



JOHNSTON   
CARMICHAEL

Where sharp minds meet

# Johnston Carmichael Gender Pay Gap Report

**2017**

## Overview

Gender pay reporting legislation 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.

At Johnston Carmichael we have responded to the guidance, the key elements of which are set out as follows:

- We have carried out the six required calculations, and the results will be published on our website and a government website by 4 April 2018. They have been confirmed by an 'appropriate person', our chief executive.
- Gender pay reporting is a different requirement to carrying out an equal pay audit.
- Employers have the option to provide a narrative with their calculations. We have chosen to provide narrative in the report which follows which explains the reasons for the results and gives details about actions that are being taken to reduce or eliminate the gender pay gap.
- It is to be noted that, while the regulations for the public, private and voluntary sectors are near identical, and the calculations are directly comparable, the public sector regulations also take into account the public sector equality duty.

## Message from the Chief Executive

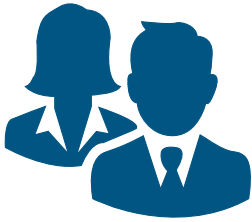
We all benefit from harnessing true diversity across our business and, at Johnston Carmichael we are committed to attracting and retaining the best talent. Our gender pay gap report covers Johnston Carmichael (Scotland) Ltd which is the only company in our structure to meet the 250 employee threshold for reporting purposes and I confirm the data is accurate.

While the following report identifies that we do have a gender pay gap, the analysis has helped us identify where we can take positive action to ensure we are providing equal opportunities for all - fully embracing every sharp mind in our team. We are committed to addressing the underlying cultural, societal and historical issues which we believe have led to our gender pay gap and anticipate that the actions we plan to take will also have a positive impact on the other companies in our structure; Johnston Carmichael LLP and Johnston Carmichael Wealth Ltd.

We are taking a long term view when it comes to closing the gap, considering our overall Employer Brand as we fully commit to building a firm fit for the future.



## Overall results



	Mean	Median
<b>Gender pay gap</b>	<b>23.53%</b>	<b>28.65%</b>

### Proportion of males and females in each pay quartile



<b>Upper quartile</b>	<b>50.71%</b>	<b>49.29%</b>
<b>Upper middle quartile</b>	<b>60.00%</b>	<b>40.00%</b>
<b>Lower middle quartile</b>	<b>70.00%</b>	<b>30.00%</b>
<b>Lower quartile</b>	<b>76.43%</b>	<b>23.57%</b>

	Mean	Median
<b>Gender bonus gap</b>	<b>68.10%</b>	<b>60.00%</b>



### Proportion of females receiving a bonus

**26.58%**



### Proportion of males receiving a bonus

**25.50%**

## Some facts about our gender pay gap:

- Our gender split across Johnston Carmichael Scotland Ltd (JCSL) is approximately 60% female 40% 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.
- Our top pay quartile figures confirm that we have a balanced representation of males and females at a senior level in JCSL.
- We do however have a higher proportion of women employed in administrative/support roles which reflects the figures in our lower pay quartiles (mean and median figures). These roles have historically tended to attract a lower salary.
- The bonus figures (which take into account the period April 2016 to April 2017) account for all contractual and non-contractual bonuses paid during this period, which include Introductions (our client introductions scheme), Talentspotters (our employee referral scheme), Student Exam Bonuses and Instant Reward Vouchers.
- Although the spread of males and females receiving a bonus is balanced, the bonus amount for males is significantly higher. This could be due to the fact that client introduction bonuses paid to males have been of a higher value (higher client fees attract a higher bonus) and a few (contractual/non contractual) bonuses which have been paid to a low number of males have been of a high value.

## What we plan to do about our gap:

- Our strategic plan for Johnston Carmichael puts 'highly engaged people who keep growing' at the heart of our firm and, as such, we are fully committed to creating a coaching and feedback culture that engages and develops our people.
- We have committed to change our traditional appraisal system to a model that supports the Johnston Carmichael vision. The new model, soon to be introduced, encourages career development conversations at all levels between employees and their line managers. Traditionally, career development discussions have taken place at a more senior level. Going forward, we will ensure our managers have the skills and knowledge to support staff at all levels in achieving their career ambitions.
- We will continue to review how we can be as transparent as possible about the career opportunities available across the firm.
- Our learning and development curriculum has traditionally placed an emphasis on client facing roles however, the focus will now be on all levels across all business lines including support/ office administration and executive functions where we employ a high proportion of women, to ensure we are giving everyone in our business the opportunity to progress and grow if they wish to.
- We are factoring in gender pay gap analysis from the outset, in all areas where a decision on pay or contractual bonus is being made - from recruitment, right through to promotions and annual pay reviews.
- We will continue to review those who are eligible to receive contractual bonuses to ensure there is no gender bias.
- We will review our promotion criteria ensuring equal opportunities across our leadership team to drive our business forward.



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