

## Browne Jacobson April 2019 Gender and Ethnicity Pay Gap Report

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Set against the coronavirus disease (COVID-19) outbreak, growing uncertainty over Brexit, price pressures and ever-evolving client expectations we are proud of the continuing growth and development we have seen at Browne Jacobson. Not only have we been able to invest in key areas of the business, designed to improve client services, but our long-standing reputation for legal excellence has left us in a strong position to face the commercial challenges which the current year brings.

As we continue to look to the future, we are committed to ensuring that Browne Jacobson is a great place to work, a great partner to work with, supporting our local communities and thinking about the impact we have on the environment. As a national powerhouse in the UK legal market we continue to work hard at being future-focused in our approach - reflecting and respecting the wide range of clients we serve and looking for opportunities and solutions which benefit all of them. Our priority, as ever, is to recruit, retain and celebrate the diversity of our employees, and pay them fairly for what they do.

Last year's annual Gender Pay Gap report demonstrated that we were making good headway in responding to this need for greater transparency, diversity and equitable opportunity. Although there is still work to do in improving career opportunities and salary progression for women, both within the legal sector as a whole and within Browne Jacobson, we are able this year to demonstrate some improvements in terms of the balance of gender representation across the pay quartiles in our organisation.

In 2018 we made the decision - although not required - to include equity partners in our reporting. In 2019 we have continued this unswerving commitment to factual, honest reporting and included data relating to ethnicity. It is our view that the legal sector sits in a privileged position in being able to effect systemic change, across the UK, through its own best practice. At Browne Jacobson we want to lead by example and, while some factors take time, transparency and honesty in reporting can be delivered immediately.



Richard Medd  
Managing Partner-Elect, Browne Jacobson LLP  
April 2020

# Our 2019 gender pay gap report

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## Difference in hourly pay between males and females

	2017	2018	2019
Mean Gender Pay Gap	21.3%	19.9%	<b>19.5%</b>
Median Gender Pay Gap	34.2%	28.3%	<b>29.7%</b>

## Difference in bonus pay between males and females

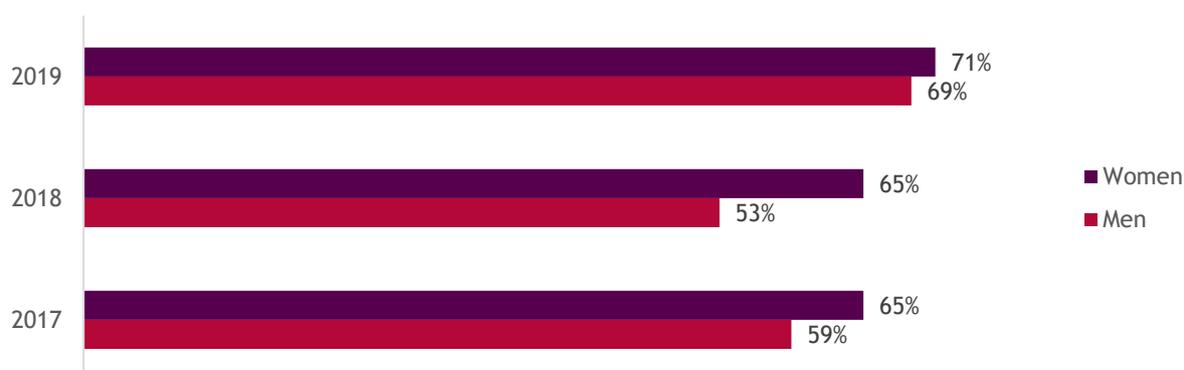
	2017	2018	2019
Mean Gender Bonus Pay Gap	38.0%	40.1%	<b>43.4%</b>
Median Gender Bonus Pay Gap	41.4%	35.7%	<b>32.0%</b>

### Reducing our mean and median gender pay gaps

Our strategic focus has always been on providing development opportunities, flexible working options and reducing unconscious bias. Although our reported mean and median gender pay gaps saw significant improvement in 2017/2018, this improvement flattened out in 2019.

A number of statistical anomalies must be taken into account when reviewing these figures, so as to put them in context. First, the mean pay and bonus gap percentages are significantly influenced by firm-wide demographics across different quartiles as well as the use of contractors. Although a more statistically robust reporting metric, the firm's median gap is, however, driven by a large number of females in lower paid roles and a much smaller number of females in higher paid roles. The quartiles are a helpful way of illustrating this. The overall firm demographic is roughly 65% female, 35% male but in the lowest paid quartile we have a higher-than-overall representation of females (70%) and in the highest paid quartile, we have a lower-than-overall representation of females (42%).

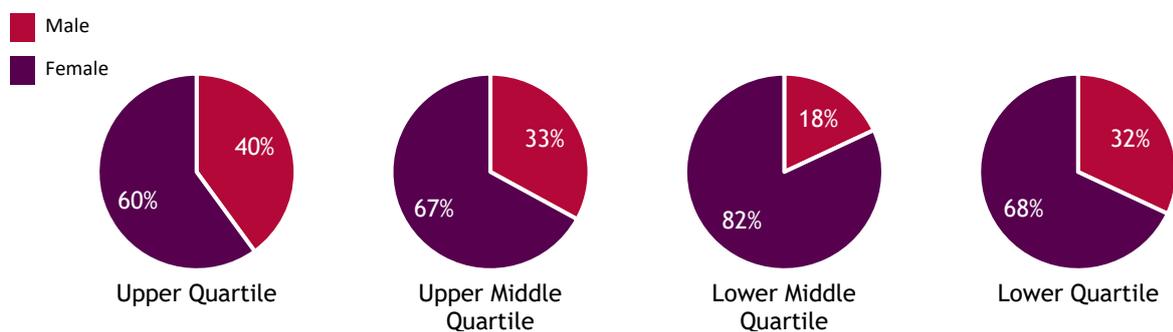
## Proportion of men and women receiving bonuses



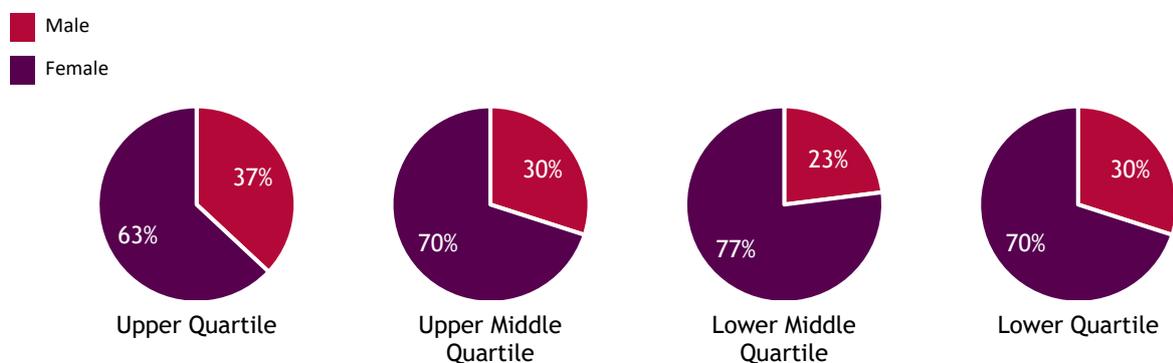
There has been a notable increase in the number of both men and women receiving a bonus, in the last year. Although this growth has been greater for men this could have been influenced by the number of senior lateral hires, which were disproportionately male when compared with the overall demographic of the firm. These hires commonly include a performance related bonus incentive where bonus payments are made on the successful fulfilment of a business case. The resulting bonus payments can have a disproportionate effect on our gender bonus gap, some years after the lateral hire took place.

It is also important to note that 80% of flexible (reduced hours) employees or partners in Browne Jacobson are female. In any environment where a larger proportion of females work reduced hours, pro-rating bonus payments by FTE automatically creates a gap in the payment awarded, even where in real terms there is parity.

### 2019 Pay Quartiles



### 2018 Pay Quartiles



We continue to acknowledge that one of the key contributory factors creating the firm’s gender pay gap is our largely female legal support team: 81% female to 19% male. This is not unique to us but is the same across the whole legal sector. We recognise that we could not function without these brilliant women and men, but that this creates an imbalance in our report, with a larger proportion of women in our lower and lower middle quartiles.

There is further work to be done, however, across all quartiles and, in particular the upper quartile. When female lawyers are promoted into the equity partnership, they drop out of the mandatory reporting requirement and into our voluntary partner category. This skews the data. With a larger representation of males in the upper pay quartile the ‘loss’ of one person has a smaller impact on the overall average. We recognise that we need to increase the number of females in senior positions and our Women in Leadership Programme and new leadership expectations framework for assessing promotion opportunities should create greater equilibrium.

## Looking at the figures in terms of equity partners

We believe in honest and transparent reporting and, for us, this means looking at the gender pay gap with partners included in the overall figures. We have also voluntarily reported on equity partners in isolation. This data helps us ensure we are putting the right steps in place to promote diversity and inclusion at all levels of our business.

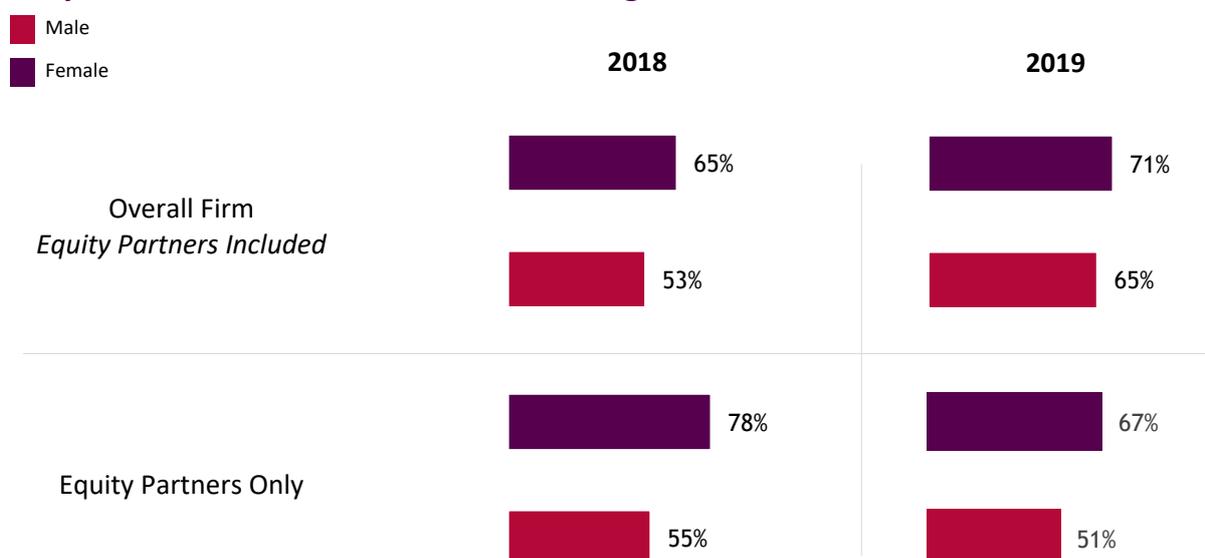
### Overall Firm – Equity Partners Included

	2018	2019
Mean Gender Pay Gap	44.6%	57.8%
Median Gender Pay Gap	38.7%	35.8%
Mean Gender Bonus Pay Gap	42.1%	69.8%
Median Gender Bonus Pay Gap	39.9%	38.2%

### Equity Partners Only

	2018	2019
Mean Gender Pay Gap	4.8%	2.9%
Median Gender Pay Gap	2.2%	8.8%
Mean Gender Bonus Pay Gap	35.7%	32.3%
Median Gender Bonus Pay Gap	41.3%	25.0%

### Proportion of men and women receiving bonuses



As has already been set out in this report, we recognise that there is work to be done to address the gender representation at senior levels within the firm. We are working hard to do this but progress takes time.

By voluntarily reporting on this at a partnership level we are able to gain greater insight into the areas for improvement. We have continued to review the management and governance of the firm with a view to creating a more balanced leadership team going forward, as well as introducing a number of measures designed to better support women progressing through the seniorities.

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## Looking at the figures in terms of ethnicity

This year we introduced a voluntary ethnicity survey, which we grouped into BAME/non-BAME categories. We used this to carry out an ethnicity pay gap analysis based on the same methodology as the gender pay gap analysis.

We intend to use this new data to help us ensure that processes, policies and practices are designed in a way which treats everybody equally and only differentiates on individual performance and capability. We also plan to use this data to monitor the availability of opportunities, progression and retention of our BAME population.

In this first year, however, it is important to note that participation in our ethnicity survey was 60%; our aim is to achieve at least a 90% participation for future reports. This year's response rate has therefore had an impact on the usefulness of the data provided and we have had to take this into account when reporting results.

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### Difference in hourly pay between BAME and non-BAME

	2019
<b>Mean Ethnicity Pay Gap</b>	<b>18.7%</b>
<i>Mean Ethnicity Pay Gap (including Equity Partners)</i>	52.7%
<i>Mean Ethnicity Pay Gap (Equity Partners only)</i>	22.2%
<b>Median Ethnicity Pay Gap</b>	<b>21.4%</b>
<i>Median Ethnicity Pay Gap (including Equity Partners)</i>	27.4%
<i>Median Ethnicity Pay Gap (Equity Partners only)</i>	-2.1%

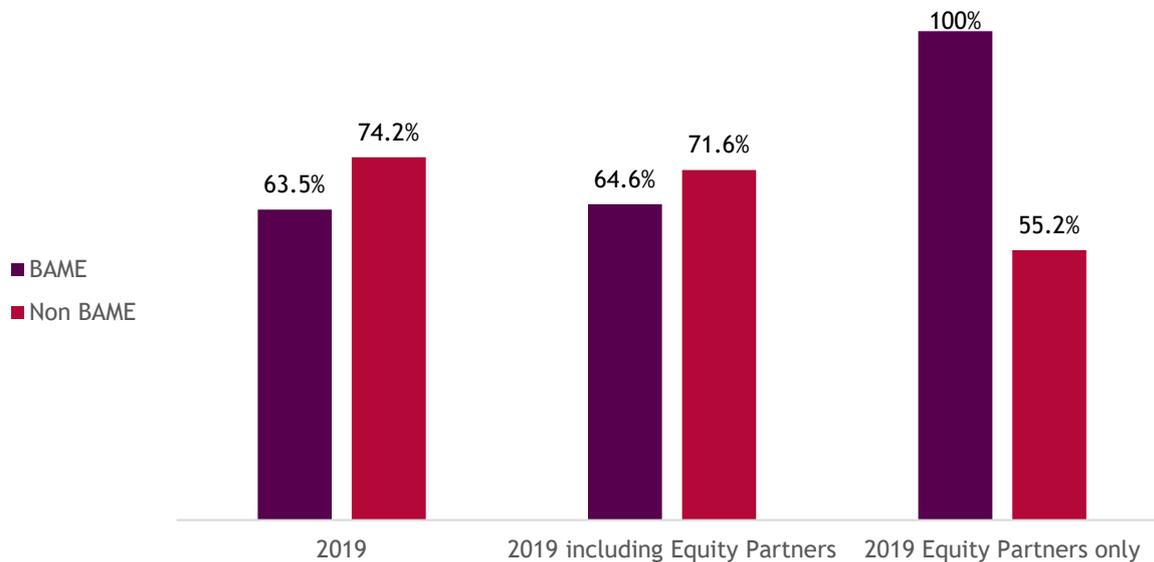
### Difference in bonus pay between BAME and non-BAME

	2019
<b>Mean Ethnicity Bonus Pay Gap</b>	<b>34.7%</b>
<i>Mean Ethnicity Bonus Pay Gap (including Equity Partners)</i>	48.7%
<i>Mean Ethnicity Bonus Pay Gap (Equity Partners only)</i>	12.8%
<b>Median Ethnicity Bonus Pay Gap</b>	<b>23.7%</b>
<i>Median Ethnicity Bonus Pay Gap (including Equity Partners)</i>	33.5%
<i>Median Ethnicity Bonus Pay Gap (Equity Partners only)</i>	12.5%

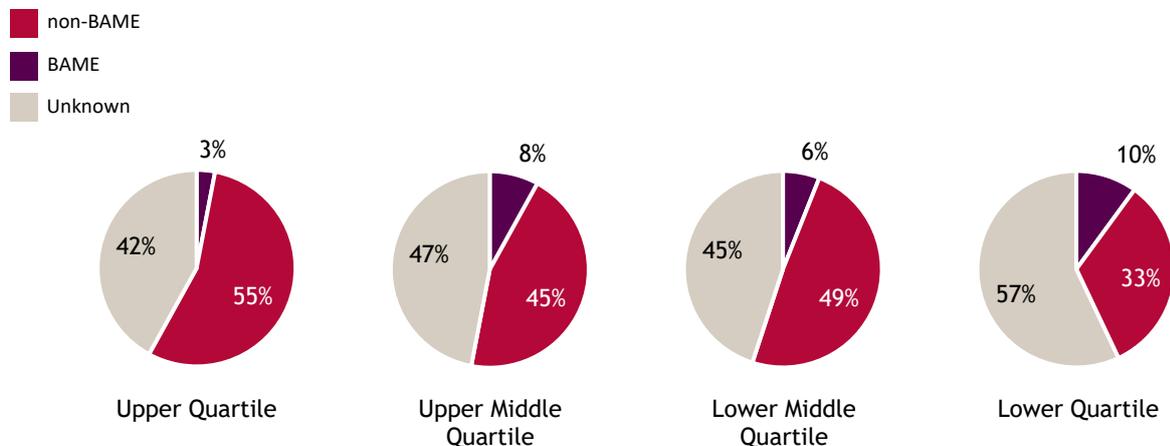
We are encouraged to see these results but we know that as we continue this study over a number of years, we may see this change as participation and accuracy increases.

## Proportion of BAME and non-BAME receiving bonuses

This is the first year that we have reported on the percentage of BAME members of the firm receiving a bonus and we intend to monitor the extent to which previously mentioned anomalies (for example, lateral hires) apply here.



## 2019 Ethnicity Pay Quartiles



Once again this is the first year that we have reported on quartile figures for our BAME members. There is a strong likelihood that the significant number of 'ethnicity unknown' respondents will have skewed this year's data and we will look to improve the robustness of the data in future years so we have a clearer picture of the landscape.

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## Our promise: A workplace where everyone can thrive

Our strength as a high performing organisation relies on us providing the right conditions to ensure everyone thrives, regardless of age, ethnicity, sexuality or background. This is not just our philosophy, this is our promise and a priority so this year we will be:

1. Paying everyone fairly for what they do. We will continue to carry out equal pay audits to ensure that like-for-like roles are paid equally based on gender. Now that we have a broader data set, which includes sexual orientation and ethnicity, we can broaden this to give us more insight into pay equity.
  2. Rolling out our Women in Leadership Programme, to identify and then address the pace of females progressing into our senior roles and partnership.
  3. Supporting more agile, flexible working to help people balance busy family lives and successful careers.
  4. Empowering our Diversity & Inclusion Committee to support improvements across the firm - many of which have been highlighted in the data in this report.
  5. Implementing our firm-wide reverse mentoring scheme, designed to better support equality and balance at all levels.
  6. Implementing our new leadership expectations framework for assessing promotion opportunities - looking at behaviours and overall contribution, rather than merely the traditional hours and fees performance and over time, developing similar frameworks for other key groups and providing clarity on capabilities needs to support progression in all its forms.
  7. Continuing to review the recruitment shortlisting process to remove education history, anonymise language and to ensure all language is non-gender specific. We're most interested in experience, not what gender applicants are, where they went to university and what grades were attained.
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