



Gender Pay Gap Report 2023

An independent member firm
of Moore Global Network Limited  **MOORE**

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Regulatory context

Gender pay gap legislation requires employers in the United Kingdom with 250 employees or more to calculate and publish on an annual basis gender pay gap data. The gender pay gap is expressed as a percentage of male earnings (e.g., women earn x% less than men). Reporting is based on figures taken on the 5 of April each year.

The specific information we are required to publish is:

- Mean and median gender pay gap (based on an hourly rate of pay at 5 April)
- Mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5 April)
- Proportion of men and women receiving a bonus payment
- Proportion of men and women in each quartile pay band (looking at the proportion in four pay bands when we divide our workforce into four equal parts).

Introduction

We value the individuality of our people at Johnston Carmichael and the unique skills and insight all 823 of them bring to the table; they make us the firm we are today.

Continuing to invest in our people and building on our inclusive culture is key to creating impact, not just for our clients, but for our people throughout their careers with us.

This report reflects on the statistics of gender pay gap within Johnston Carmichael as of April 2023, and provides the context behind those numbers. I'm pleased to report continued improvement on our gender pay gap mean, with a 3.87% decrease on last year, as well as only a slight increase to the median at 0.03%. While our pay gap is still well below the average for the Financial Services industry, and just below the overall UK average, we aim to continue our work to reduce it even further,

Reflecting on the firm at the time of the snapshot of 5 April 2023, I'm pleased to note the following key highlights:

- We continue to grow our strong relationships with schools and universities across Scotland and latterly, the North-East of England to promote business and accountancy career paths, both direct from school or following university.

- We became the first partner of the ICAS Foundation providing bursary and mentoring support to students. The foundation provides opportunities for young people who have the academic potential, but not the social or financial means, to achieve a university degree.
- We partnered with Netball Scotland to provide much needed financial support to help young girls get into and stay in sport for their wellbeing. And as part of this partnership, we're working to promote the business and finance career opportunities available to everyone.
- Our People and Culture Forum continues to play a lead role in driving change and innovation at work. The forum is made up of employees from across the firm and has six subgroups established to drive focus on key areas including Gender Equality and Diversity.
- We've continued to embrace hybrid working and flexible working for our people, helping to create balance around family and lifestyle commitments while providing a fulfilling career
- We've enhanced our maternity and paternity benefits packages.

Overall, this demonstrates our continued commitment to eliminating the gap in the pay received by men and women for doing work that is of the same or a similar value. We will continue to use the figures from the gender pay gap to help shape our strategic priorities for the period ahead. We'll do so in conjunction with our People and Culture Forum, our recruitment and succession planning, our performance appraisal analysis and early careers development.

Our aim is to ensure that everyone can develop and sustain successful and varied careers within the Johnston Carmichael team.



Martin Osler
Chief People Officer

Understanding the terminology and scope

Context of the report

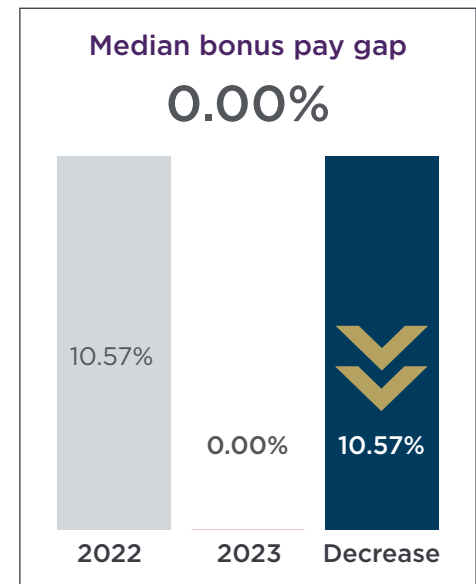
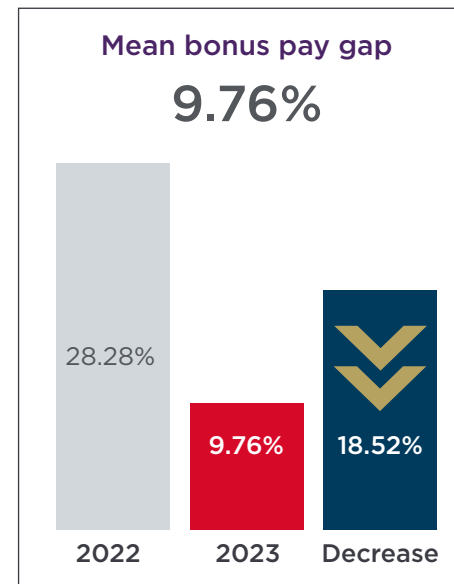
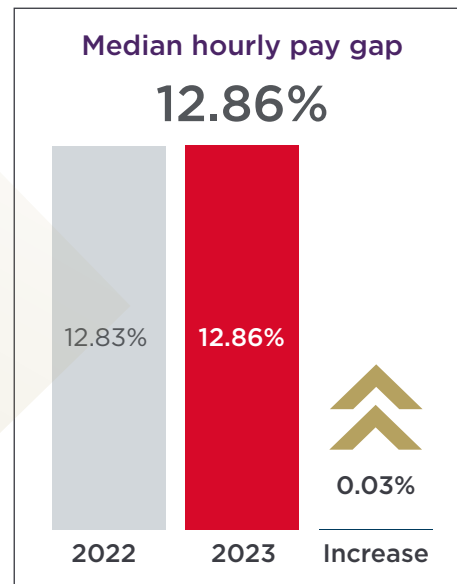
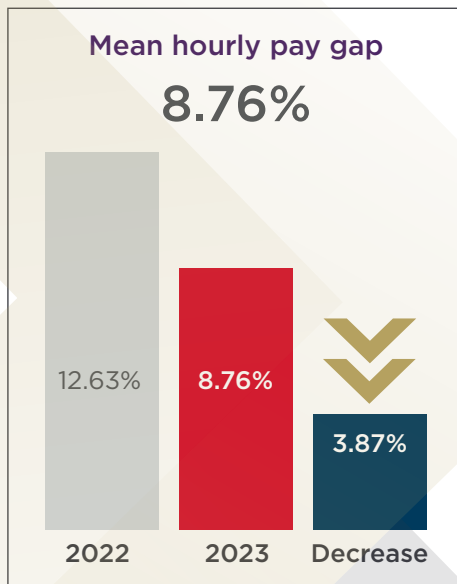
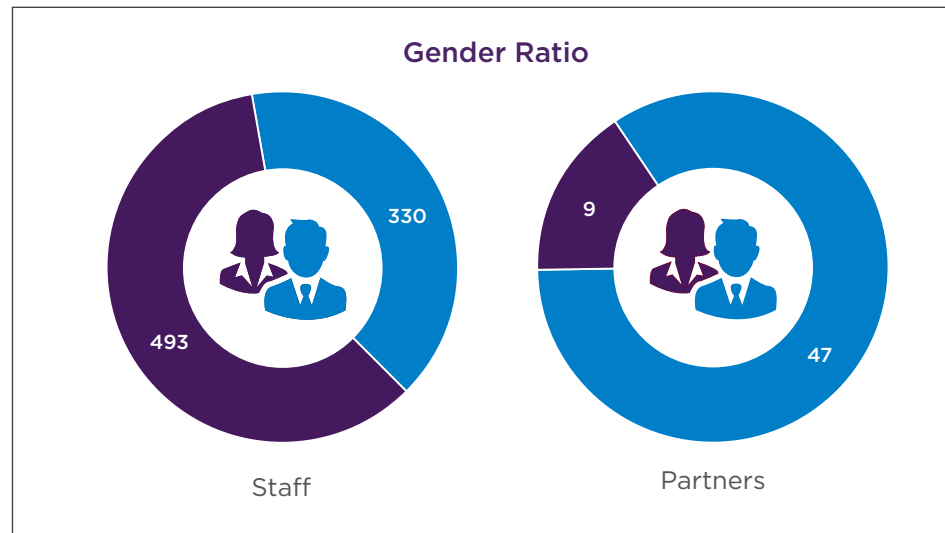
- This report covers our April 2023 gender pay gap analysis of employees; it does not include partners.
- In April 2022, 61% of our employees were female and 39% male and in April 2023 59% were female and 41% male.
- Within most reporting categories an improvement can be seen from April 2022 to April 2023 compared with previous reporting years.
- Our gender pay gap data covers the entirety of our employee workforce, from professionally qualified positions at varying levels of post qualification, to those training towards qualification and administrative employees.
- The gender pay gap does not take into account differences in role. The lower pay quartiles in the firm generally relate to employees carrying out administrative roles, which historically have been more likely to be undertaken by women.

Gender pay gap terminology

- **Gender pay gap vs equal pay** - A gender pay gap is a measure of the difference between the average earnings of men and women. This means that it compares pay among a whole workforce, regardless of the type or level of work they do. Equal pay is our statutory duty as an employer to give men and women equal pay for equal work. Equal pay has been a legal requirement since the Equal Pay Act was introduced in 1970 and this is reviewed by job profile routinely and as part of our salary review exercises annually.
- **Gender pay gap as a mean v median average** - In order to establish the mean gender pay gap, wages of all male and female employees are added and then divided by the total number of employees. The pay gap is the difference between the mean figures for men and women, which is reported as a percentage. The median gender pay gap is calculated by listing all male and female employees' wages from highest to lowest and comparing the number that sits in the middle for each gender. This doesn't account for age, previous experience, or differences in job roles.

Snapshot of 2023

Within most reporting categories we are pleased to have a notable decrease in our gender pay gap figures compared to April 2022, with the mean gender pay gap reducing to 8.76%. The median hourly pay gap has seen a very marginal increase of 0.03%.



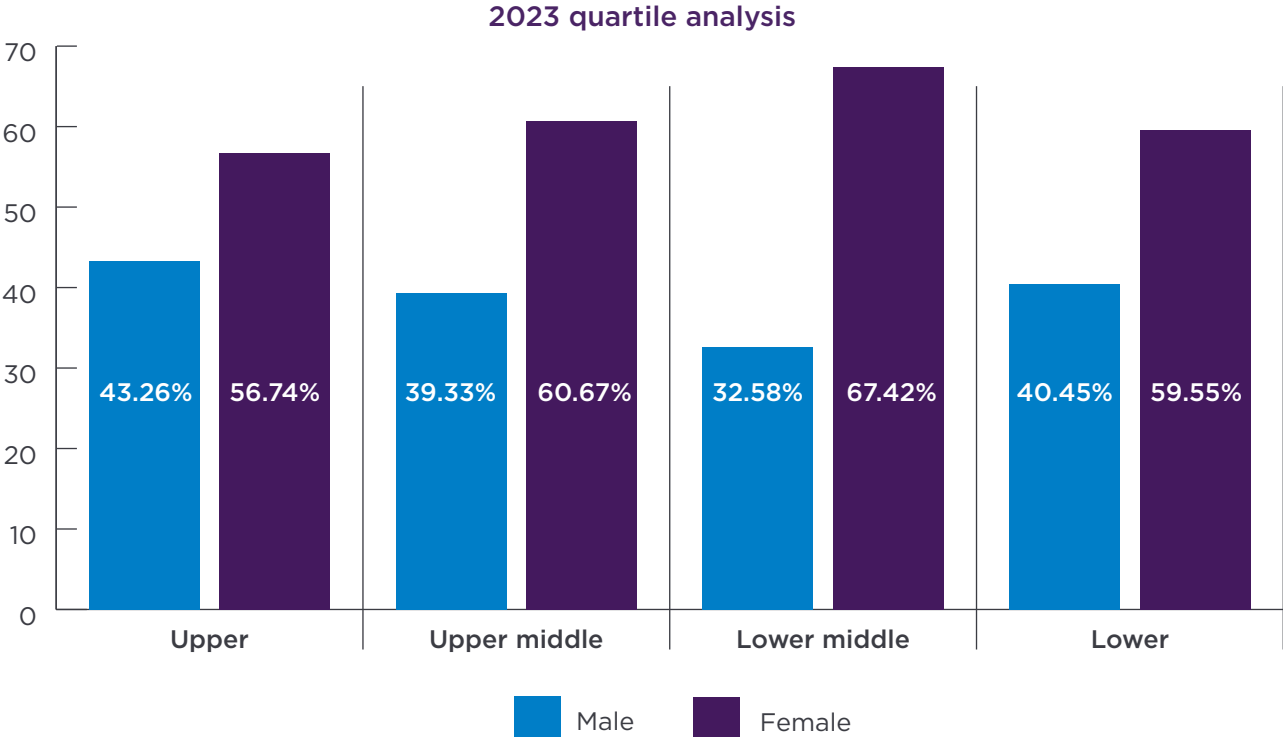
Full details on the figures above and our data spanning back to 2017 can be found on pages 6-7 of this report.

Our statistics in detail

Pay quartiles by gender

This graph shows our workforce divided into four equal sized groups based on hourly pay rate. The firm splits the organisation into four pay bands (upper quartile, upper middle, lower middle, and lower quartile) based on hourly pay.

The upper quartile covers the highest paid 25% of employees (UQ) and lower quartile includes the lowest paid 25% of employees. A quartile is one of four equally sized groups when you divide a selection of numbers that are in ascending order into four.



Pay quartiles

The figures in this table cover the last seven years for Johnston Carmichael. The figures have been calculated using the standard methods used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

	2019	2020	2021	2022	2023
Mean pay gap	29.27%	21.38%	20.01%	12.63%	8.76%
Median pay gap	31.91%	28.74%	24.32%	12.83%	12.86%
Mean bonus pay gap	69.76%	36.04%	12.96%	28.28%	9.76%
Median bonus pay gap	25.00%	6.54%	0.00%	10.57%	0.00%
Bonus achievement - female	17.39%	21.53%	99.01%	96.01%	92.39%
Bonus achievement - male	9.49%	11.34%	94.81%	94.32%	90.54%

Our bonus structure is relatively new, and we are working to ensure that, as with our salary structure, it remains fair and works to reduce the gender pay gap.

In 2023, and in each of the two preceding years, all employees were awarded a one-off discretionary payment, which explains why the bonus achievement percentages are significantly higher than earlier years.

Action plan to reduce the gender pay gap

We are committed to equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

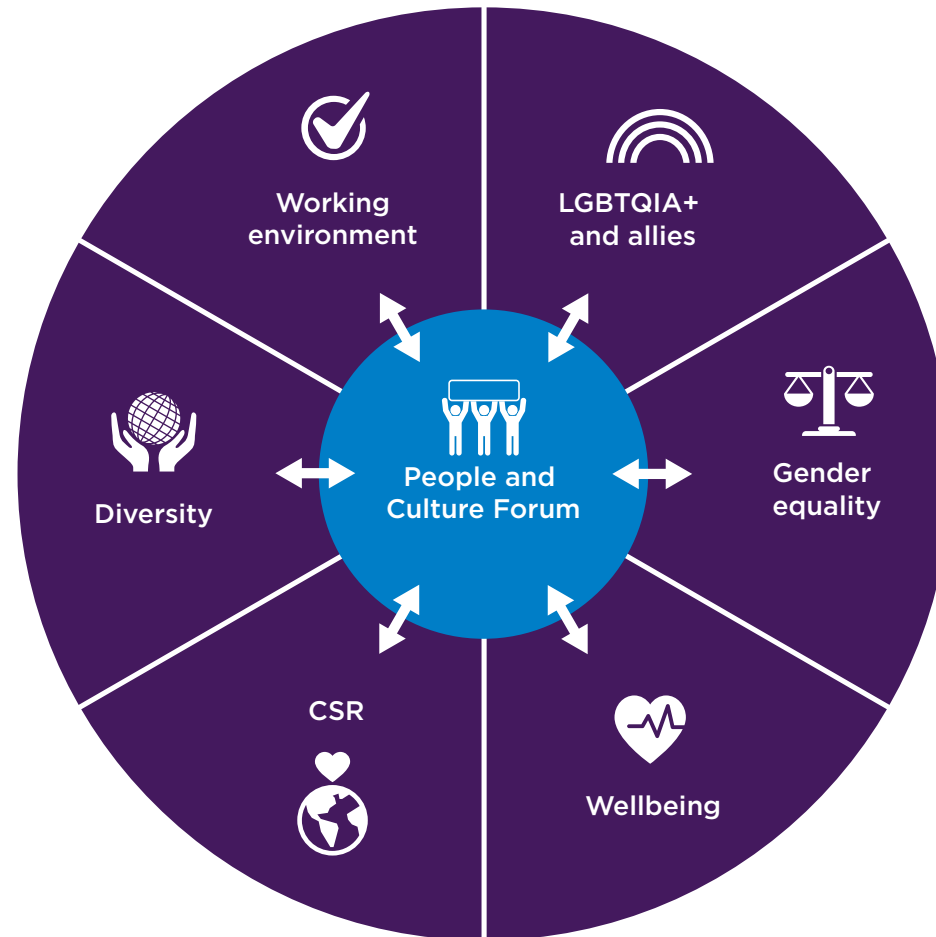
We recognise we need to continue our efforts to close the gap and have a range of measures in place to support this including:

People and Culture Forum

We have established a People and Culture Forum with representation from across the firm. This forum has a number of subgroups including Gender Equality, Diversity, LGBTQIA+, and Wellbeing.

The purpose of the forum and its subgroups is to encourage engagement from across the firm on issues that matter to our employees, encouraging innovation and ultimately, continuous improvement in our workplace culture.

Individually these initiatives will not remove the gender pay gap, but over time our aim is for this collective approach, including other initiatives not yet launched, will continue our progress in closing the gap.



Balanced Scorecard

We use a Balanced Scorecard approach across the whole firm to calibrate and carry out performance reviews.

Since 2019, our Nominations Committee makes recommendations on all Director and Partner candidates to the Board using the assessment of suitability and performance against a Balanced Scorecard. We believe this is a significant step, not only in fostering a culture of a high growth mindset within the firm as a whole and reinforcing our values, but also in removing any barriers to progression for talented people within our firm.

Recruitment

Rather than relying solely on interviews, there are an increasing number of vacancies where we ask candidates to perform activities which are job specific. This is used to assess their suitability for the role. For example, for our graduate and school leaver recruitment we use assessment centres.

Structured interviews are a good way to ensure that the process is fair and avoids biases influencing the selection process. Our competency-based question library is used during the selection process. We encourage our agency partners to supply non gender specific CVs. Furthermore, we do not ask applicants to specify their gender when applying directly to us.

When conducting our Early Careers selection, applicants are selected using a uniform telephone screening process where the same questions are asked of all candidates in a predetermined order and format. A situational based framework is used. The responses are graded using a standardised criterion. This makes the responses comparable and reduces the impact of unconscious bias.

Flexible working

We have continued to develop our family friendly policies through the introduction of fully flexible hybrid working. This has allowed many to achieve a positive blend of home and office working. We encourage line managers to be flexible in their approach to how often colleagues need to be in the office and when they can take leave, although this is not always possible in some areas of our business due to statutory deadlines. We also allow employees to adjust start and finish times and take time off in lieu.

Pay and benefits

We have recently undertaken a full review of our pay and benefits to ensure it is fair and competitive when compared to the marketplace, the results of which were incorporated into the 2022 pay review. New benefits offerings were introduced in 2022 and have been further refreshed in 2023, including improved parental leave benefits. We want to ensure that all of our employees are rewarded fairly and have access to benefits that encourage flexibility and work/life balance.



Andrew Walker
Chief Executive



Martin Osler
Chief People Officer

1 March 2024



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