



GENDER PAY REPORT
UK 2018





This report focuses on data around gender pay at Korn Ferry UK. We recognize that this is an issue of business effectiveness for our clients and ourselves: businesses that are more diverse are more successful. We are proud of what we have achieved and of the actions we will continue to invest in.

Korn Ferry compensates based on market and benchmark data, and reflective of factors such as employees' roles, the location of their job, experience level, and performance. As a firm we are committed to paying all of our employees equitably.

When I joined Korn Ferry in September 2010 as a Senior Client Partner in Financial Services, I had a clear path professionally and personally. Seven years and three promotions later, I am now responsible for a UK & Ireland business of 900 people. And while work is rewarding, most important to me is family. At Korn Ferry, our flexible schedules and creative approaches are key to helping me balance multiple responsibilities while ascending through various leadership positions in the firm.

I am one example of many. However, as a firm we will not rest on our laurels. We're continuing to invest in diversity and inclusion initiatives across the employee lifecycle - hiring, performance, promotions, and compensation decisions - and we continue to help our leaders identify and develop employees.

We believe that greater diversity and inclusion leads to more rewarding and successful workplaces. We know that when people of different backgrounds, perspectives, skills, and passions come together with shared purpose, amazing things happen.

Sonamara Jeffreys
Office Managing Director
Regional Market Leader, Financial
London

The gender pay gap

Pay equity is a key economic, social and political issue worldwide. More than 80 countries have some form of equal pay for equal work legislation and roughly 24 countries require some form of mandatory reporting on gender pay equity. Korn Ferry supports and embraces the progress that is being made across businesses, not just because it is a legal requirement, but because it is the right thing to do; and not only because it is the right thing to do, but because it makes business sense. On average, men do earn more than women around the world, but our proprietary data tells a more nuanced story, and helps to clarify the difference between 'equal pay' and the 'gender pay gap'.

What We Know

Korn Ferry collects pay data in more than 110 countries, covering more than 20 million individuals. For more than 12 million of these people, across more than 70 countries, we have gender data alongside our pay data — giving us a unique insight into gender pay equity. This external data collected in our PayHub database shows that globally men, on average, earn 17.6% more than women — this is often referred to as the 'gender pay gap'. However, if we focus on comparable levels of work - jobs at the same professional level — the gap shrinks to 6.5%. And, when we narrow the data to represent the same role, level, company and function, the gap is only 1.6% — much closer to 'equal pay for equal work'. This trend is consistent in every country analysed, all around the world. "Equal pay for equal work" and the "gender pay gap" are different

things. Most organisations are finding that although they pay men and women the same for doing the same jobs, they still have a significant gender pay gap. This is because there are fewer women in the higher paying jobs — usually the most senior jobs, but also jobs in the highest paying functions like engineering and technology.

As one of the world's largest providers of gender pay analytics and diversity & inclusion consulting services, we have seen how greater diversity and inclusion lead to more successful and rewarding workplaces. And while we partner with others outside our firm to tackle their challenges in this regard, we do not lose sight of the need to continue to deliver on our own.



What the numbers reveal

Regulatory mandates, while well intended, require the reporting of data that combine salaries at all levels, women and men, regardless of role. The resulting statistics across the professional services sector show inequality in gender pay. Women have made greater strides into the upper levels of leadership, but have not yet matched the numbers of their male colleagues.

The current mean pay gap (the total of all salaries, divided by the number of people) of 30.1% for our UK workforce, while accurate in terms of regulatory reporting parameters, does reveal a skewed picture.

Salary and bonuses are impacted by a number of factors: employees' roles, their location, their experience and their performance. Across the UK, we have a gender balanced workforce: 55% women

and 45% men. However, the data shows that there are fewer women at the senior executive level, where pay is highest. While women make up 55% of the Korn Ferry UK workforce, they occupy only 35% of upper quartile positions. As stated earlier, this is the challenge for the professional services sector: continuing to attract, retain, and develop the best female talent and bring more women into leadership positions.

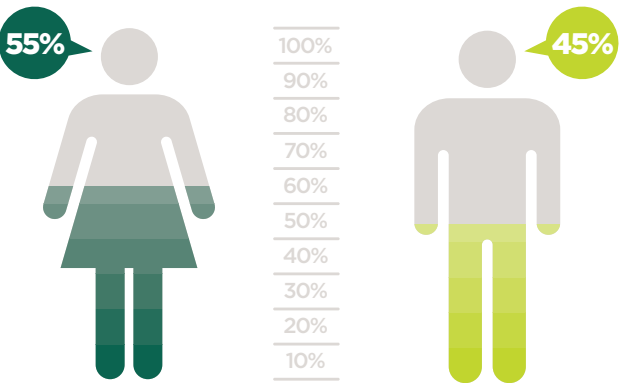
We will continue to focus on delivering an inclusive and high-performing culture while creating a diverse talent pipeline as we compete for, attract, retain, and develop the best talent. We need to ensure that we maintain a workplace culture in which women choose to stay engaged, rise up the ranks and increasingly serve in leadership roles at the top.

Korn Ferry UK

Below are combined figures across our entire Korn Ferry UK division.

Across the UK, we have a gender balanced workforce: 55% women and 45% men. However, the data show that there are fewer women at the senior executive level, where pay is highest. These comparisons showcase an important talent challenge: the ongoing need to ensure that desire and talent alone are responsible for those promoted into senior and leadership positions.

Proportion of women and men across the Korn Ferry UK workforce:



Salary Gap

Data aligned with regulatory compliance.

	Mean
Gender Salary Gap	30.1%

Proportion of women and men receiving a bonus payment:

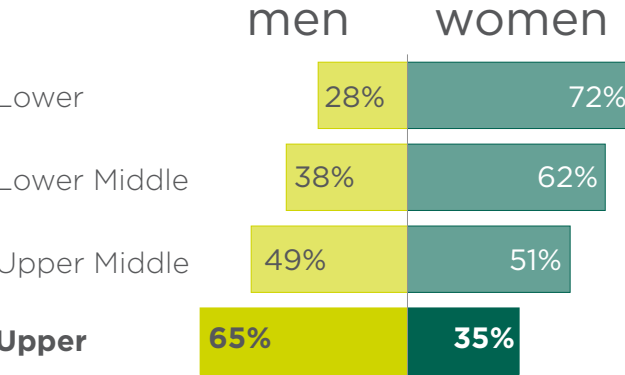
Data aligned with regulatory compliance.



Most organisations, including our own, are finding that although they pay men and women the same for doing the same jobs, they still have a significant gender pay gap. This is because there are fewer women in the higher paying jobs — usually the most senior jobs across all levels — but also jobs in the highest paying functions like engineering and technology.

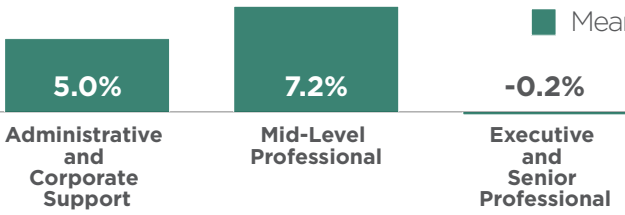
Proportion of women and men in quartiles

Tracked at Korn Ferry as one input used to help us monitor diversity and inclusion.



Salary Gap by Level

Tracked at Korn Ferry to ensure we are paying consistently based on the role / function / experience of the individual. The negative number shows that at our highest levels, on average, women are earning slightly more than men.



Tackling the gender gap within the UK and beyond

Like many of the clients we serve, Korn Ferry has been working to invest in a purpose-driven culture, increase female representation and contribution firm-wide and create an even more gender-diverse pipeline.

We are actively working to attract, develop, and retain an increasing number of talented women and people from underrepresented populations in our workforce at all levels.

Unconscious Bias Training

In 2018, we launched mandatory unconscious bias training into our promotions process. This training helps our people understand the logic behind unconscious bias and learn tactics for avoiding the pitfalls associated with it; increase awareness of our own and others’ potential biases and how and when those reactions can influence decisions about candidate readiness for promotion; and determine ways to mitigate bias in our promotion process to ensure objective decision-making and better outcomes.

UK and Ireland Diversity and Inclusion Culture Forum

Working across four strands of activity (health and well-being, knowledge sharing, corporate social responsibility, and social activities) this team builds and delivers a calendar of initiatives across our UK business to engage everyone more meaningfully within the firm. The forum meets monthly and is responsible for defining and leading delivery of initiatives that improve workplace engagement.

Inclusion Benefits

Our benefits programs enable us to attract, develop and promote our people without having to put their personal lives on hold.

We are proud to offer our employees:

- Enhanced maternity pay & leave — Our pay and leave go beyond the statutory requirements. While statutory obligations require 6 weeks at 90% pay before moving to the statutory capped rate, we offer 18 weeks of maternity leave at 100% pay, with an additional 6 weeks at 50% pay, plus 15 weeks at the statutory capped rate.

- Encourage & support parental leave — This form of leave allows both mothers and partners to share maternity leave. While this is a statutory requirement, we actively promote this practice within the firm.
- Promote and encourage flexible working arrangements — Whether this is a homeworking or flexible-hour model, we work with individual employees to create an arrangement that best fits with their lifestyle and family commitments.

At Korn Ferry, we are proud that we have an employee workforce with over half comprised of talented women who each day demonstrate passion, strength, determination and embody the values of the firm. Like the clients we serve, Korn Ferry must continue to progress — but we are proud of the direction we are headed. Our firm is not only about serving clients — we value making an impact and a difference in our world.

Statutory disclosures and other relevant data points

Korn Ferry UK has one legal entity with at least 250 employees for which we are required to report our gender pay gap data. As required by the regulations, we report both mean and median data. The mean is the total of all salaries, divided by the number of people (commonly known as the ‘average’); whereas the median is the salary for the ‘middle’ employee, where half of employees earn more and half earn less. Bonuses are one component of an individual’s total compensation that may vary from year to year and are awarded based on the accomplishment of specific, objective performance metrics.

Korn Ferry Hay Group Limited

Salary & Bonus Gap

	Mean	Median
Gender Salary Gap	38.2%	42.8%
Bonus Pay Gap	53.2%	48.7%

Proportion of Women and Men in Quartiles

	Women	Men
Lower	73%	27%
Lower Middle	65%	35%
Upper Middle	44%	56%
Upper	35%	65%

Proportion of women and men receiving a bonus payment:



I confirm that the data reported is accurate.

Julian Slater, Director





Declaration

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.