



Embracing
Gender Pay Gap
Reporting

2017



About NTT Security

NTT Security is the specialised security company and the centre of excellence in security for NTT Group. With embedded security we enable NTT Group companies (NTT Communications, NTT DATA and Dimension Data) to deliver resilient business solutions for clients' digital transformation needs. NTT Security has 10 SOC's, seven R&D centres, over 1,500 security experts, and handles hundreds of thousands of security incidents annually across six continents.

NTT Security ensures that resources are used effectively by delivering the right mix of Managed Security Services, Security Consulting Services and security technology for NTT Group companies – making best use of local resources and leveraging our global capabilities. NTT Security is part of the NTT Group (Nippon Telegraph and Telephone Corporation), one of the largest ICT companies in the world.



Learn more about NTT Security, visit www.nttsecurity.com



Learn more about the NTT Group, visit www.ntt.co.jp/index_e.html

1,500

Security experts
across NTT Security



Gender Pay Gap legislation

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 requires all organisations with over 250 employees to report publicly on their gender pay gap. This legislation came into force on 6th April 2017.

The analysis in this report is a snapshot based on employees as at 5 April 2017, and is calculated using specific and detailed rules as set out in the legislation.



The Gender Pay Gap and Equal Pay are not the same

With both topics attracting a great deal of media attention over recent months, it is important to understand the difference between equal pay and the gender pay gap:

- **Equal Pay** means that men and women working in the same company and doing equal work must receive equal pay, as set out in the Equality Act 2010.

NTT Security (UK) Limited does not discriminate against gender and acts in accordance with the Equality Act 2010. We believe that men and women should be paid equally for doing equivalent jobs across our business.

- **The Gender Pay Gap** is the difference between the average earnings of all men compared to the average earnings of all women across the organisation, regardless of their role or seniority and does not compare the same or similar roles. It is expressed as a percentage of male earnings.

25%

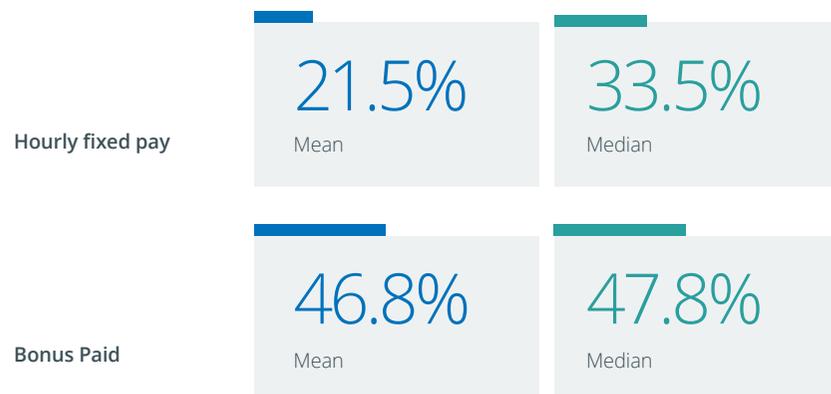
Gender pay gap across 153 high tech companies⁽²⁾



Headline figures for NTT Security (UK) Limited in the UK

The Institute of Fiscal Studies (IFS)⁽¹⁾ reports that, on average, the hourly pay of female employees in the UK is 18 percent lower than that of male employees. Mercer⁽²⁾ analysis of 66,000 employees across 153 high tech companies concluded that the sector has a 25 percent gender pay gap. In line with many organisations within our industry, our gender pay gap is primarily caused by having fewer women in senior positions. These senior positions often attract higher hourly rates of pay in line with market demands. The statistics shown below for the bonus percentage also reflect that a higher proportion of senior roles in our organisation are held by men. The market prescribes that these roles attract a higher level of bonus than junior roles.

FIGURE 1
The difference between men and women – mean and median pay gap and bonus



Mean gap in pay and bonuses

The mean – commonly known as the average – gender pay gap, which shows the difference in the average hourly pay for female employees compared to that of male employees is 21.5 percent lower at NTT Security (UK) Limited. This is because in our organisation we have proportionately more men than women in senior, higher paid roles.

The mean bonus gap is 46.8 percent even though we have a higher proportion of females in receipt of bonuses, because there are fewer males in more junior roles receiving a bonus.

Medium gap in pay and bonuses

The median, commonly known as the ‘mid-point’ gender pay gap is 33.5%, with a median bonus gap of 47.8% and reflects the fact that the larger proportion of women in our organisation are in less senior roles, and are paid less than the men which typically attract a lower rate of pay. Therefore statistically, there is a larger gap between the ‘middle woman’ and the ‘middle man’.



Bonus proportions

The table on the right shows that 69.8 percent of women and 55.2 percent of men received a bonus. This is largely driven by functional representation, with a high proportion of men in areas of our organisation that do not currently receive a bonus.

Gender distribution - Proportion of men and women in each quartile of company pay – from highest pay (quartile 1) to lowest pay (quartile 4)

Pay quartiles show the split of men and women in each quarter of our workforce when ordered by pay received, (i.e. the top 25 percent of salaries are grouped in quartile 1).

The information below shows the proportion of men and women in each pay quartile, with the quartile 1 chart being the highest paid quartile and the quartile 4 chart illustrating the lowest paid quartile.

These figures reflect that there are fewer women currently working in senior roles in our organisation and consequently, a higher proportion of the female population lies within the lower-paid quartile. This is a main contributor to the gender pay gap within our organisation.

FIGURE 2

Percentage of men and women who received a bonus



FIGURE 3

Gender distribution in each quartile of company pay



Quartile 1 - Top 25 of salaries

Quartile 1 shows the top 25% of pay within the organisation.

This shows that there are more men in the higher earnings quartile of our organisation than women.



Quartile 2

Quartile 2 shows the upper middle 25% within our organisation.

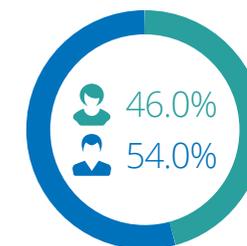
As within quartile 1 this reflects a higher proportion of men than women in this earnings quartile.



Quartile 3

Quartile 3 shows the lower middle 25% of pay within the organisation.

This reflects a higher proportion of men than women in this earnings quartile.



Quartile 4

Quartile 4 represents the lowest 25% of pay in our organisation.

There is a more even distribution of male and female employees.

Information Security Market Challenges

With a global dependency on technology and the frequency of continued cybersecurity threats, our vulnerability nationally, organisationally and individually continues to increase. This in turn has an impact on the cybersecurity industry to continue to employ, develop and maintain a skilled workforce to combat these vulnerabilities. A recent global (ISC)⁽³⁾ survey produced by Frost & Sullivan, which interviewed over 19,000 information security (IS) workers, found that the demand for talent outpaces the supply in the cybersecurity industry. Based on that study, the number of unfilled cybersecurity jobs globally is currently estimated at 1 million and this will rise to 1.8 million by 2022⁽⁴⁾, a 20 percent increase on 2015 estimations.

The IS sector is overwhelmingly dominated by men – only 11 percent of the global IS workforce are women⁽⁵⁾, a characteristic of this industry sector that has remained unchanged for a number of years. As a sector generally, less senior roles within organisations are predominantly held by women, which is reflective of NTT Security.

A recent NTT Security report⁽⁶⁾ highlights that there is more that can be done at every level to encourage women into cybersecurity careers. We need to educate careers advisors and support schools and universities to change the image of cybersecurity from one that is seen as male dominated, to encourage more women into the sector. The industry also faces a revolving door of millennials who are leaving their roles at an unprecedented rate and appear to value compensation less than expected.

20%

Prediction of unfilled
cybersecurity jobs
globally by 2022⁽⁴⁾



Steps we are taking

01

Building future talent

It's well known that there are more men than women in STEM (Science, Technology, Engineering and Maths) related careers. We are confident that there is more work that NTT Security can do in this area. We are at the early stages of developing a STEM programme, working with organisations to help enthuse young learners into taking up STEM careers and in supporting educational establishments, to understand the cybersecurity industry, skillsets and career entry routes.

02

Attracting and developing more diverse talent

We recognise that there is more that we can do to reflect our core value of diversity and to drive this agenda forward. We recognise from research papers mentioned throughout this report and our own data, that we have a lack of gender diversity within our organisation. We need to be able to show women currently in the cybersecurity industry, and those considering moving into this industry, what the industry is really like to work in, the type of roles and skillsets that are required, and how they can drive and evolve these skills in NTT Security. We have initiatives underway that will show what it's like to work at NTT Security, and to showcase the talented colleagues we have working in each of our functions and regions.

In addition, we are looking to develop our diversity and inclusion plans further within our Employee Value Proposition (EVP) to examine how we can attract and develop a more diverse workforce – including how we work with universities globally to attract a range of talent.

03

Ensuring the fairest and most equitable process and ways of working

We are implementing a framework which enables our business to have a consistent global approach to reward, and ensure colleagues are recognised and rewarded based on both market-competitiveness and their performance. This approach is designed to attract, engage, and grow talent within the organisation, regardless of gender.



Summary

The challenges of the information security market, coupled with the long-standing gender imbalance in the cybersecurity industry means we must continually monitor and develop our Employee Value Proposition (EVP). This ensures that we remain relevant and competitive in order to attract, engage and grow a multi-generational diversity of talent to the organisation and which reflects a modern, changing workplace.

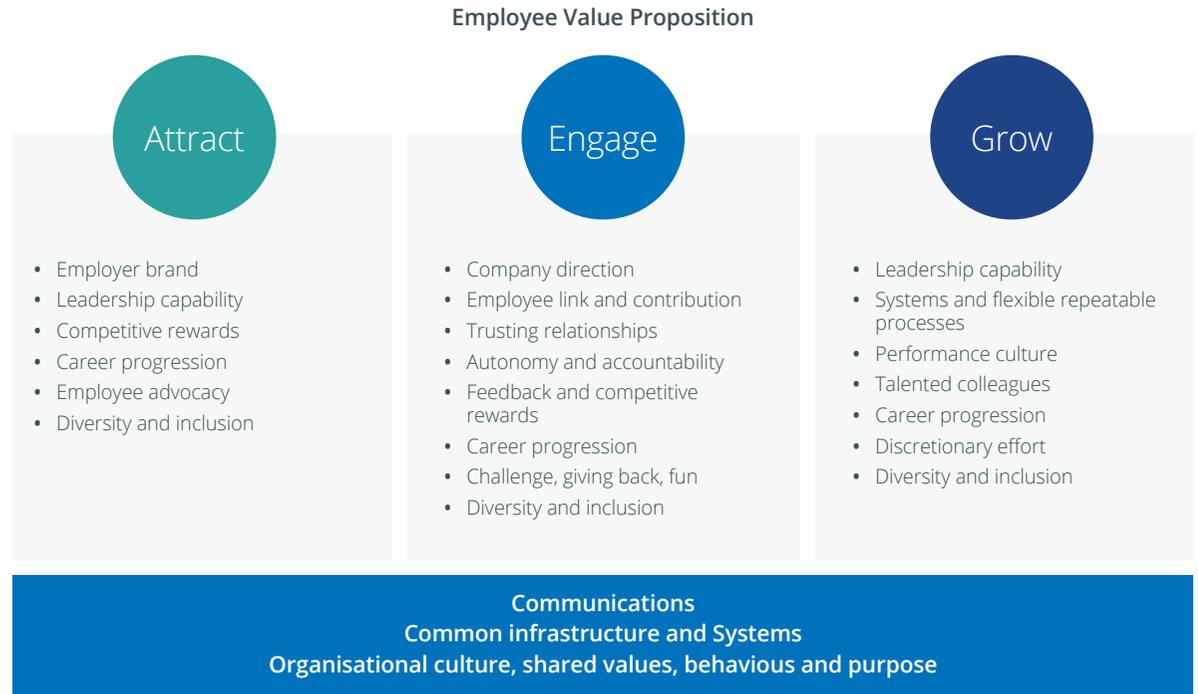
Whilst we know there is a valid explanation for a gender pay gap, as a reasonable employer we cannot afford to be complacent, especially when diversity makes up one of our three core values of **integrity, diversity** and **collaboration**. At NTT Security, we value the diversity that colleagues bring to our organisation and which contribute to growing our business, helping maintain our position as a leader in information security services.

I can confirm that the calculations have been completed in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Clive Lewis
Chief Financial Officer, NTT Security

FIGURE 4
NTT Security Employee Value Proposition



1. Institute of Fiscal Studies (2016) - <https://www.ifs.org.uk/publications/8428>
 2. Mercer – Gender pay in the UK high-tech industry (2017)
 3. The 2017 (ISC) Global Information Security Workforce Study, Frost & Sullivan

4. Gartner – press release
 5. The Frost and Sullivan Whitepaper: The 2017 Global Information Security Workforce Study: Women in Cybersecurity
 6. More threats. Fewer experts. There's a growing skills gap. How will you manage? (2018)



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