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Gross pay packages for top executives

Sir Martin Sorrell has again had to defend his bumper pay package, saying shareholders had previously approved the incentive plans at advertising and PR company WPP by a substantial margin.

Sorrell's remuneration package grew to £70,416,000 in 2015.

Sir Martin, who has previously faced shareholder revolts over his pay, said he is "not embarrassed" by the success of the company he founded. But he is likely to face another shareholder revolt over his pay at the group's AGM in June.

He tops another tranche of 40 top executive whose remuneration was over £1 million last year.

Sorrell's package was more than six times that of his finance director. Paul Richardson's package was worth £11.52 million in 2015.

Nicandro Durante, chief executive officer of British American Tobacco (BAT), takes third spot with £4.52 million last year.

Two executives at insurance agency Beazley complete the top five. Clive Washbourn is taking a two-month sabbatical in April and May and he

will have the cushion of last year's package of £4.35 million to tide him over. But just in case, he sold some Beazley shares in March which netted him over £430,000 (not included in figure in table). Beazley's chief executive Andrew Horton had a package worth £3.76 million in 2015.

Year-on-year comparisons can be made for 33 of the 40 executives and 19 saw their remuneration package grow last year. A lucky 13 executives received increases of over 10% in their packages at a time when average earnings in the economy as a whole were rising by just 1.6%.

Robyn Perriss was promoted to the board of online property group Rightmove in 2013. An award of long-term incentives worth £640,000 boosted her overall package last year by 102.1% to £1.27 million.

Two of the top five in terms of size of package took the next spots – Washbourn with a 74.6% increase and Sorrell with a 64.9% increase.

Rightmove executives complete the top five. Chief operating officer Peter Brooks-Johnson received a 50.6% rise and chief executive Nick McKittrick a 43.8% rise.

The total remuneration figure given in the table includes: basic salary, cash bonus, long-term share bonuses, golden hello, golden handshake, pension payments and a cash figure for other benefits that directors receive, such as use of company car, life insurance, private health benefits and housing

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allowance. It does not include dividends received from their shareholdings in their company.

Presenteeism – sick and at work

Going into work while ill may not be such a bad thing after all, suggests a report by the Institute for Employment Studies (IES).

The report— *Presenteesim: a review of current thinking*— challenges the idea that workers have to be 100% fit before going back to work and argues that the workplace can have a beneficial effect on rehabilitation and recovery, even for workers with serious health conditions.

Presenteeism – showing up to work when one is ill – can be a negative phenomenon, (risking cross-infection and increasing the chances of making some health conditions worse.

However, the study suggests that employers should look at the positive benefits of some presenteeism at work.

Author Dr Valerie Garrow said: “Our report shows very clearly that if people with ill-health are on the journey back to work after an illness or injury, having access to a phased or graduated return to work where they perform reduced duties or work fewer hours can benefit both them and their employer.”

Those who are most vulnerable to presenteeism, identified in the study, cut across the whole organisation in terms of seniority and job role, including:

- people with high sickness absence who are under pressure to reduce it;
- people with financial problems;
- high-skilled white collar workers, compared to the other occupational classes;
- those who are childless are more likely to come to work when sick compared to those who are recently married or have children;
- older workers;
- people with unhealthy lifestyle choices including smoking, those with unhealthy diets and who don't exercise very much; and
- people with poor psychological well-being, including depression, which is worthy of particular attention due to its prevalence and lack of visibility.

Professor Stephen Bevan, head of HR research development at IES, said the report “challenges employers to create environments where people with health problems feel confident to disclose

Executive	Company (financial year end)	Total remuneration (£000)	% change
Sir Martin Sorrell	WPP (12.15)	70,416	64.9
Paul Richardson	WPP (12.15)	11,523	2.7
Nicandro Durante	BAT (12.15)	4,523	25.0
Clive Washbourn	Beazley (12.15)	4,348	74.6
Andrew Horton	Beazley (12.15)	3,760	0.4
Michael Roney	Bunzl (12.15)	3,636	-23.7
Ben Stevens	BAT (12.15)	3,319	20.7
Ian King	BAE Systems (12.15)	2,929	-16.8
Aidan Heavey	Tullow Oil (12.15)	2,836	19.2
Jerry DeMuro	BAE Systems (12.15)	2,550	n.a
Neil Maidment	Beazley (12.15)	2,487	-0.3
Adrian Cox	Beazley (12.15)	2,478	-0.4
Nick McKittrick	Rightmove (12.15)	2,300	43.8
Jeremy Helsby	Savills (12.15)	2,298	2.7
Rupert Soames	Serco (12.15)	2,226	n.a
Mark Read	WPP (12.15)	2,219	n.a
Chris Kennedy	ARM Holdings (12.15)	2,180	n.a
Martin Bride	Beazley (12.15)	2,116	1.2
Peter Ventress	Berendsen (12.15)	2,106	-38.6
Patrick Larmon	Bunzl (12.15)	2,086	-18.6
Brian May	Bunzl (12.15)	2,002	-22.5
Peter Brooks-Johnson	Rightmove (12.15)	1,829	50.6
Ed Casey	Serco (12.15)	1,785	11.2
Simon Shaw	Savills (12.15)	1,717	2.3
Ian Springett	Tullow Oil (12.15)	1,676	19.3
Peter Lynas	BAE Systems (12.15)	1,651	-17.6
Graham Martin	Tullow Oil (12.15)	1,581	19.3
Angus McCoss	Tullow Oil (12.15)	1,578	19.2
Paul McDade	Tullow Oil (12.15)	1,576	19.3
David Ritchie	Bovis Homes (12.15)	1,538	-3.6
Simon Pryce	BBA Aviation (12.15)	1,500	-14.2
Chris Weston	Aggreko (12.15)	1,486	n.a
Kevin Quinn	Berendsen (12.15)	1,466	-30.8
Simon Segars	ARM Holdings (12.15)	1,463	-35.9
Katherine Garrett-Cox	Alliance Trust (12.15)	1,435	4.1
Tim Score	ARM Holdings (12.15)	1,273	n.a
Robyn Perriss	Rightmove (12.15)	1,270	102.1
Samir Brikho	AMEC Foster (12.15)	1,265	-31.1
Angus Cockburn	Serco (12.15)	1,231	n.a
Nick Cooper	Ophir Energy (12.15)	1,215	-59.1

them to their bosses so that they can get the help they need to use a gradual return to work to build their confidence and speed up recovery”.

“For some conditions a good-quality job and a supportive boss can have genuinely therapeutic benefits and, for many people, being away from work for weeks can undermine their physical and psychological health,” he added.

<http://www.employment-studies.co.uk/news/sick-and-work-hidden-benefits>

Trade union membership 2015

Union membership grew slightly last year, but union density fell again, the latest official figures show.

The key findings in the annual survey, *Trade union membership 2015*, published by the Department for Business, Innovation and Skills, were as follows:

Membership Around 6.49 million employees in the UK were trade union members in 2015. That was a 36,000 or 0.6% increase on the year before.

TUC general secretary Frances O’Grady said: “It’s great news that more people are part of a trade union. Joining a trade union is the best way to get fair pay and respect at work.

“Employers benefit from their staff being in trade unions too, such as the workplace training unions help organise. And the economy benefits from the boost to productivity that comes from a trained and well organised workforce.”

Union density The number of UK employees increased between 2014 and 2015. As a result, the proportion of employees who were trade union members – union density – fell slightly to 24.7% in 2015, from 25.0% in 2014. This is the lowest rate of trade union membership recorded since 1995.

Public and private sector Union membership levels in both sectors posted an increase. In the private sector, there was a 6,000 increase on 2014 to almost 2.7 million members.

However union density fell slightly from 14.2% to 13.9%, reflecting the fact that employment growth outpaced the growth in union membership.

In the public sector, union membership levels increased by 29,000 year-on-year to 3.8 million in

2015. Union density in the sector rose from 54.3% to 54.8% in 2015.

Gender The number of male union members increased by only 1,000 to 2.9 million, while for women the increase was 36,000 to 3.59 million.

Female employees are more likely to be a trade union member. The proportion of female employees who were in a trade union was around 27.7% in 2015, compared with 21.7% for male employees.

Collective bargaining Employees who worked in larger workplaces (with 50 or more staff) were more likely to be in a trade union and were more likely to have a trade union present in the workplace.

Employees in larger workplaces were also more likely to have their pay affected by a collective agreement.

The proportion of employees who belonged to a trade union in larger workplaces was 32.7% in 2015, compared with 15.8% in the workplaces with less than 50 employees.

About 58.5% of employees in larger workplaces reported that a trade union was present, compared with 25.4% in smaller workplaces.

The proportion of employees who had their pay affected by a collective agreement was around 38.7% in larger workplaces, compared with 16% in workplaces with less than 50 employees.

Employees are more likely to have their pay affected by collective agreements if they work in “public administration and defence” compared with the other sectors; in Northern Ireland compared to the other nations; and in the North East compared to the other regions.

In the public sector, the proportion of employees who had their pay affected by a collective agreement was unchanged on 2014 at 60.7%. However, in the private sector, the proportion rose to 16.1% last year from 15.4% the year before.

Wage premium The gap between the hourly earnings of union members and non-union members – the union premium – narrowed in 2015 after two years of widening.

The trade union wage premium, defined as the percentage difference in average gross hourly earnings of union members compared with non-members, was 16.1% in the public sector and 7.1% in the private

sector. This was a decrease of 5.5 and 0.4 percentage points respectively when compared with 2014 when the gaps were 21.6% and 8.2%.

For all employees, the premium narrowed by 2.6 percentage points from 16.7% to 14.1%.

www.gov.uk/government/statistics/trade-union-statistics-2015

UK behind Scandinavia on gender equality

The UK rates as middle ranking on gender equality in the workplace, according to a survey from Glassdoor Economic Research.

The study, *Which countries in Europe have the best gender equality in the workplace?*, examined a variety of gender equality measures, including the gap between male and female employment rates; female representation on corporate boards, legislatures and top management; and the "cost of motherhood" in terms of lower wages for mothers. Glassdoor's rankings were based on OECD and Eurostat data, as well as the European Commission's gender equality database.

Among 18 European countries examined, Sweden, Norway, and Finland rank the highest for overall gender equality. By contrast, Greece, Italy and Ireland rank as having the lowest overall gender equality in the workplace. The UK comes in the middle.

Looking at the gender gap in employment by job type, UK managers comes in the top three and the UK has an above average score for "board members" and "legislators, senior officials and managers".

However, out of 12 other rankings, including "cost of motherhood" and "employment rates" the UK receives below average scores.

https://research-content.glassdoor.com/app/uploads/sites/2/2016/05/Glassdoor_GenderEquality.pdf

UCATT votes for merger with Unite

Delegates at the annual conference of construction union UCATT have voted in favour of a merger with or a transfer of engagements to the Unite general union.

The union made the decision in order to preserve its existing structures and to maximise the representation of construction workers in all sectors. UCATT will now enter into full negotiations with Unite. Once negotiations are complete a vote on a transfer of engagements of all UCATT members will take place.

Brian Rye, acting general secretary, said: "UCATT delegates listened to the arguments both in favour of remaining independent or a merger or transfer to Unite and decided that the best option for existing members and for all construction workers was a link up to Unite."

The TUC 2016 directory puts UCATT'S membership at just over 61,000.

www.ucatt.org.uk/ucatt-conference-votes-merger-or-transfer-unite-union

Missing data

Too many FTSE 1000 companies are failing to report on issues such as health and safety incidents, data breaches and employee turnover in their annual reports, according to research by the Valuing Your Talent Partnership.

Launching the report, former business secretary Vince Cable said: "It shows a poor understanding of the significance of people-related data and the need for greater transparency."

<https://www.cipd.co.uk/hr-resources/valuing-your-talent.aspx>

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