

Diversity and inclusion pay gap report 2020

RSM strives to be a fully inclusive employer. That's not just words. Our Board and National Leadership Team are committed to making it a reality for all our people.

Inclusion is an essential part of our people strategy. This year we are voluntarily reporting our ethnicity pay gap alongside our statutory gender pay gap reporting. We're determined to increase the representation and progression of people from all minority backgrounds, and we continue to work hard to identify and remove any barriers that exist.

Our conversations with our people are helping us to learn, and we have made some encouraging progress. Together we will continue our work to ensure we are a truly diverse employer and inclusive to all.

Victoria Kirkhope, People Director



Victoria Kirkhope
People Director

Hannah Catchpool
Head of Diversity and Inclusion

The methodology

How we make our calculations

Our pay gaps are the difference between the average rates of pay between one group of employees within our business and another. For gender, this is the difference between men and women. For ethnicity, it is the difference between employees who are from a Black, Asian and Minority Ethnic (BAME) background and those who are not.

Calculating the mean

We add up the rates of pay of all men, and the rates of pay of all women, and then divide these figures by the total number in each group. We then report the percentage difference between these two figures as our mean gender pay gap. We repeat this process for BAME and non-BAME employees and report the percentage difference as our mean ethnicity pay gap.

Calculating the median

We list rates of pay for every man and every woman, and we report the middle point of each list as the median. We then report the percentage difference between these two figures as our median gender pay gap. We repeat this process for BAME and non-BAME employees and report the percentage difference as our median ethnicity pay gap.

We use this same methodology to calculate our mean and median gender bonus gaps.

The figures shown exclude partners, except where explicitly stated.

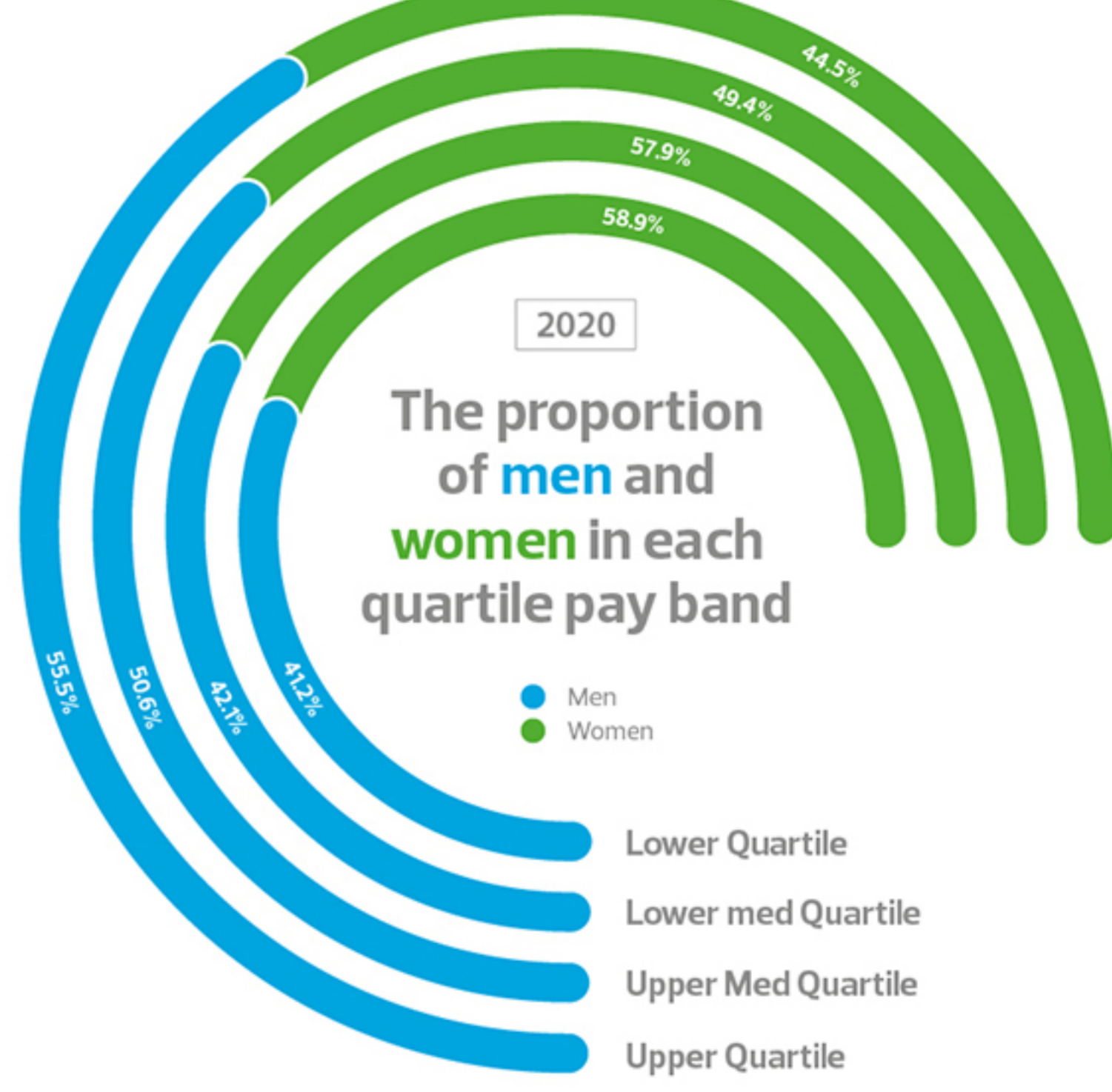
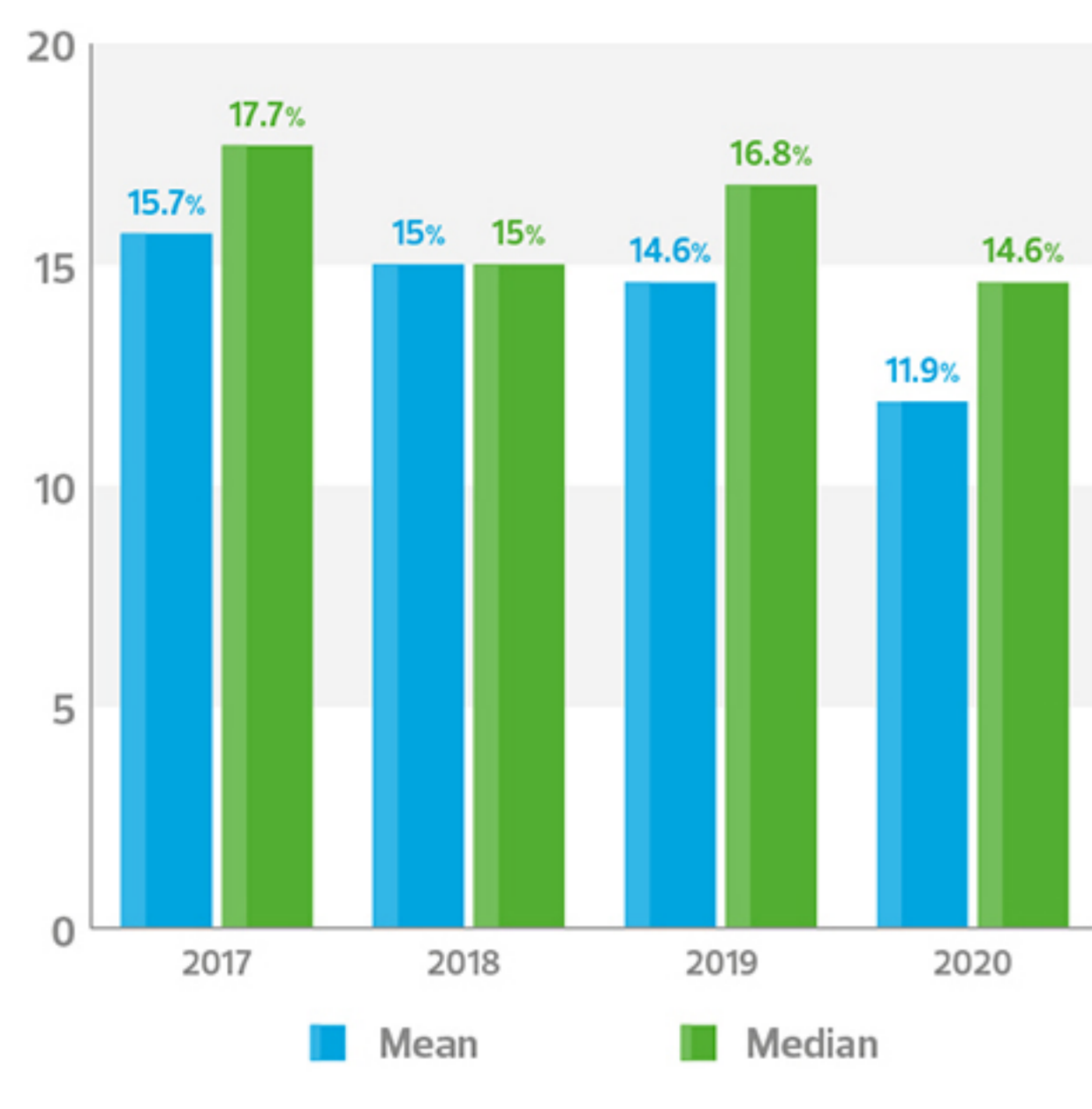
Equal Pay

It is important to note that pay gap is different to equal pay. Equal pay is governed by the Equality Act and is the legal requirement to pay men and women the same for equal work.

Gender pay gap

We're making progress in reducing our gender pay gap, with a decrease in our mean and median pay gaps since last year. We're encouraged that our approaches are starting to make a difference, eliminating barriers and creating more opportunities for women to move into more senior roles and leadership positions. This momentum must continue to sustain authentic change. The following data is based on employees of RSM UK only, excluding partners except where stated.

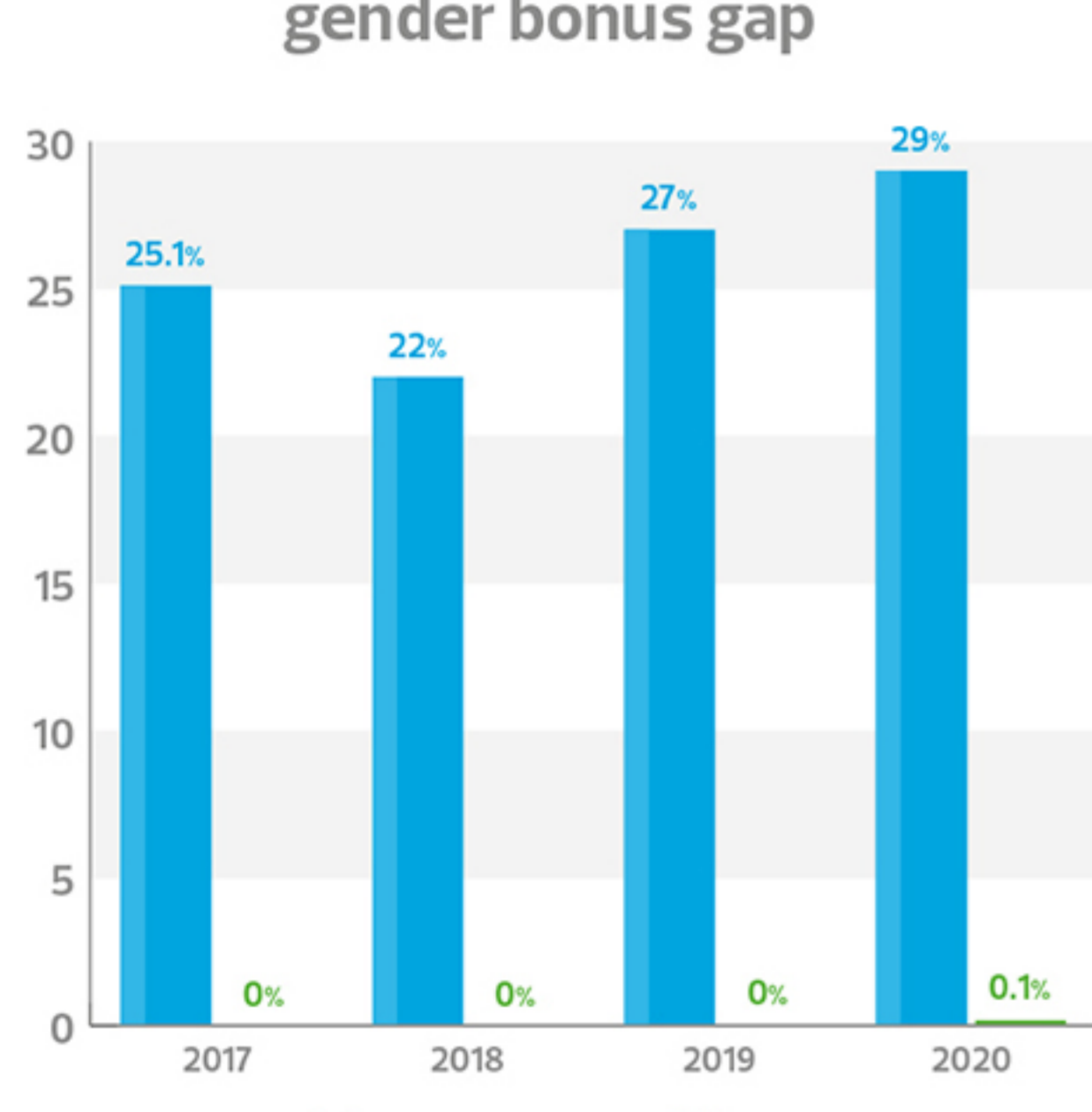
Mean and median gender pay gap



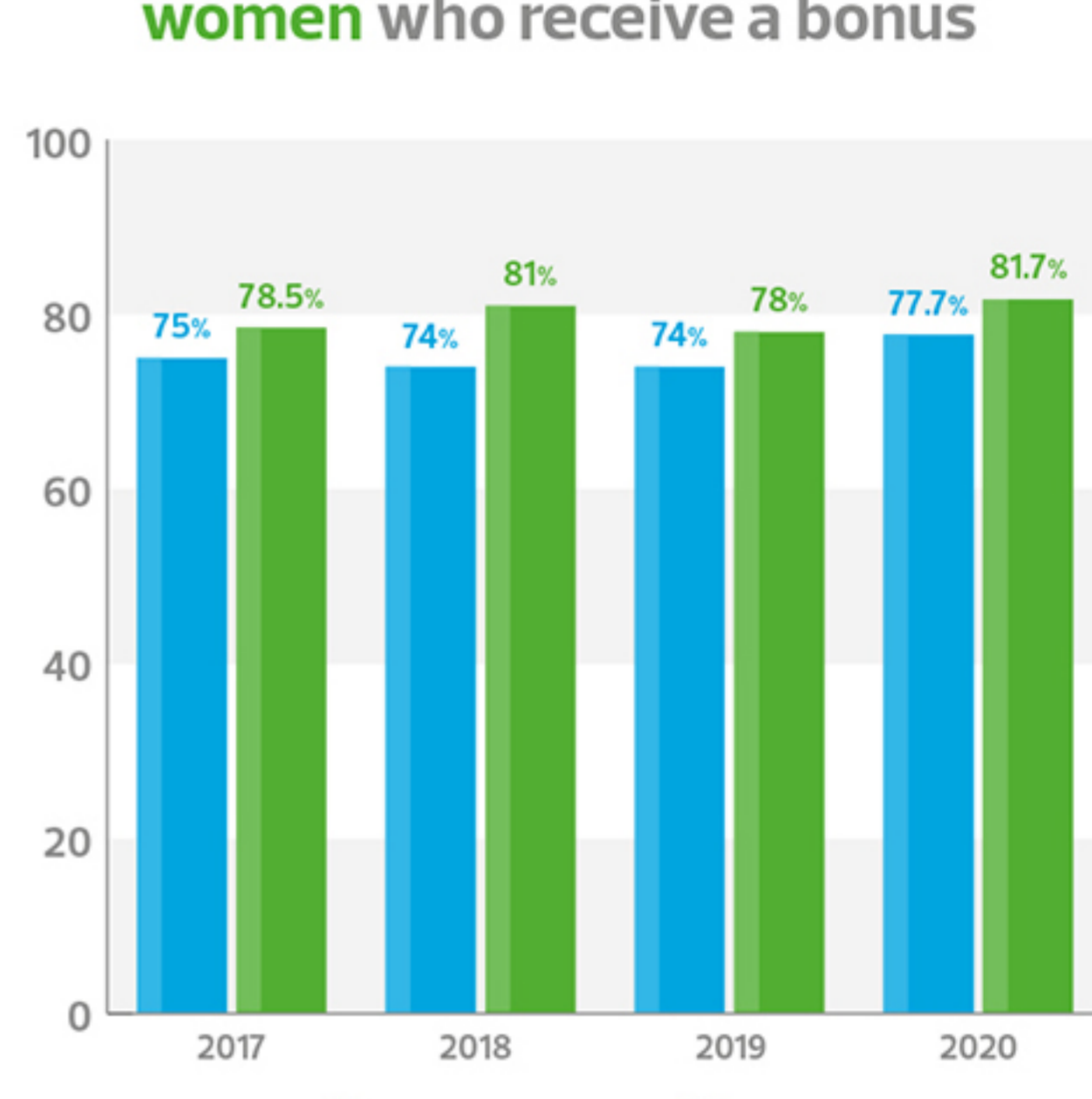
We're really encouraged that our data shows our gender mean pay gap is 2.7 percentage points lower, and our median pay gap is 2.2 percentage points lower, than in 2019. Our data shows that the proportion of females in the upper quartile pay range has increased by 5.3 percentage points compared to 2019. The proportion of females in the lower quartile pay band has fallen by 7.7 percentage points compared to last year.

We have increased the number of women represented in senior roles for the second year in a row, with more women in Director and Partner positions than ever before. Like many organisations, our pay gap still reflects that we have more men in senior roles, and we are committed to continue to take action to ensure there are no barriers hindering the progress of our talented women.

Mean and median gender bonus gap



The proportion of men and women who receive a bonus



Our gender bonus pay gap is, in part, attributed to having more colleagues identifying as women at a junior level than men, with junior roles receiving proportionately smaller bonuses in comparison to more senior roles.

Proportionately, more women than men received a bonus in 2020 and more women received a bonus this year compared to last year. 81.7% of women received a bonus compared with 78% in 2019.

Partner gender pay and bonus gaps

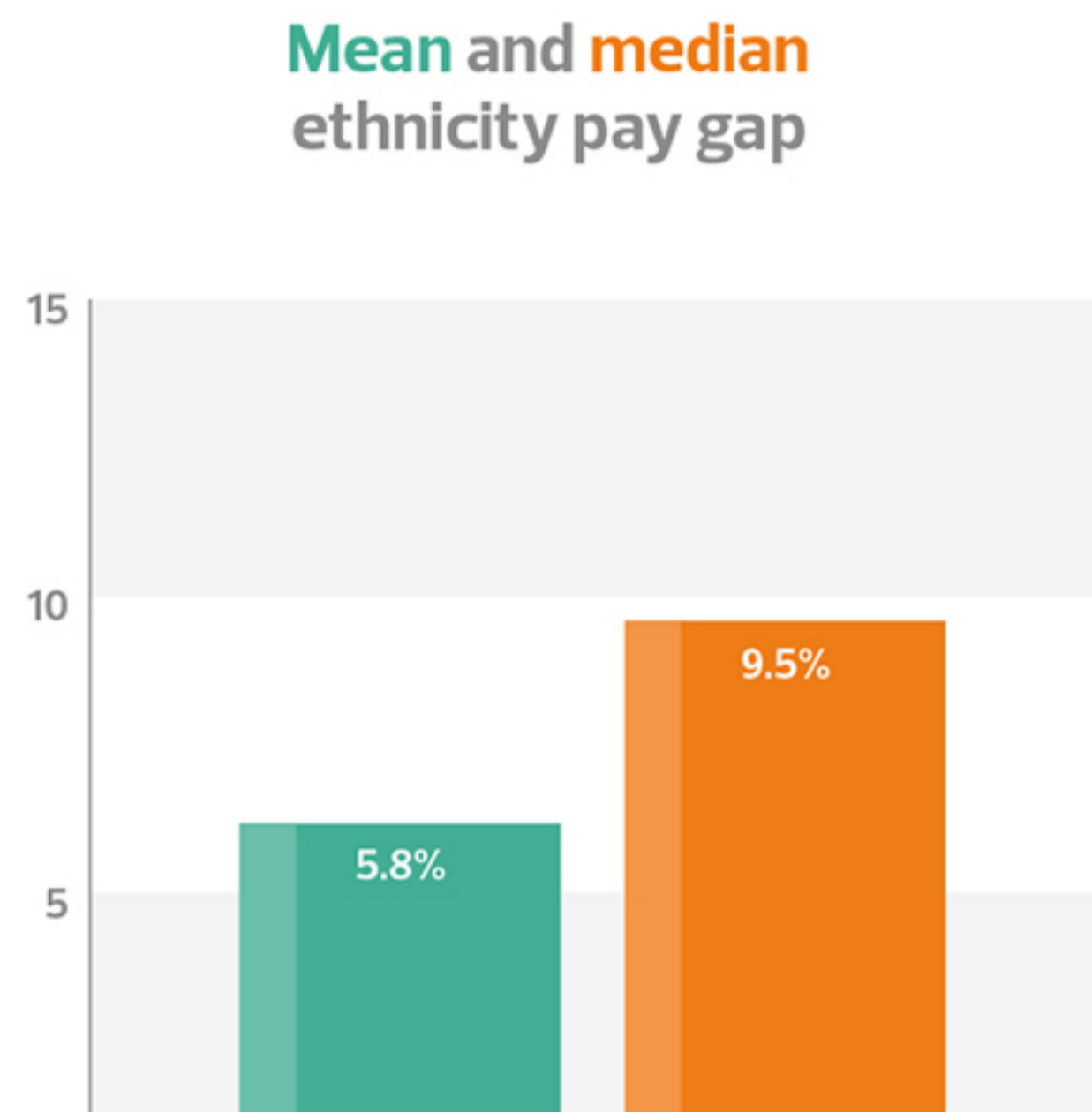
In our 2019 report we made a commitment to report on our partner gender pay gap. This year we report on the data for our partners only to allow us to better understand the pay gap for this group.

	Mean pay gap	Median pay gap	Mean bonus gap	Median bonus gap
2020	20.2%	18.2%	19.0%	25.0%
2019	20.6%	20.2%	23.3%	20.7%

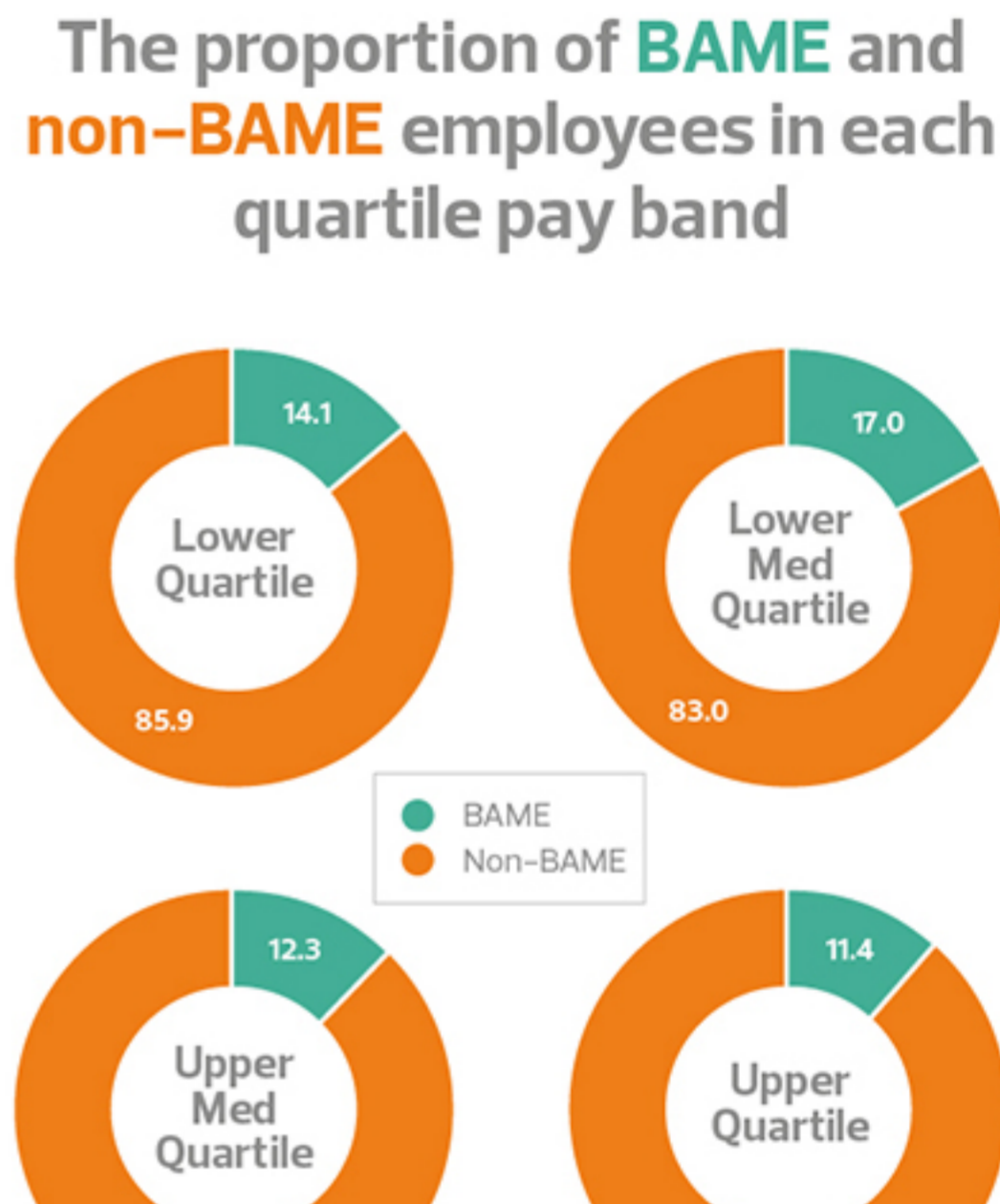
Ethnicity pay gap

As part of our commitment to creating a diverse and inclusive workplace, this year we voluntarily report our ethnicity pay gap figures. Results reported are based on those employees who have self-reported their ethnicity. 12% of our people have self-declared they are from an ethnic minority background, compared to 13% of the UK population (2011 census). The following data is based on employees of RSM UK only, excluding partners.

Mean and median ethnicity pay gap

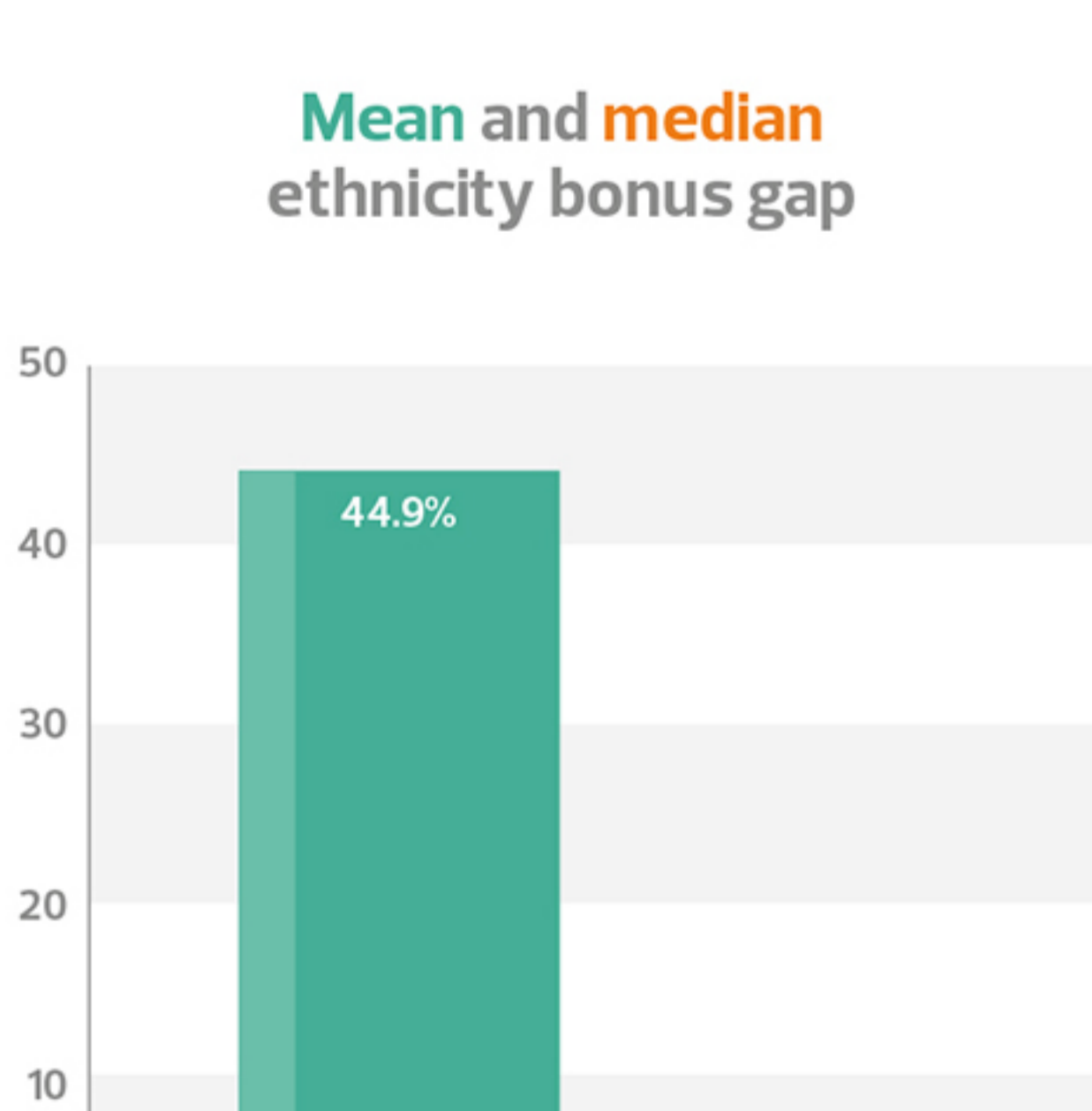


The proportion of BAME and non-BAME employees in each quartile pay band

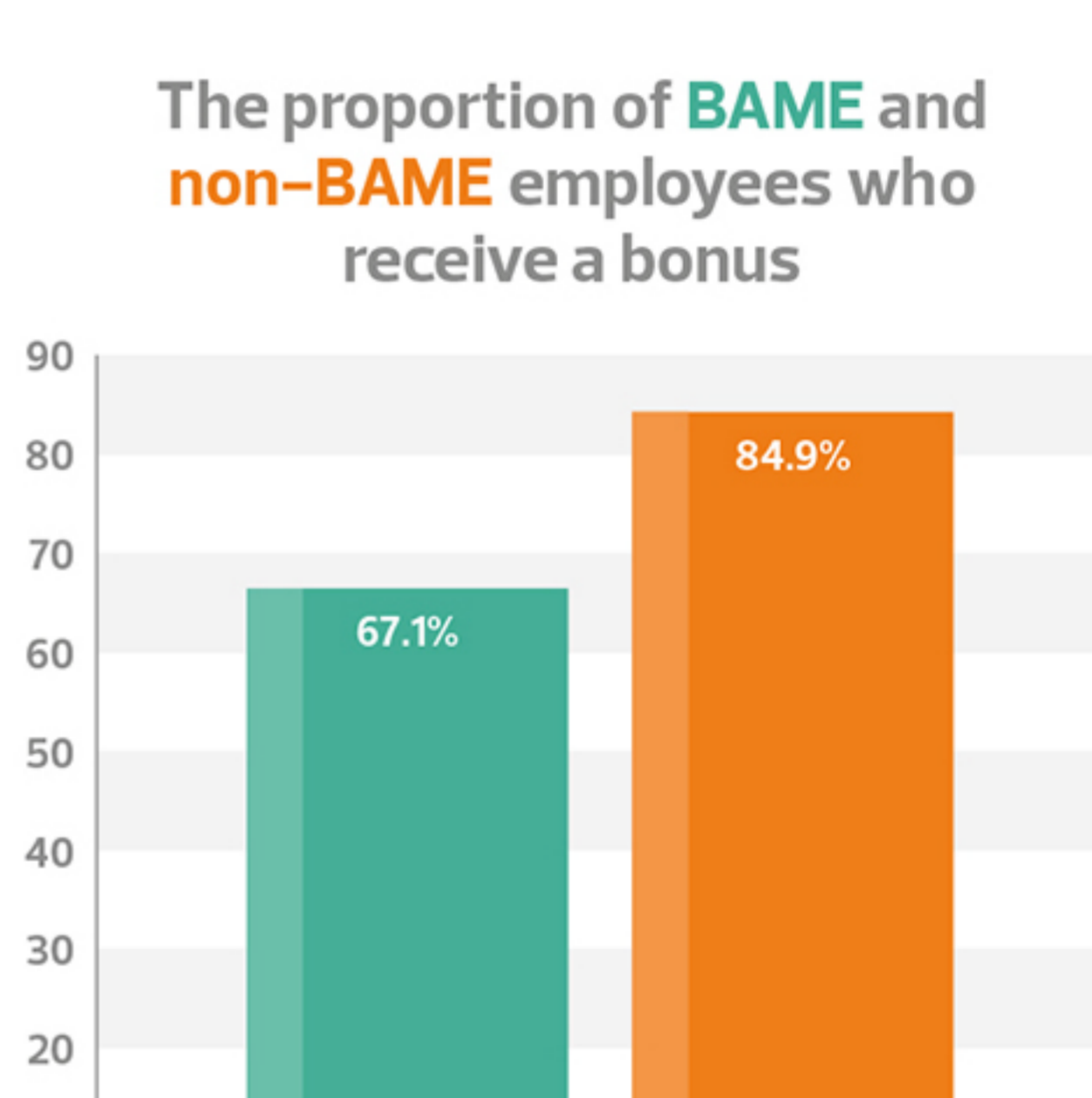


Whilst there is still work to do, we are pleased that our efforts to develop a more ethnically diverse workforce are having a positive impact, and our ethnicity pay gap provides us with an important stimulus in continuing our work in this area.

Mean and median ethnicity bonus gap



The proportion of BAME and non-BAME employees who receive a bonus



More work is required to close the ethnicity bonus gap, and we acknowledge that we have a long way to go to achieve balance. Similar to that of our gender bonus gap findings, we have more BAME colleagues in junior positions where bonuses are proportionately smaller than in senior roles.

We recognise that we need to do more to achieve greater representation of BAME employees in our more senior roles, and we remain committed to addressing this in the years ahead.



Diversity and pay gap data doesn't tell us the whole story but it is a useful starting point for understanding what action we need to take to ensure everyone has the opportunity to progress and thrive at RSM. Through our bi-annual inclusion and belonging survey and focus groups, we are listening carefully to feedback from our employees to enable an evidence-led approach to identify where we have more work to do.

Hannah Catchpool, Head of Diversity and Inclusion

What we're doing to achieve our gender and ethnicity inclusion ambitions

Our pay gap reporting clearly highlights where we have work to do to ensure our culture of intentional inclusion operates effectively across all elements of working life at RSM. Over recent years, we have put structures and practices in place acting as foundations for the work still needed – we will continue to do more to deliver the outcomes we are targeting. Our focus will continue to be on four key areas:



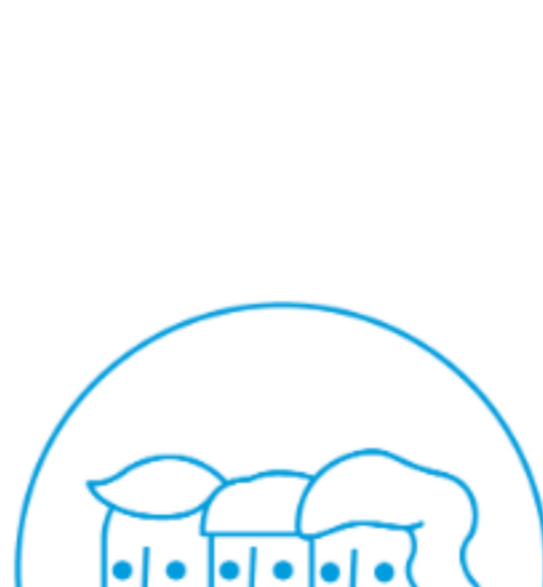
Diversity and inclusion

We recognise that a high impact and vibrant approach to diversity will enable our culture of inclusion and will have a positive effect on our pay gaps. We have made significant progress in driving our diversity and inclusion agenda, launching our Listen. Educate. Act. approach in 2020. Great progress has been made this past year, and our employee networks and Diversity Champions are significant influencers across the firm. We will continue our wide-ranging programme of communication and education in 2021 and will also focus on the outputs of our recent employee Inclusion and Belonging survey. We will continue to embed our Reverse Mentoring (including for our Board), Unconscious Bias and Allyship programmes.



Partnerships

We partner, and intend to extend our partnerships, with external parties including Working Families, Access Accountancy, Women in Business and we're members of organisations including Stonewall, Disability Confident, and Business in the Community, all of which helps us to benchmark and challenge our progress towards our inclusion goals.



Recruitment

Recruitment is a significant lever to enable us to address the issues in our Pay Gap report. We have already seen positive progress driven by our recent recruitment campaigns and we remain committed to attract and recruit individuals with diverse backgrounds and experiences. This has, and will continue to be, seen at all levels of recruitment – early careers, experienced hire and executive appointments.



Development and progression

We aim to broaden the diversity of our workforce in senior roles. To maximise the potential of our diverse talent, our development programmes will ensure we provide the best support for individuals to progress their careers, identify opportunities and overcome any potential barriers to success. Recognising the potential barrier of longer-term absence, such as maternity leave, the launch of our new Family First Group will give voice to our employees with family and caring responsibilities. We continue to work to track the progress of our people through the various stages of the employment lifecycle, to identify and eliminate any issues or barriers that may exist.

The Empower network supports and advocates for those who identify as women within our firm, to support them into leadership roles. The network seeks to improve knowledge of best practice and to raise awareness of wider diversity and inclusion issues within RSM.

Anna Spencer-Gray, Partner and Head of the Empower network



At RSM, our people make our business. We want to create an environment where talented people from all backgrounds and walks of life have every opportunity to make their impact and succeed. I think we've made real progress but I'm sure we still have much to learn and much to do.

I'm very grateful for all the support and effort of our people over the last two years. It has been great working with them all to continue to drive RSM further forward.

Rob Donaldson, CEO