

# Gender Pay Gap Statement

At Morris & Spottiswood we treat all employees fairly, regardless of gender. Our employment processes, recruitment policies and pay practices reflect this.

We recognise that working in the construction industry brings challenges in relation to gender pay equality and continue to monitor our progress.

## Our 2018 results

	2018 MEAN (Average)	Previous Year MEAN (Average)	2018 MEDIAN (middle)	Previous Year MEDIAN (Average)
Gender Pay Gap	39.89%	60.03%	42.62%	47.92%
Gender Bonus Gap	58.18%	n/a	56.03%	n/a

Percentage of men receiving a bonus	41.3%
Percentage of women receiving a bonus	86.2%
Mean difference	58.2%
Median difference	56%

To give some context to the gender pay and bonus results, our business has two very distinct groups of employees: “blue collar” and “white collar” employees.

- **45% of our employees are employed in ‘blue-collar’ construction trade/engineer positions** (e.g including Joiners, Plumbers, Electricians, Supervisors etc.). This employment group is currently 99% made up of men.
- **55% of our employees are employed in ‘white-collar’ construction roles** (Site Managers, Project Managers, Quantity Surveyors and Senior management operational and commercial posts), and office support roles (including in-house support services: Health & Safety, HR, IT, Finance, Business Development and Bid Support, as well as Customer Service and administration support). 70% of this employment group are men and 30% are women.

Our blue-collar pay structures are mainly based around national industry agreements across the range of trades we employ, whereas our white-collar and support roles have clear pay structures and are industry benchmarked. Many white-collar roles are also affected by a skills shortage across the industry, with significant competition amongst employers for talented people. This in turn drives pay rates up for these roles.

When we compare male/female comparators in specific job roles the gap closes significantly. In one group, the mean gap is -0.10%, illustrating that the company-wide gap of 39.89% is not indicative of true pay equality where there are men and women carrying out the same job role. We are confident our employees are paid equally for equivalent jobs. Our pay structures are benchmarked by role rather than person. This gives us the ability to maintain gender pay equality. However, it is recognised that there is further attention needed to close the gender pay gap.

Whilst the results depict a gap in bonus pay averages, 86% of female employees received a bonus last year. The bonus gap reflects the number of females in the lower quartiles. However, we are seeing some changes to this. In the last year alone, two female employees have been developed into senior management positions (one onto the executive trading board).

## Pay Quartiles

Gender Pay Gap by Quartile	2018 Men %	Previous year Men %	2018 Women %	Previous year Women %
Top quartile (75-100%)	96.55%	98.91%	3.45%	1.09%
Upper middle quartile (50-75%)	90.80%	90.43%	9.20%	9.57%
Lower middle quartile (25-50%)	85.11%	87.10%	14.89%	12.9%
Lower quartile (0-25%)	62.03%	62.37%	37.97%	37.63%

We recognise that we have a gender pay gap which we will be working hard to address and to reduce. We believe this arises in large part due to the fact that the majority of our employees are male and that they tend to fill the more senior positions in our organisation which attract higher salaries.

Whilst we treat all employees equally, the Construction industry has traditionally attracted more men than women to construction-related roles, a tradition we are addressing (see below). Up to now, female applicants have been more attracted to work in our in-house Support Services and office support or administration roles. These roles have traditionally received lower pay than some of our other in-house roles, for example Business Development and Bid Support, which tend to generate additional income for the business and therefore receive higher salaries. The gender pay gap results reflect this trend.

Like other companies across our industry, we have a lower proportion of females in senior roles than we would like. Most of our female employees are employed in support service, customer service and administration roles. Our operational and commercial roles involve a degree of business travel and working away from home. We recognise that this is not always conducive to family life and can be a deterrent to attracting females to our business. However, this continues to be an area of focus for us so that we may find ways to increase the number of females remaining and progressing in employment with us into the upper pay quartiles.

### How we are continuing to tackle our gender pay gap?

- Creating new pathways into construction: We need to maintain our effort on developing more females into senior positions through our graduate programme and internal management development programme.
- A diversified senior team: We have diversified the composition of the senior team to include more female members and will seek to create a balance where it is possible to do so.
- Challenge industry norms: We work in an industry that historically attracts a higher proportion of males and we need to address this more pro-actively. We will focus on creating the right culture to encourage females to apply for senior management roles through a continued emphasis on equal pay through our annual remuneration review and benchmarking process to ensure parity across roles and continuing to develop our succession planning talent framework to create transparent career paths and opportunities to promote from within.

### Accuracy Statement

I confirm the gender pay gap data contained in this report is accurate and has been produced in accordance with the regulations.

Signed by George Morris, Chairman



4 April 2019