

Morgan Technical Ceramics Ltd – Gender Pay Gap Report 2017

Introduction

The phrase "gender pay gap" refers to the difference in the average earnings of men and women within the same organisation. From 5 April 2017, employers are obliged to publish annually certain information relating to the salaries and bonuses paid to their male staff members as compared to their female staff members.

It is apparent from the data that we do have a gender pay gap and, while this is not uncommon, we acknowledge that we will need to take positive action if we are to improve this in the long term.

There is an important distinction between gender pay gap reporting, which relates to pay averages across the organisation, and the concept of "equal pay", which refers to individual male and female employees being paid equally for doing the same job at the same level. Our analysis of the data consistently indicates that our gender pay gap is not caused by an equal pay problem. We will continue to monitor and review this position going forward.

Key causes of the gender pay gap

We have carried out an exercise to assess the key causes of the gender pay gap and what we can learn from the data. The key points from this analysis are as follows:

- Our gender pay gap is predominantly caused by having more men than women in senior roles. The pay quartiles data, shown in section B, provides clear evidence that this is the case (81% male in the top quartile of pay rates) and this is the key factor affecting the results for both pay and bonuses.
- A review of bonus payments indicates that the typical profile of the population includes site based employees (often with some form of profit share bonus scheme) combined with a smaller population in senior leadership team roles (typically eligible for an executive bonus scheme).
- This explains why the mean bonus gap is significantly higher than the median bonus gap as the mean result is skewed by a small number of executives at the top end receiving higher bonus levels than employees in site profit sharing schemes. As the median takes the mid-point, the top end bonus levels do not affect the result, hence the lower bonus gap for median.

- The majority of employees are covered by some form of bonus scheme as shown in the final table with a relatively small difference between the overall eligibility of men and women.

Conclusion

These results only represent a very small part of our global business.

This analysis, although limited in scope, has shown us that we do not have an equal pay issue (i.e. we pay people equally for doing the same work, regardless of their gender). It also tells us we have more men at the top of our organisation, where pay and bonuses are inevitably higher.

We are looking at diversity in our business to understand how we can reduce the gender pay gap in the long run.



Pete Raby

CEO

Statutory Data

The data presented below has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The figures are based on information as at 5 April 2017.

A: Gender Pay Gap

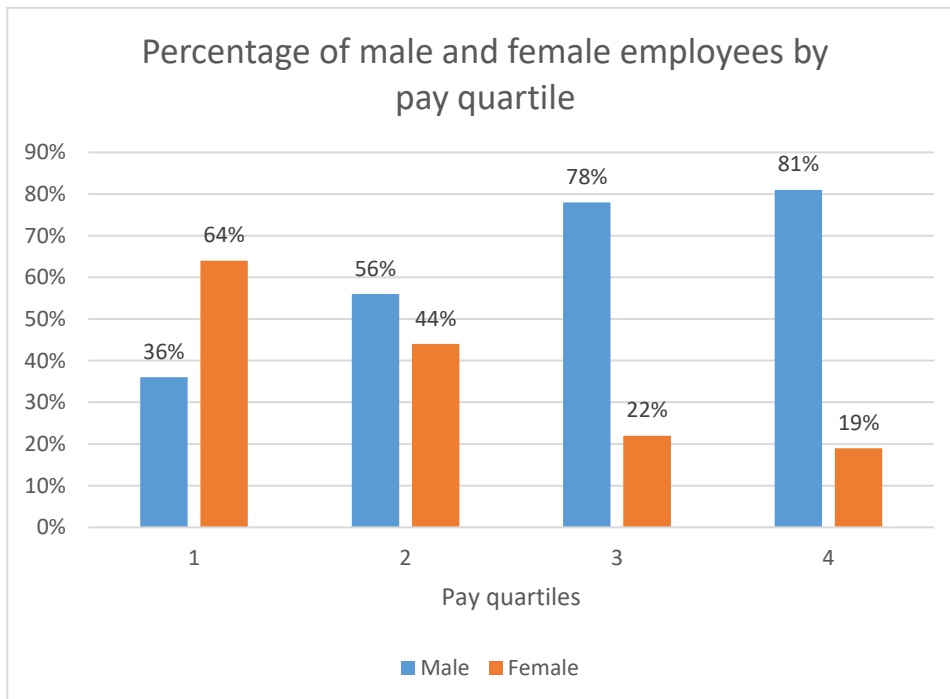
Mean Gender Pay Gap: 25%

Median Gender Pay Gap: 27%



B: Pay Quartile Information

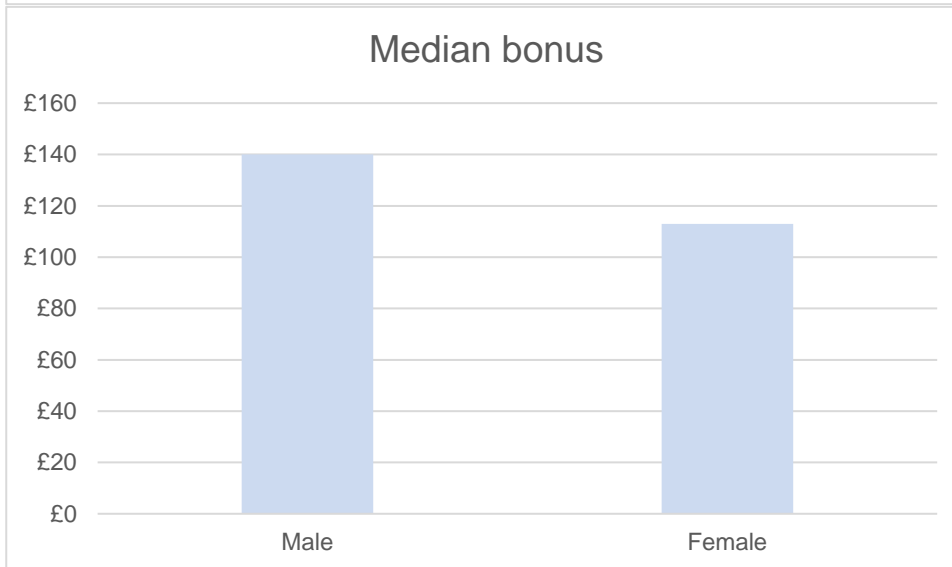
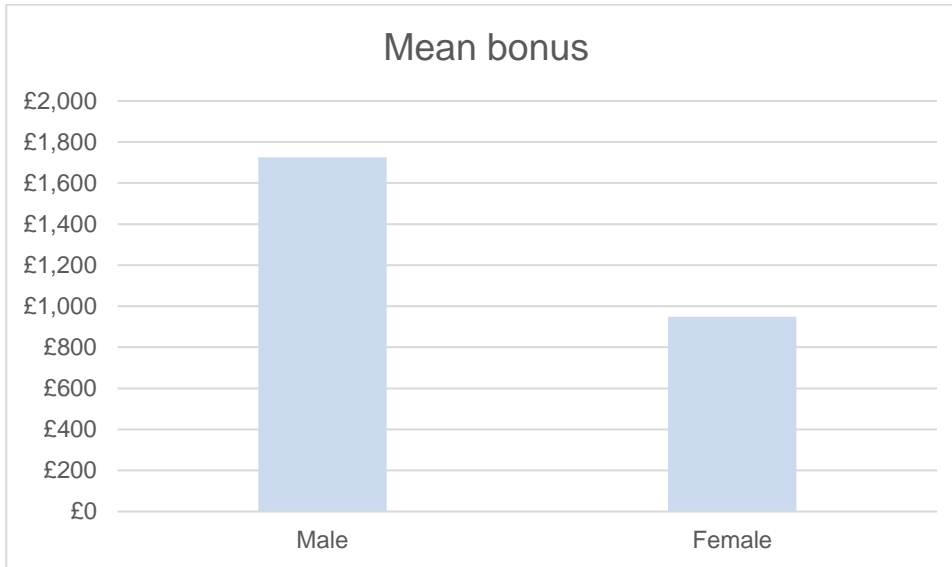
	Male	Female
Lower	36%	64%
Lower Middle	56%	44%
Upper Middle	78%	22%
Upper	81%	19%



C: Gender Bonus Gap

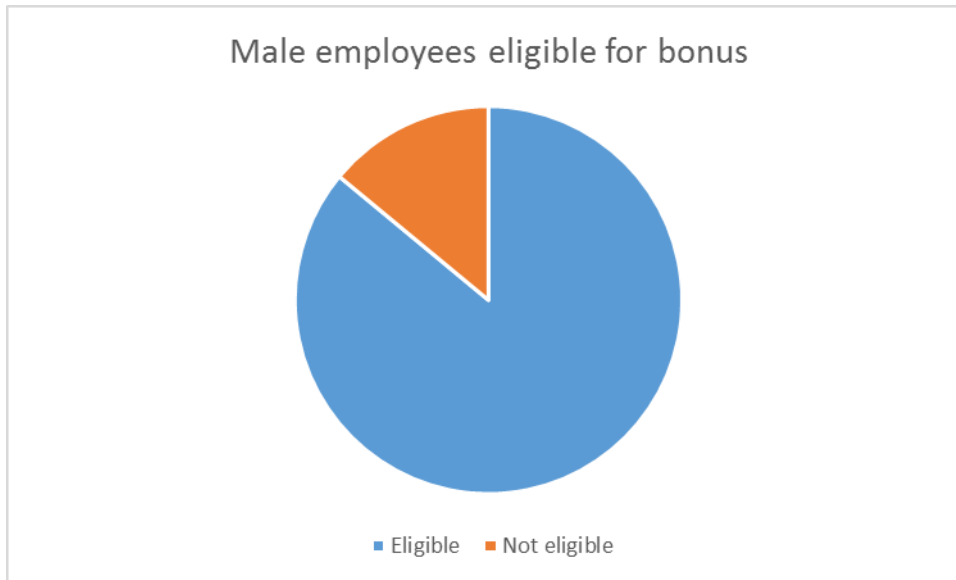
Mean Gender Bonus Gap: 45%

Median Gender Bonus Gap: 19%



D: Proportion of male and female employees receiving bonuses

Male: 86%



Female 83%

