringing to the organisation.

I firmly believe that my development has had a positive impact on my performance. I have shared my learnings with others and have stepped up the coaching for others on the Emerging Talent programme. I am championing women in operations to try and encourage more women to take on senior roles.

I genuinely believe the talent programmes offer attendees a real opportunity to develop themselves and it feels very different from anything that came before.

Jodie McMenamin

Head of Air Traffic Management Support
Future Senior Leader and Pipeline



Our Flexible Working



Our focus on flexible working over the last year has been in the operational environment. The challenges we face in our operation include resource constraints, changing business requirements, the need to cover a 24-hour service and be onsite. The definition of flexibility has been changed to one that is broader and incorporates different, possibly less traditional options, looking at what people are trying to achieve with flexible working rather than a simple shift pattern request.

These key principles have led to more open discussions about flexible working, exploration of options and a more holistic approach, maximising the opportunity for flexible working whilst meeting the business need. Whilst we still have some way to go, a number of flexible working arrangements in the operation have been agreed to on these principles.

Nicola Banks

Employee Relations Business Partner



I've been working as a controller for the last ten years where I've been following our standard shift pattern of two mornings, two afternoons, two nights, followed by four days off. The birth of my son meant the standard shift pattern, alongside my husband's shift pattern who is also a controller, needed to change to meet our new childcare needs. Having explored what childcare was available, particularly when our morning shifts start at 6.30am, and having no family nearby to help us out, left us needing to consider other options.

Fortunately, following discussions whilst I was still on maternity leave regarding flexible working options, I was offered a new pattern, which allows one of us to drop our son at nursery before work. I will still be working on a near full time shift pattern, working some of the busier times of the day, meaning both the business benefit and I get to continue doing a job I love without having to compromise my career.

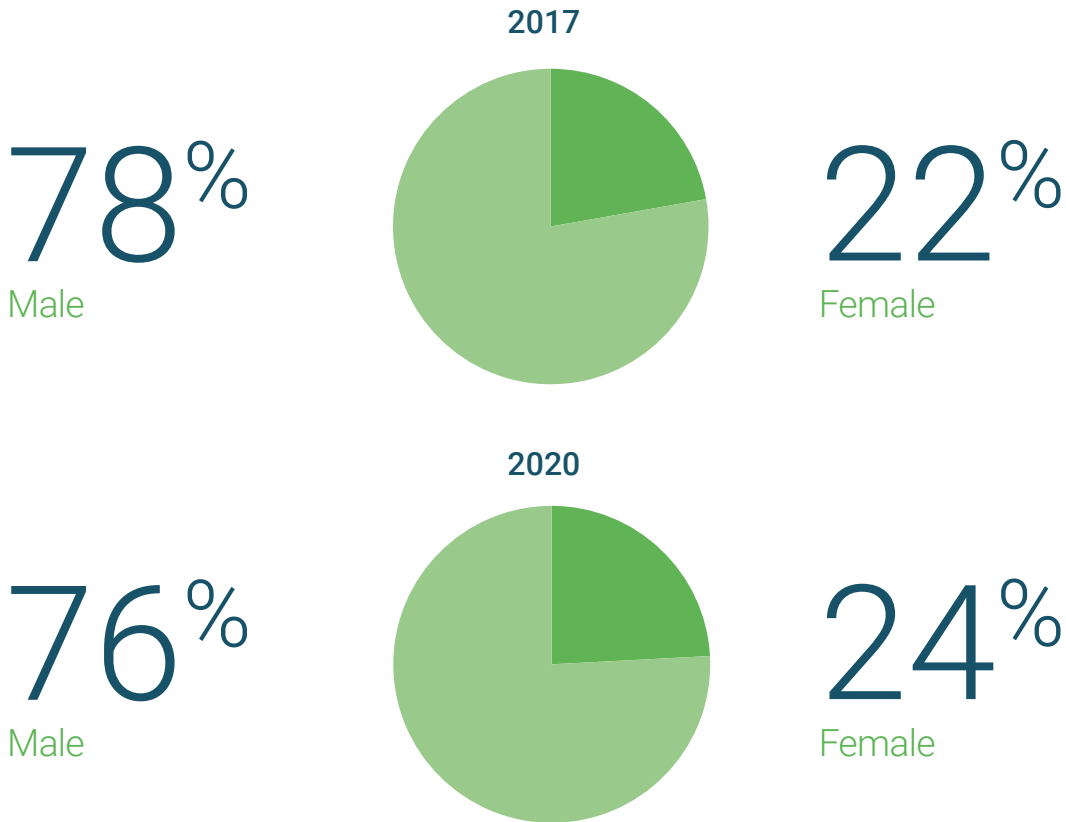
My husband and I also took Shared Parental Leave as I neared my return to work. We were able to take some time off together to go travelling round the world with our son, but most importantly this helped alleviate some of the challenges around balancing work and home life as I was settling back into work.

Hannah Eaton

Air Traffic Controller

Our Management Grades

We set ourselves a target to increase the proportion of women in our management group by 5%. During the last three years we have seen a significant increase of women in our management grades, demonstrating our action planning is having some success. However, given the number of men also joining our management grades the overall proportion has improved by 2%.



Whilst we haven't hit our original target it is clear we have made some positive progress on improving the career progression of women into senior roles through accelerated development programmes and in the longer term we hope to see further improvement.

Our Attraction and Selection



This year we broadened the scope of our 'Bring Your Daughter to Work day' scheme and launched our new 'Future Minds' event. Over 40 young women explored science, technology and engineering careers with our very own experts and attended interactive talks, tours and sessions.

We continue to use a tool to ensure our adverts are gender neutral in language, tone and style and are starting to see a positive impact on the gender diversity of our applications and are pleased that the number of female contractors has increased by 29% since last year. We designed a new attraction campaign, with fresh creative concepts and continued high profile social media engagement, to increase the quantity and quality of applications, ensuring the messaging, language and visuals appeal to a diverse audience.

We reviewed the recruitment and selection processes of our Trainee Air Traffic Controllers to ensure our methods are inclusive, minimise bias and are objective and neutral with regards to characteristics such as gender, ethnicity, culture and socio-economic status. An improved process teamed with a standardised approach, training and toolkit for assessors, and regional hubs for assessments, aims to ensure our hiring decisions are consistent and fair and our processes are inclusive. The new process took effect 1 April 2019 and is being closely monitored to ensure the expected performance is delivered.

Katie Foster

Head of HR Services



Our Environment

Our new Respect at Work policy was rolled out and all employees completed our e learning, with many attending briefings to debate and discuss the topics of respect and inclusion. We created our own Respect at Work video, which included colleagues answering the question 'what does respect at work mean for you?'. Our aim is to create a more inclusive and respectful culture by educating our employees on what respectful behaviours look like and encouraging peer to peer conversations to help us understand more about each other. We had success in the introduction of our Resolution and Professional Standards policy and team, which is focused on encouraging early dialogue, discussion and resolution to create a supportive, harmonious and safe working environment for all.

Our Diversity and Inclusion Forum was also established. They meet quarterly to share experiences, attend training, hear from external experts and discuss topics with our Executive team, with a common aim to enhance the dialogue on diversity and inclusion through employee voice. As a result of the forum, we are proud to say that we have four Employee Networks that have been established by our employees; LGBT+, Women's, Disability and Young Professionals' networks.

We knew from listening to colleagues that the impact on annual leave created a barrier for some colleagues who wanted to progress in to management grades. This has been addressed through the introduction of a new flexible benefits platform and the opportunity to purchase additional holiday.

Our Environment (continued)



Our people deliver our safety and an inclusive just culture underpins that. It's essential we strive to embed the most diverse and inclusive environment we can, enabling us to continue to excel in delivering our services.

As we go through the most significant transformation in our history it's essential that we can attract and retain the best talent. We've already been successful in attracting more women, especially in the technical roles, which have traditionally attracted men.

Setting up and promoting initiatives, such as apprenticeships, engineering graduate schemes and working with educational institutes should help ensure we provide long term opportunities for creating diverse teams. The key to our sustainable success is our leadership behaviours, which will help us to create a truly inclusive environment.

Our Respect at Work policy and training underpins our leadership and it's making a difference in everyday conversations. We need to focus our efforts on supporting our colleagues to understand that our differences are our strengths, and we all need to create the right environment for challenging ourselves and others, creative solutions and excellent performance.

We have some way to go before we can say we are truly inclusive and diverse, with a just culture that recognises the skills, character and contribution of everybody. But I believe we can achieve it. The measure of our success will be having the right person in the right job at the right time for the right reason. Inclusion and diversity should be seamless, not an intentional action.

Mark Asquith

Director Safety Assurance

Our Environment (continued)



I was lucky to have the support of NATS and the Trade Unions in attending the Professional Women Controllers Conference in California. It brings together resources, training and opportunities specifically designed to encourage the progression of women.

Career opportunities can often be very different for women and seeing real life examples of other successful women and having the opportunity to discuss goals and objectives helped to point us in the right direction to set up our Women's Network. Interesting speakers, allowed us to understand our strengths and weaknesses during candid conversations over real issues that may be holding women back at work.

I realised these opportunities should be encouraged and built upon. As I had already discussed the possibility of setting up the Women's Network, this seemed like the right time to do it.

Networking is crucial for women, I have found one connection has branched out to many, giving me the opportunity to learn even more after the event and I am looking forward to attending the next event in Ottawa and sharing with other women to learn from this experience.

Denise Percy

Service Design Lead

A summary of our gender pay action plan

1

Enable and value agile working in all job roles at all levels and where appropriate for operational roles

We have created principles to support flexible working in our operational environment, but further work is required to educate colleagues on the benefits and different approaches to agile working.

We want to make agile working the norm, so employees can fulfil their work in a way that suits both them and the company. Our Future Workspace programme is supporting this by creating a modern agile working environment.

We need to role model and open up jobs at a senior level to agile working by creating a culture that emphasises the value of a colleague's contribution and performance, rather than where or when they work.

2

Improve our inclusive attraction, recruitment and selection practices

Hiring managers will complete unconscious bias training prior to assessing candidates and receive additional guidance to ensure they are assessing and measuring against competencies.

Job adverts will focus on transferable skills, not just work experience, and we will have diverse selection panels and targets with our recruitment partner to provide diverse shortlists. We will work with our Employee Networks to improve our attraction and selection process.

We will introduce a returnship programme by 2021 and aim to reach a 50/50 gender split on our Early Careers programme by 2023 and 70/30 on our Trainee Air Traffic Controller college intake by 2025.

We will continue to focus on improving the diversity of our talent pipeline by targeting schools and promoting careers through events such as Future Minds.

3

We will review our promotion practices to improve fairness and consistency for all

We will ensure there is sufficient internal advertisement of positions, as well supporting colleagues to apply for a position by building confidence and being clear about our commitment to agile working.

Promotion panels will be diverse, with transparent processes and inclusive methods of assessment.

Job criteria will be refreshed ensuring required work experience is still relevant to the role and not likely to preclude more women or men.

Looking ahead



Inclusion and diversity are very important to me and part of that is continuing to work on our long-term action plan to address our gender imbalance and pay gap.

Although our figures will take time to show the progress we are making, our action plan is becoming really embedded across the business and I am delighted by the passion and energy many of our colleagues are demonstrating to drive positive change.

The roll out of our Respect at Work policy has sparked internal debate about inclusion and biases. These conversations bring understanding and is an important step in creating a culture that equally supports women and men to fulfil their potential in life and work, what ever that may be.

I am committed to working closely with our Employee Networks and our external stakeholders to learn from their experiences and expertise, to create an environment where all colleagues feel empowered and supported and able to thrive.

Destination 2030 is our ambition for where we want to be in the future, and we make a clear commitment in the journey that we will have a highly skilled, flexible, diverse and motivated workforce and our culture is open and supportive. We review our objectives against Destination 2030 every year to ensure we are on track to create and enable the right environment to exceed in our purpose of advancing aviation and keeping the skies safe.

We are committed to monitoring our gender pay gap and what causes it, so we can proactively address the drivers to ensure our women and men can progress equally within NATS.

I confirm the information and data reported is accurate as of the snapshot date 5 April 2019.

A handwritten signature in black ink, appearing to read 'M Rolfe', with a long horizontal flourish extending to the right.

Martin Rolfe
CEO

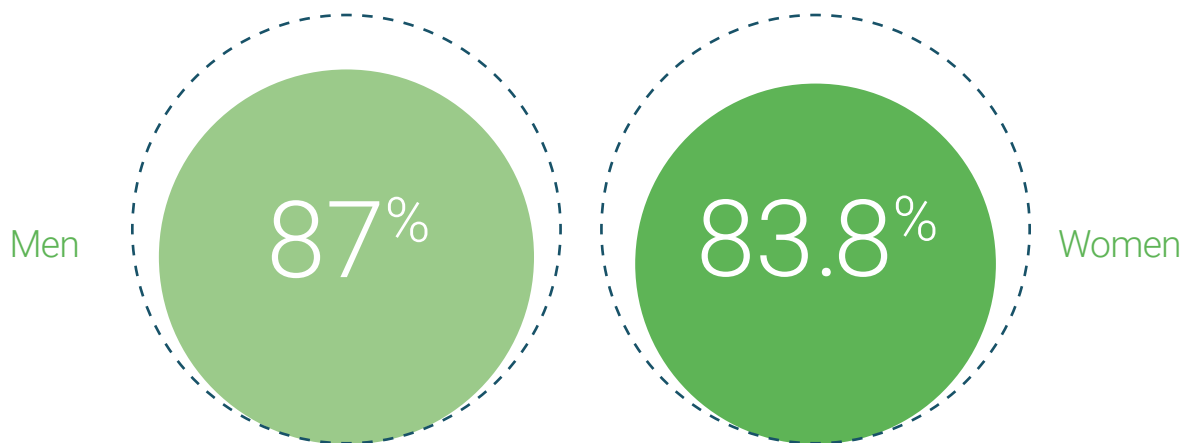
Our Statutory Declaration

Gender Pay Figures Snap Shot 5 April 2019

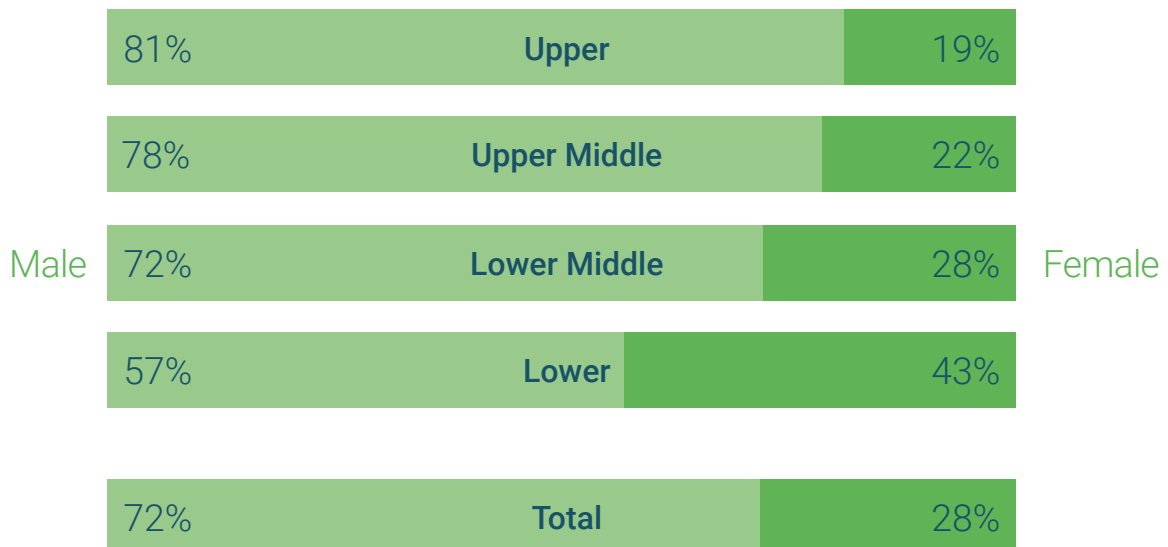
NATS (En Route) PLC

Pay and bonus gap	Mean	Median
Hourly Pay	18.0%	21.1%
Bonus	33.5%	0.0%

Proportion of employees receiving a Bonus



The proportion of employees in each pay quartile



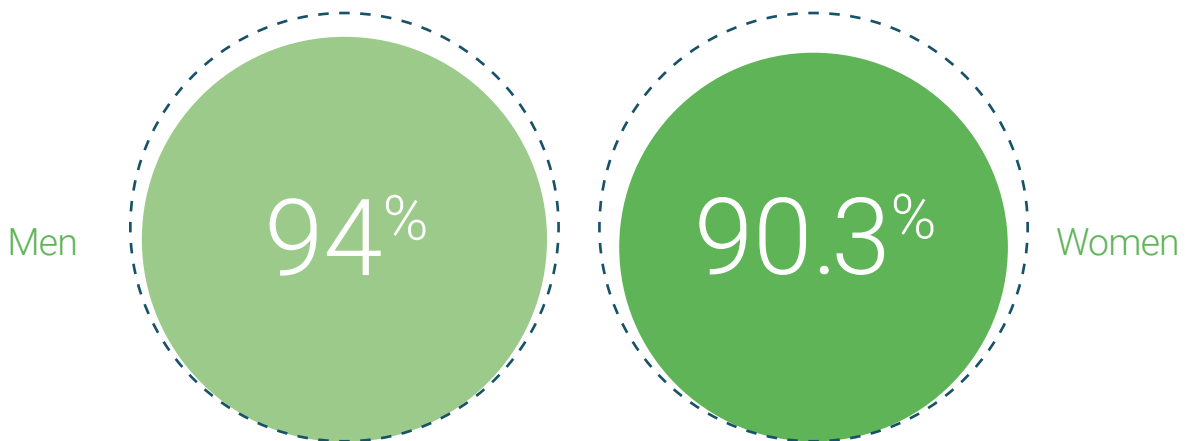
Our Statutory Declaration (continued)

Gender Pay Figures Snap Shot 5 April 2019

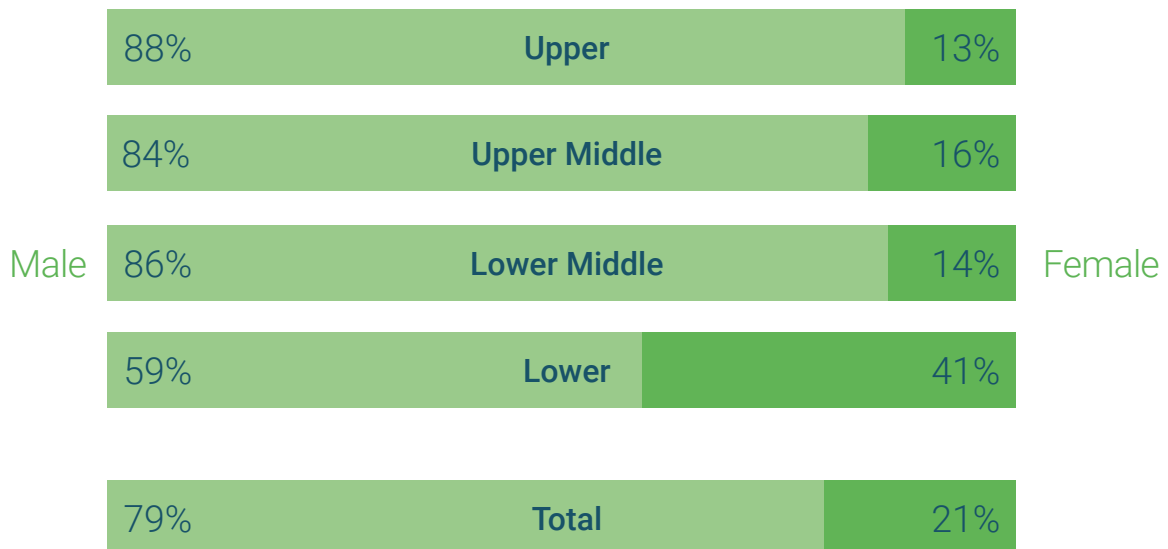
NATS (Services) Limited

Pay and bonus gap	Mean	Median
Hourly Pay	22.5%	26.6%
Bonus	57.2%	0.0%

Proportion of employees receiving a Bonus



The proportion of employees in each pay quartile



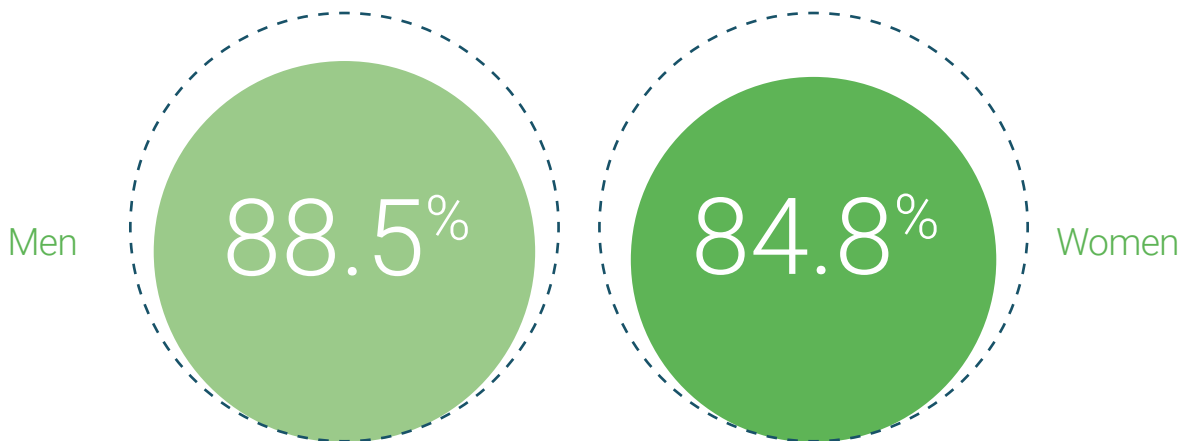
Our Statutory Declaration (continued)

Gender Pay Figures Snap Shot 5 April 2019

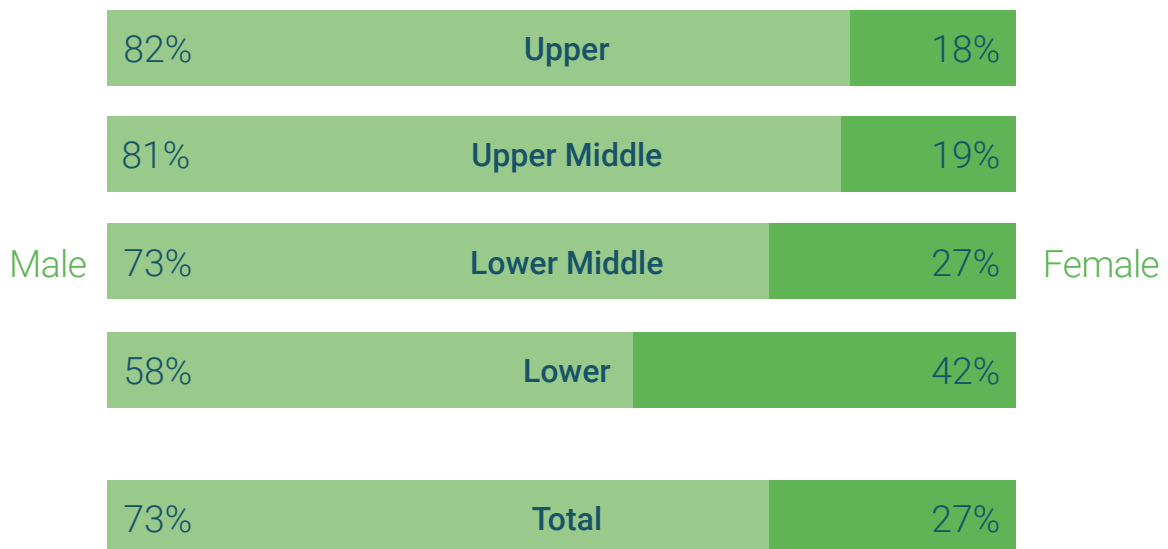
NATS Group

Pay and bonus gap	Mean	Median
Hourly Pay	18.9%	22.5%
Bonus	38.1%	0.0%

Proportion of employees receiving a Bonus



The proportion of employees in each pay quartile



Unequal Pay vs Gender Pay Gap

Whilst both unequal pay and the gender pay gap deal with the difference in pay women and men receive in the workplace, they are two different measurements:

Unequal pay refers to the pay difference between two individuals or groups of workers carrying out the same comparable work. Under the Equal Pay Act 1970, it is unlawful to pay people unequally because they are a man or woman.

The Gender pay gap however is a measure of the difference between men's and women's average earnings across an organisation. It is expressed as a percentage of men's earnings. The Gender pay gap in the UK is currently 17.3% (ONS 2019). Having a gender pay gap does not necessarily reflect discrimination.