



JOHNSTON
CARMICHAEL



Where sharp minds meet

Johnston Carmichael Gender Pay Gap Report

2018

Overview

Gender pay gap reporting requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. It differs to 'equal pay' as set out in the Equality Act 2010 as this requires men and women performing equal work to receive equal pay. The gender pay gap measures the difference between men and women's average earnings across an organisation expressed as a percentage of men's earnings.

Johnston Carmichael responded to the guidance last year and reported the required 2017 calculations by the deadline of 4 April 2018. We also published a narrative to provide some context to those figures.

We now report our figures for 2018 and provide a further narrative on our plans for the year ahead. Our figures have been confirmed by an 'appropriate person', our Chief Executive, and have been published on the government website and our own website. As was the case last year, Johnston Carmichael (Scotland) Ltd is the only company in our structure to meet the employee threshold for reporting purposes.

Message from the Chief Executive

Last year, our first gender pay gap report was published during the research period of a major exercise we undertook to define our firm's Employer Brand. The data from our report supplemented a large-scale exercise to gather feedback from employees across the business, with a long-term view to attract and retain the best talent in the market. Our goal is for our people to be proud to work for our firm and for Johnston Carmichael to be at the top of the list for potential recruits looking for a varied career in professional services.

While our figures show little movement compared to last year, we take a long-term view of our multi-layer people strategy and believe that the actions we are putting in place will have a positive, long-term impact.

At Johnston Carmichael, we celebrate individuality. It's what makes us different. Our main focus over the last year has been launching our new personal development programme, Your JC Path. We believe that personal and professional growth comes in many shapes and sizes, so the programme supports and encourages our people to grow in their own way.

We have invested in real time feedback technology to create a culture of coaching and feedback to support this new programme and it has really been embraced by the firm.

Having only launched in October, we are still in the early stages however we are confident that we will all start seeing the benefits of this over the coming months and years, particularly as we start to further explore our reward principles, having greater transparency around how we link performance more directly with reward, ultimately driving confidence that opportunities for fair reward and opportunities to grow are available to all.

I confirm that the data is accurate.



Overall results



	Mean	Median
Gender pay gap	21.03%	29.04%

Proportion of males and females in each pay quartile



Upper quartile	51.70%	48.30%
Upper middle quartile	63.51%	36.49%
Lower middle quartile	69.59%	30.41%
Lower quartile	73.65%	26.35%

	Mean	Median
Gender bonus gap	72.77%	70.00%



Proportion of females receiving a bonus

21.27%



Proportion of males receiving a bonus

22.86%

* Mean (the average of the numbers)

** Median (the middle value in the list of numbers)

Some facts about our gender pay gap:

- Our gender split across JCSL during the reporting period is approximately 65% female 35% male.
- Our calculations include employees paid through the JCSL payroll who meet the relevant criteria as set out in the government guidelines. It has not been possible to gather sufficiently accurate information regarding what contractors have been paid and so this information has been excluded so as not to render the report inaccurate.
- Similar to our 2017 report, our top pay quartile figures continue to show that we have reasonably equal representation at senior levels across males and females in JCSL.
- Our lower pay quartiles and mean and median pay figures continue to be influenced by the higher proportion of women employed in administrative/support roles. These roles have historically tended to attract a lower salary.
- The bonus figures take into account all bonuses paid during the reference period; contractual and non-contractual bonuses, Introductions (our client introductions scheme), Talentspotters (employee referral scheme), student exam bonuses and instant reward vouchers. Last year we included all bonuses paid during the full month of April 18. Therefore, these have been included in this year's figures also and bonuses paid after the snapshot date of 5 April 2018 will be included in next year's report.
- Our bonus figures show a similar picture to 2017 in that fairly equal numbers of males and females received a bonus during the reference period. The male mean and median bonus figures are however significantly higher. This is due to client introduction bonuses being of a higher value (higher fees attract a higher bonus) and a few (contractual/non-contractual) bonuses which have been paid to a low number of males but have been of a high value.

Where we are focusing our efforts:

- In October 2018, we launched our new personal development programme - Your JC Path. The model is based on driving a culture of continuous coaching and feedback which will help our staff to gain a better insight into how they are performing in real-time and therefore a fuller understanding of how they are meeting their own goals and aspirations, living our core values, and contributing to the success of our firm.

Through this we are celebrating individuality and embracing the special qualities and skills we have as individuals to 'grow our own way'. This opens up opportunities for all of our staff to learn and develop whether this might be learning a new skill, applying for a promotion, or developing expertise in a new area. We are delighted that this has been embraced across the firm and look forward to continuing to build on this in the future.

Phase 2 of this programme is currently underway and will ensure Your JC Path evolves from a continuous feedback mechanism, to a true Performance and Development tool.

Where we are focusing our efforts (cont.):

- As part of Your JC Path, we will continue to encourage career development conversations at all levels between employees and their line manager ensuring that our managers have the skills and knowledge to manage these conversations effectively regardless of the function or level of staff they are managing.
- As part of our objective to be as transparent as we can be about the opportunities available across the firm, we also plan to ensure that all promotions are recognised and celebrated across the board and not just at senior levels. We feel that this is a positive message to share with our staff.
- At the heart of our strategy are highly engaged people who keep growing, and central to setting the tone for an engaged, fair and happy workplace is the role of the line manager. Having conducted a review, we have recognised that our core management skills need to have stronger emphasis in our learning and development curriculum. Therefore, this will be a key focus over the coming year.
- We will be setting up focus group sessions consisting of a cross section of females across our business to help us to understand whether they feel they face any barriers in terms of their progression. This will allow us to identify whether there is anything underlying in the firm's practices, processes or policies that is contributing to, for example, the high proportion of females in our lower pay quartiles and then consider the appropriate action.
- We have improved the conditions of our maternity and paternity policy in our efforts to ensure that is not a barrier to the career journeys of any of our people.
- We will continue to build gender pay gap analysis into areas where a decision on pay or contractual bonus is being made right from the outset at recruitment to promotions to our annual pay review process.

Where sharp minds meet

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