

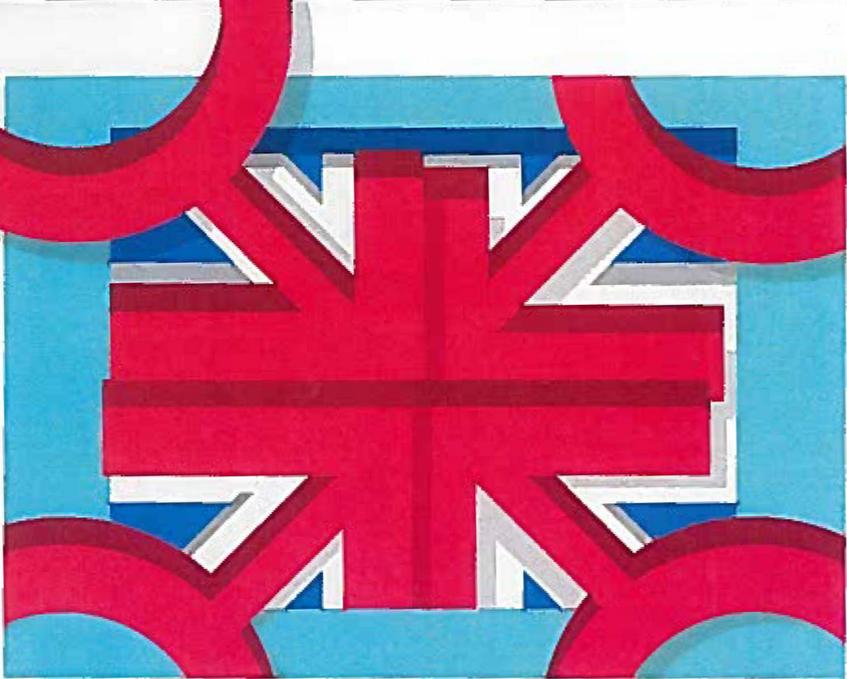
# U.S. Entertainment Companies Fail the Test in the U.K.

**Mandatory reports reveal huge pay gap between men and women — and bonuses received by top executives only widen the disparity**

Last week, all companies in the U.K. with more than 250 employees had to report their gender pay gaps — not by choice but under a new law backed by Prime Minister Theresa May. May has called the pay gap a “burning injustice” that she is determined to eliminate within a generation.

The entertainment industry, long used to playing by its own rules, has not come off well. The overwhelming trend is of double-digit gaps in average pay for men over women, and vast chasms when it comes to bonuses. Ironically, big U.S. entertainment giants such as Warner Bros., Universal Music, Turner Broadcasting and Disney have had to report these sorry figures for their U.K. units but not for their operations back home, where there is no such law. Perhaps their U.S. employees will now start demanding similar information.

Much of the media focus has been on the size of the salary gaps. But what really tells the story about ingrained gender inequality is the disparity in bonus pay (men receive 67% more than women at Warner Bros., 88% at Live Nation, 68% at Turner Broadcasting) and the disproportion of men — usually in the region of 70% — in the upper quartile of earners. Many companies explain their “uncomfortable” figures by saying the number of men in top-earning positions skews the overall figures. But that raises the question: How did you allow this situation to persist in the 21st century and not take measures to promote women into leadership roles?



A huge achievement of the new law is that more than 10,000 companies in the U.K. have suddenly had to take issues of gender equality seriously. There was genuine concern about reputational damage, and about having a bigger gap than a competitor. Some HR managers say the law has focused CEOs' minds on matters such as improved parental benefits and flexible working options.

Companies had to file a report that not only contained pay figures but outlined policies for closing the gap. These include Columbia Pictures committing to diversity and inclusion training, Warner Bros. offering unconscious-bias awareness training to managers and Universal Music providing coaching and mentoring. But few entertainment companies committed to a specific action plan or timeline for addressing their leadership gender imbalance. One exception was news producer ITN, whose CEO vowed that no bonuses would be paid to senior managers, including himself, unless diversity targets were met.

What steps must be taken to achieve equal representation of women in leadership positions?

► **ACTIVE ENGAGEMENT FROM THE TOP LEADERSHIP TEAM.** C-suite execs should lead the way, sharing the vision and actively committing their organization to a tar-

get. “He” who wields the power has the power to create change. Make line managers accountable for progressing women in the organization.

► **FLEXIBLE WORKING OPTIONS FOR ALL.** Create a culture that embraces modern working practices based on output and trust. Lack of flexible working options is one of the biggest reasons why the entertainment industry is losing women at the senior level. The old-fashioned practice of five days a week in the office has stifled the progression of women.

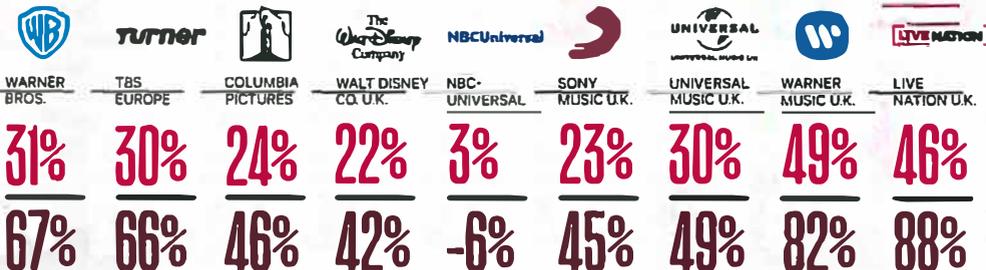
► **PARENTAL BENEFITS.** Increase benefits to new parents, and guarantee paid leave for new fathers. Gender inequality in the workplace won't be solved until fathers start taking on more parenting responsibilities, and men should be applauded for doing so. Spotify has a six-month full-pay maternity and paternity leave package, while at Netflix, parents are allowed to take as much time as they want in their child's first year on full pay.

► **RECRUITMENT AND PROMOTION.** Recruiters should be providing diverse short lists, and all managers should undergo unconscious-bias awareness training. “Interruption strategies,” such as removing names from résumés, work.

► **CAREER DEVELOPMENT.** Coaching and mentoring for senior-level women make an enormous impact on their career advancement. Being mentored by other senior women and being coached on how to navigate an often male-dominated organization is important and effective.

Thanks to the gender pay gap legislation in Britain, issues of female equality in the workplace are finally being taken seriously. It's provoked debate; it's provoked action. Let's hope the gender pay gap will soon be consigned to history. Why delay?

**Average Gender Pay (●) and Bonus (■) Gaps for U.K. Operations of Some U.S. Companies (2017)**



PERCENTAGES MEASURE HOW MUCH MORE MEN RECEIVE THAN WOMEN (A MINUS PERCENTAGE INDICATES WOMEN RECEIVE MORE) SOURCE: COMPANY REPORTS

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