

The gender pay gap

Report 2020/21



ArmstrongWatson[®]

Accountants, Business & Financial Advisers

...we're with you.

Armstrong Watson places its people at the heart of the business. We pride ourselves on our people culture and the development within our teams, and we abide by our core values of Humanity, Trust, Passion and Honesty to create a positive work environment for all our colleagues.

We continue to develop an inclusive culture amongst the entire workforce at Armstrong Watson, in line with one of our key strategic imperatives, which is to be a true meritocracy without discrimination.

The figures recorded on 5th April 2020 are impacted by colleagues being on the Job Retention Scheme, and this scheme was used to be able to protect the business and our colleagues within. We are proud to show in this year's report that our mean gender pay gap has decreased by 7% and there has been a 3.5% decrease in the median gender pay gap. We are making progress in the reduction of our gender pay gap as the figures show. Our culture and approach continue to make an impact, in that we are eliminating barriers, thereby allowing women to progress into senior and leadership roles.

Although 2020 has brought many challenges for individuals and businesses, we are pleased with the support and flexibility extended to our colleagues throughout this time. We identified from the pandemic the additional support colleagues with young families and those caring for vulnerable adults required. We supported our colleagues with technology, flexible working options, and changes to work patterns. We have already adjusted our existing Smart Working policy to facilitate a Hybrid working model within the firm.

As a firm we have continued to invest in training and development across the business, for two of our main professional bodies, Association of Chartered Accountants (ACA) and Association of Accounting Technicians (AAT). We have successfully recruited new students as part of our annual recruitment drive and for the period of 6th April 2019 to 5th April 2020, 44% of those students were female. This figure does not include the existing female employees who we have provided study support to, for them to develop within the firm. As well as the ACA and AAT qualifications, we also support colleagues in studying other professional qualifications such as, ATT; CTA; JIEB; STEP; CFAB; CIPP; CIPD and more. In the previous year's period (6th April 2018 - 5th April 2019) we also recruited 44% females into our ACA & AAT student positions, and we are happy to have maintained this figure. Our annual recruitment campaigns consist of online testing, multiple stages of interviews and then grouped assessment centres for all of candidates to participate in. We will continue to eliminate any bias in our hiring, promotion, development, and retention of our colleagues.

As well as recruitment, Armstrong Watson have also focused significantly on the internal development opportunities for our existing colleagues. In 2020, we created a new role of a Learning & Development Manager to focus on this area, supporting our colleagues and managers in developing pathways to succeed. With this in mind, we have recently revised our appraisal programme to engage colleagues more frequently on their development within the firm. Professional development plans are in place to facilitate the achievement of these goals.

We will continue treating our colleagues fairly and offer the same career opportunities if they choose to develop within our firm.



A handwritten signature in black ink, appearing to read 'Paul Dickson'. The signature is stylized and includes a large loop at the beginning.

Paul Dickson

Chief Executive & Managing Partner
Armstrong Watson LLP

GENDER PAY REPORT 2020/21

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we are pleased to publish our annual gender pay gap report, based on the snapshot data as of 5th April 2020, and the bonuses paid between 6th April 2019 and 5th April 2020. It is important to understand that the pay gap is not in relation to equal pay. The gender pay gap is a measure of the percentage difference between the average (mean or median) earnings of men and women across a workforce with the purpose of helping organisations understand the sizes and causes of their pay gaps and identify any issues that need to be addressed.

How we calculate the gender pay gap

The gender pay gap compares the average pay of men and women. It's about listing salaries of men and women (ranked from lowest to highest) and calculating the mean & median in each list. The gender pay gap is the % difference between these two figures.

Our headline figures



mean gender
pay gap



median gender
pay gap



of male
employees
receive a bonus



of female
employees
receive a bonus

Our gap indicates the extent to which women earn on average less than men.

Pay quartile by gender

QUARTILE	MALE	FEMALE
UPPER	60.5%	39.5%
UPPER MIDDLE	35.5%	64.5%
LOWER MIDDLE	31.5%	68.5%
LOWER	20.5%	79.5%

81%

mean gender
pay bonus gap

64%

median gender
pay bonus gap

The mean pay gap is the difference between the average hourly pay of men and women.

The median pay gap is the difference between the mid points in the range of hourly rates of men and women.

Understanding our pay gap

The gender pay gap will persist until there is an equal spread of both genders in each pay quartiles above, so an equal spread of males and females in all roles across the firm.

Our values are driven by our commitment to meritocracy, so as a business we would not employ a female – where there is a more experienced male candidate - merely to support us to bring our gender pay figure down. This would clearly be a discriminatory practice.

In the lower quartile, we have seen over the years that this is predominately driven by women, and we have found through recruitment analysis that more women than men apply for roles within this quartile. If more men were attracted to these lower quartile roles, then this would dramatically affect Armstrong Watson's gender pay gap.

We are confident that any gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Comparison to last year's results

FIGURES	This report - 2020	2019
Mean Gender Pay Gap	25%	32%
Median Gender Pay Gap	26%	29.5%
Male employees receive a bonus	17%	16.5%
Female employees receive a bonus	9.5%	6.5%
Mean gender pay bonus gap	81%	52%
Median gender pay bonus gap	64%	81%

QUARTILE	MALE - This report 2020	MALE - 2019	FEMALE - This report 2020	FEMALE - 2019
UPPER	60.5%	58.5%	39.5%	41.5%
UPPER MIDDLE	35.5%	28%	64.5%	72%
LOWER MIDDLE	31.5%	22%	68.5%	78%
LOWER	20.5%	22%	79.5%	78%

In comparison to last year's results, we're happy that our Mean and Median figures have both decreased, by 7% and 3.5%.

Our figures for males & females receiving a bonus have increased, with 3% more for women, and 0.5% for men.

Comparison to last year's results

Our median gender pay bonus gap has decreased significantly by 17% from our 2019 figures. This shows that the median amount in bonuses we have paid to men against women has decreased from last year's report.

We are disappointed that there has been an increase with the mean gender pay bonus gap by 29%. When we have analysed these figures, it has shown us that that out of the 63 bonus claims paid out during this period, 42 (67%) of those were paid to colleagues for introducing new clients to the firm or providing an existent client with another service. Further to this, 6 (10%) of the bonuses were for colleagues referring someone to work for Armstrong Watson and them successfully becoming a part of our team. We actively encourage our colleagues to refer Armstrong Watson to clients and for new people to join our team, both males & females in all departments and levels have the same opportunities to refer work and people they may know to join our business.

15 of these bonuses (23%) were for performance related reasons, which include a colleague achieving their specific job role targets such as business development opportunities and includes recognition for outstanding performance provided in their role. These bonuses were given to both men & women within the firm.

According to the PWC Women in Work Index 2021, The UK's position was 16th (out of 33) on the Index, with growth from 2018 to 2019 above the OECD (Organisation for Economic Co-operation and Development) average. There has been a slight increase from PWC's last report with female board representation increasing by 2% meaning the figure is now 34%. It has reported on the concerns Covid-19 will have on women. The unemployment rate rose across the OECD in 2020, with women losing their jobs at a faster rate than men. The Covid-19 pandemic has caused many women to have more caring responsibilities and domestic work.

At Armstrong Watson we pay employees equally for the work they do, regardless of sex, race, religion or belief, age, marriage or civil partners, pregnancy/maternity, sexual orientation, gender reassignment or disability.

The data included in this report does not include most of our partner's population, as partners are not classified as employees. Our salaried partners are included in the data.



What our employees say



Amy Grimston
Accounting Assistant

“Armstrong Watson has always been very good at supporting me with flexible working, even more so during the last 12 months. The coronavirus pandemic has been very challenging on many levels but the biggest impact to me was losing all my childcare support, my children would normally go to afterschool club 3 nights a week, but that shut in the first lockdown and has remained shut. I was also unable to rely on grandparents. AW have supported me in allowing me to reduce my hours slightly on a permanent basis. They have also allowed me to reduce my working day to be able to fit around school hours. This has been a massive help and really appreciated.”



Helen Robinson
Accounting Director

“I have worked at Armstrong Watson for a number of years and throughout my time with the firm I have always felt they were very flexible and accommodating to individual needs. We all have challenges and personal issues at times that we need to deal with, and the firm are very understanding of this. I have recently taken on more responsibility in my role and leading the service line for the office. During this time, I have been well supported by the partners and have now been promoted in recognition of the work I am doing. This is great news for me, and I feel a very valued member of the team and motivated to do the best job I can. The firm delivers on the core values it promotes and fosters a positive culture in which to work.”



Becky Bowness
Tax Consultancy Partner

“I joined Armstrong Watson in April 2019 and I was promoted to Partner in April 2021; I can honestly say that I have progressed quickly because of my contribution to the business and our clients. My gender has never been any sort of factor and I am very comfortable that I am rewarded equally to any of my male peers for the role I fulfil. Having spent most of my career in a Big 4 Accountancy practice equality was always very high on the agenda and we worked hard to demonstrate our commitment to it. Here at Armstrong Watson, it is not a box ticking exercise or something we are required to do for Corporate Governance instead it is fundamental to our Core Values.”

Julie Farish
Processing Assistant Manager



I have worked for Armstrong Watson for over 12 years, during which time I have been very career driven, undertaking a number of different roles within the Payroll Department. I have always enjoyed the work I have carried out but as my husband and I grew older, we realised that we wanted to start a family, to be the next challenge in our lives. At the end of 2018, I fell pregnant with my son Oscar, who was born in August 2019. I found my line manager approachable and very easy to talk to in discussing my options in returning to work as it was evident that I was not going to be able to return to full time employment; we were lucky enough to have some childcare arrangements through parents. She was extremely understanding when talking about my desire to return to part time employment, and hugely accommodating where we were able to discuss and agree a work schedule that would complement part time hours. I now work Monday – Thursday from 9am until 5pm which not only gives me precious time to be a mother but also gives our parents flexibility as they need to travel 30 miles to look after him. I am incredibly grateful to Armstrong Watson in accommodating my request, and I am very fortunate to work for a company that truly cares about the well-being of its staff. I also feel confident that if my circumstances were to change again in the future, the company would again look to support me.

Emma Murray
Accounting Senior



I was worried about returning to work as a Mum of four in terms of how I would manage to fit my work around my children and in particular the school holidays. I wanted to return to a job that would challenge me but was not sure that a professional organisation would be keen to have a part time Mum with big childcare responsibilities. I was wrong. I returned to work in 2016 just before my eldest started secondary school. Armstrong Watson supported me by not only allowing me to work five-hour days to fit in with the school day but also to have an annualised hours contract meaning I did not work at all in the school holidays. A couple of years later when I felt a bit overwhelmed, they were very understanding and allowed me to reduce my hours to just four days a week in the term time. As my children have grown up, I have felt able to commit to more hours and again Armstrong Watson were understanding of this and agreed that I could increase my hours to 30 hours per week in the term time and 15 hours in the holidays with an element of home-working where appropriate. They provided me with all the equipment and skills I needed to facilitate home working which has been a huge benefit in the current situation with Covid-19. I have also been able to use glide time to allow me to attend school functions through the day as well as the usual dentist and doctor appointments. As an employer they have considered each flexible working request I have made and done their utmost to accommodate me.

How do we currently support equal access to opportunities?

- 👤 We continue to promote Smart Working throughout the organisation for all our colleagues, recognising that we have many colleagues who value a flexible approach to working hours and work location.
- 👤 We continue to review and benchmark for salary pay scales, to ensure both women & men are paid within their job role scales.
- 👤 We continue to advertise all roles internally to ensure that all our colleagues have equal access to new opportunities.
- 👤 We continue to train and upskill colleagues to avoid any unconscious bias in recruitment.
- 👤 We continue to blind CV sift and test candidates where we can.
- 👤 We review professional development plans within the firm and encourage colleagues to develop within their teams.
- 👤 We encourage colleagues to speak regularly with their management regarding their annual goals that have been set and their quarterly objectives.
- 👤 We hold annual assessment centres when recruiting for our student intake to assess a range of skills.
- 👤 We review all data regarding any colleagues who leave our employment to identify any trends in relation to age or gender.

Our commitments:

We have committed to the following actions to help reduce our pay gap further:

- 👤 Continued application of our strategic succession plan across all service lines in Armstrong Watson, to continue with development encouragement with a view to earmarking and increasing female representation at all levels through the business, including senior management levels.
- 👤 We have launched and will continue to assess our updated continuous review process to again encourage development discussions around the firm.
- 👤 We will review our family friendly pack and policy to ensure colleagues are aware of their entitlements.
- 👤 We will continue to support new students within the firm, and train those who have left education for the first time.
- 👤 We will be changing our onboarding information, to share more knowledge about Armstrong Watson with candidates prior to joining.

We confirm that Armstrong Watson LLP gender pay gap calculations are accurate and meet the requirements of the Regulations.



Paul Dickson - Chief Executive & Managing Partner