

# Bates Wells Ethnicity Pay Report



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# Introduction

**At Bates Wells, we're not the average law firm. We strive to do the right thing and make a positive impact on our people and society. We celebrate different cultures, backgrounds, perspectives, and experiences.**

As a **B Corporation** we are committed to our values and being open and transparent. So, this year we are voluntarily publishing our ethnicity pay gap based on data for our Black, Asian and Minority Ethnic ("BAME") workforce using the same parameters as our gender pay gap data. We've worked closely with REACH (our Race, Ethnicity & Cultural Heritage network) and RISE (a sub-group of REACH focused on creating a welcoming and supportive environment for current and future Black colleagues) to produce this report.

We use the terms "BAME" and "non-BAME" as these are widely used for reporting. However, as a firm we recognise that this is not how our people would choose to describe themselves and we are discussing more appropriate alternative terms for future use.

Firstly, we know we need to do better. We have already started our journey to help us close our ethnicity pay gap, but we still have some way to go. Secondly, our data, which is based on a relatively small sample of people, highlights how imperative it is for us as a firm to increase BAME representation across the whole of our organisation as well as to support and monitor their career progression across all levels.

Our priorities and objectives give us the tools to continue with this journey and enable us to implement the steps we need to make to help bring about change by working across the whole business.



**Martin Bunch,**  
Managing Partner



**Claire Cherrington,**  
HR Director



**Chetal Patel,**  
Partner

# What have we achieved?

## Inclusive Diversity Survey

At Bates Wells, we continue to strive to create an inclusive workplace, with a richness of diversity. We want to make sure all our people feel safe and happy and can reach their full potential. In February 2021, we launched a firmwide diversity benchmark survey to help us understand in greater detail the diversity demographic of our people.

To get to know our people better we asked two ethnicity questions: the first was based on the Office of National Statistics (ONS) categories used for reporting, and the second provided a much broader range of answers to enable our people to give us a more accurate reflection of their ethnicity. We are now using the survey, which will be sent out annually, to hold ourselves accountable for the development and progression of all our employees, particularly women and BAME employees. Our aim is to continue to grow and develop a culture where our employees feel comfortable to disclose their diversity data, and we are using our internal communications plan to help support this.

## External Commitment

As signatories of **The Race at Work Charter** through Business in the Community (BITC), the **Halo Code Agreement** and the **Race Fairness Commitment** through RARE Recruitment, we have publicly demonstrated our commitment to racial equality. These relationships have aided us to reassess our approach to inclusion as set out in this report.

## Upward mentoring programme

Launched in May 2021, the Bates Wells Upward Mentoring programme aims to support our Partners to become more inclusive leaders, who truly value the differences our people bring to the firm. Initially focusing on BAME mentors, our mentors facilitated open dialogue and safe spaces to encourage greater understanding between colleagues with different life and professional experiences, creating a more inclusive culture across the firm. One of the Partner mentees from the programme said, *“I have found it really enlightening to understand the impact that microaggressions can have. I am going to be much more mindful about the content and tone of my communications, and I feel equipped to challenge other people if they say or do something that could have that kind of negative impact”*.

And a mentor said, *“Both my mentee and I were nervous about this experience but have come out on the other side with new (and improved) relationships and greater awareness of our lived experiences, that will continue to generate fruitful results in sponsorship, mentorship and considered decision making from our senior leadership.”*

## Talent pipeline

This year we have closely monitored our talent pipeline for all fee earners with both a gender and ethnicity lens, to help us make sure we are supporting people throughout all stages of their career. Across the firm, 36% of promotions were BAME. 20% of our Black and ethnic solicitors were promoted to Associate. In this round only one promotion was made to Senior Associate, a non-BAME person. We need to do better and will be continuing to monitor and challenge promotions across the firm.

## DIF (Diversity and Inclusion Forum) Network

We have created a new **Recruitment and Retention subgroup** within our DIF network which consists of representatives from all the DIF Groups. Their aim is to focus on enhancing our recruitment and talent attraction processes, reflecting all diversity strands including on ethnicity. We have a REACH (Race, Ethnicity and Cultural Heritage) network and within that, a RISE network which focuses on improving the representation and experience of our Black colleagues. Both networks represent colleagues at all levels of seniority within our firm and have been working hard on educating our people and developing tools to support this learning. For example, producing an Allyship Guide designed by our people, for our people. They have also developed a 'Transforming Business with Diversity' guide/business plan to facilitate positive support for and impact on charities and social enterprises that are owned by and focus on Black and people of colour communities.

## Recruitment

We're supporting the **Black Vacation Scheme** who provide a shortlisting service to firms with CVs of Black candidates interested in securing a training contract. The aim is to increase accessibility and representation within trainee recruitment, and in June 2021 we were joined by two successful candidates on our vacation scheme.

We've continued to use **RARE's contextual recruitment tool** for our Trainee Recruitment with a specific focus on tracking and monitoring data to help level the playing field for those applying to the firm with grade adjusted assessments.

In 2019 we launched the **All Hires** recruitment portal to enable us to review and report on our candidate data. The portal is now used for Graduate and Experienced Hire and eventually all agency CVs will be passed through the portal, helping us to gain better data on those who apply to the firm.

We've taken a more **targeted approach to trainee recruitment**, for example speaking at Law City talks and establishing contacts with local universities to raise the profile of Bates Wells amongst socioeconomically deprived and Black groups.



# Our latest results

## Employee pay and bonus gap

Our overall **ethnicity pay gap is 13.84%** and the **median is 10.87%**. However, we are pleased to report that our **median bonus gap is 0%**. This is due to our work looking at our bonus structures, how bonuses are paid to our people and the removal of historic contractual arrangements.

### Employee ethnicity pay gap

Year	Mean pay gap %	Median pay gap %
2020	13.84	10.87

### Employee ethnicity bonus gap

Year	Mean bonus gap %	Median bonus gap %
2020	9.96	0

It's important we understand the reason for these gaps. Looking within the post-qualification experience (PQE) pay structure (newly qualified to 8 years), we found a very small number of differences. The difference in pay upon recruitment was due to level of experience, but this affected both non-BAME and BAME employees.

We also have a mixture of fee earners on faster, average and slightly slower career paths, which means some fee earners who may be 4 or 5 year PQE will be on the same salary because one was promoted at the first opportunity, whilst the other was promoted slightly later due to experience. We will continue to keep this under review, looking at recruitment and progression with an ethnicity lens.

## Percentage gaps for roles

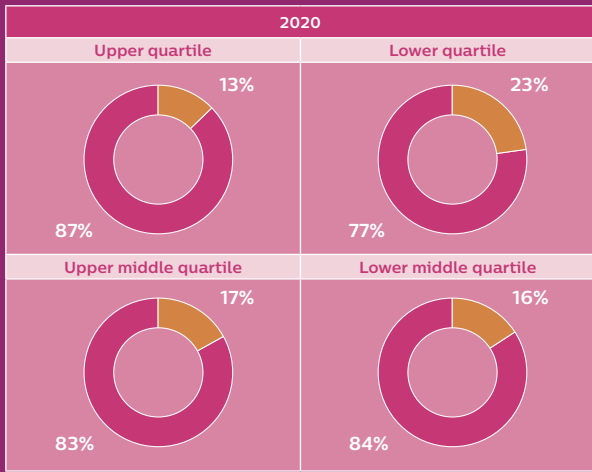
We wanted to share further analysis of the percentage gaps for roles.

### Mean % gap for roles

Role	Mean gap %
Solicitor	3.86
Associate	0.81
Senior Associate	-3.19
Paralegal	-1.01
Senior Paralegal	-3.66
Secretary	3.53
Team Manager	-10.51

The gaps are due to the number of people in each role, how senior those roles are and who occupies them, i.e. BAME or non-BAME. It's not about our BAME colleagues being paid less but that we have fewer of them occupying the senior roles. There are also differences which arise with the experience people have within their bands/roles. We are aware of this and continue to monitor our talent pipelines and the progress of our BAME employees.

### Employee quartiles



We acknowledge that we lack BAME representation in our senior roles and this is particularly prevalent within our Business Team. We are open about this; it is something that we want to address and are **taking action** to improve this.



### Partner profit and bonus gap

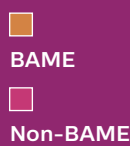
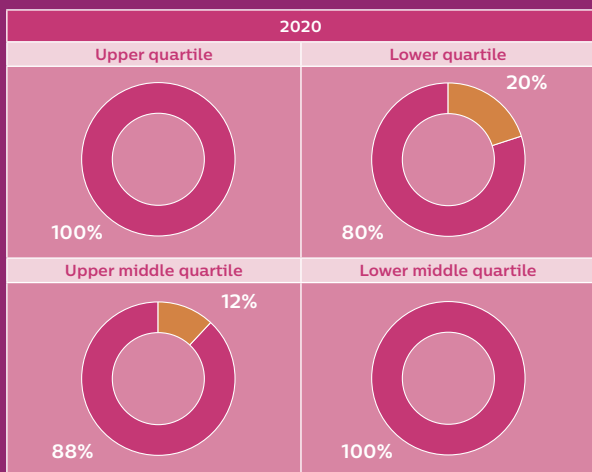
Our partner ethnicity profit gap is 22.6% whilst our partner ethnicity bonus gap is 17.88%. We know that we lack BAME representation at Partner level. This is something that we want to address and are taking steps to achieve this.

Year	Mean profit gap %	Median profit gap %
2020	22.6	24.86

Year	Mean bonus gap %	Median bonus gap %
2020	17.88	20.00

### Partner quartiles



### Combined pay and profit gap

Year	Combined mean pay and profit gap %	Combined median pay and profit gap %
2020	27.32	24.98



# What are we committed to doing?

We know there are still many things that we can and should be doing. We have therefore committed to achieve the following core projects in the coming 12 months.

## #1 Retention

We want to ensure that our people feel safe and happy, valued and represented, so everyone can reach their full potential in their career with us. To help us achieve this, we will closely manage and analyse our exit interview data for key themes, which will be reviewed by our Board Sponsors with active steps taken to address any issues identified. We will be implementing a firmwide supervision checklist covering both matter and career supervision to ensure all our junior people are being supported consistently.

## #2 Improve/continue with work allocation

A project team has been set up to consider the risk of gender and ethnicity bias across our work allocation practices and will be producing a framework for use across all fee earning departments. This will be implemented early 2022 and will be measured through the annual inclusion survey. The aim is to ensure that all our people have equal access and opportunities to client work and to reduce any bias within the allocation process.

## #3 Recruitment

Continue our recruitment specific activities to ensure we diversify our recruitment processes by; always using diverse job boards to advertise roles across the firm and working with external companies to enhance our applicant tracking capabilities. We also endeavour to set a 50:50 BAME/non-BAME ratio for the trainees we hire.

## #4 Implement inclusion and unconscious bias training

We are working with an external provider to deliver our inclusion training, which focused first on our partnership in Autumn 2021, setting the tone from the top. At Bates Wells, the expectation is that it's everyone's responsibility to help create a more inclusive environment so further firmwide training will follow in 2022. The training will be delivered on an annual basis.

## #5 Commitment across the firm

Having a dedicated diverse group of people who will be specifically committed to this agenda to help make long lasting change and whose work will be reported to the Board on a bi-annual basis by the Board Sponsors.

## #6 Senior Leadership

We've appointed two Board sponsors, the Managing Partner, and the Chief Operating Officer, who will provide the Board with progress reviews bi-annually and will shortly be taking forward a proposal for firm wide targets for people of colour. The Board sponsors will work closely with our DIF Partners, REACH and RISE Ambassadors and HR team to ensure the interests of our BAME people are represented at the decision making level.

**This is our first year of analysing our ethnicity pay gap and whilst we know we need to do better, this process has allowed us to identify where the gaps are and helped us to understand what we can do to address them. Change won't happen overnight but we are committed to closing our ethnicity pay gap.**



Making a profit is core to all businesses but our goal is to combine this with a real social purpose. Our values are pivotal to us, they shape our decisions and the way we live and work.

We focus on positive social impact as much as we focus on being a successful law firm. Our top tier legal advice is coupled with a real desire to drive change and we were the first UK law firm to achieve B Corp certification, awarded to businesses that balance purpose and profit.

Today, our clients are diverse – from corporate household names, to public bodies, to start-ups. We're also the firm of choice for thousands of charities and social enterprises. We continue to lead the market we helped to shape.

Bates Wells challenges what is possible in legal expertise delivery.

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