



Bates Wells Gender Pay Report

2021



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Useful definitions:

The **mean** statistic shows the average and the **median** shows the middle value.



The **mean** gender pay gap is the difference between the average hourly earnings of male and female employees within a company.



The **median** gender pay gap is the difference between the midpoints in the ranges of hourly earnings of male and female employees. It takes all the salaries in the sample, lines them up from the lowest to highest, and uses the middle salary.

Introduction

Doing the right thing, making a positive impact on our people and society is what motivates us at Bates Wells. It’s a part of who we are. We celebrate all cultures, backgrounds, experiences and perspectives and the richness they bring.

Our people are the reason we will continue to thrive and progress as a firm and without their talent and expertise we cannot expect to achieve the growth we desire. We know that equality, diversity & inclusion (EDI) makes us more relevant and valuable to our clients, more empowering for our people, and more engaged with our wider communities. We therefore want to ensure we continue to build a sustainable pipeline of diverse talent as well as nurture and progress our own employees within the firm.

We are starting to see the impact of our efforts since we started reporting on our pay gap. We aim

to improve the representation of women across senior levels Whilst we have had some recent movements in the partnership with departures of both men and women, we’re pleased to say we’ve already seen an increase in women being elected to the partnership and joining our Management Board within the last year.

Our list of priorities for the coming year, outlined in this report, give us the accountability and focus to continue with our journey and enable us to implement the steps to help bring about continued change.



Martin Bunch
Managing Partner



Claire Cherrington
HR Director



Mindy Jhittay
Senior Associate
and Gender Equality
Ambassador

Employee pay gap

We are pleased to report that our employee pay gap has continued to close, with the mean gender gap reducing by -9.38% to 1.45%. The median gap has also significantly reduced from 32.19% to 9.86%. This is a result of our positive actions and efforts over the past few years, and we are now beginning to see the impact.

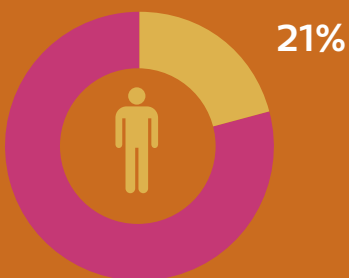
Year	Mean gender pay gap %	Median gender pay gap %
2021	1.45	9.86
2020	10.83	32.19
Difference	-9.38	-22.33

Employee bonus gap

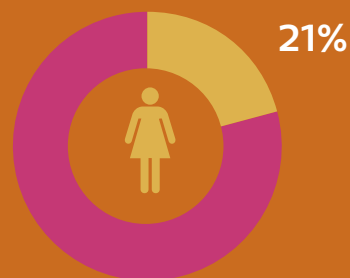
However, our bonus gap has widened considerably from 40.38% to 61.84% with the median bonus gap increasing to 48.03%.

Year	Mean gender bonus gap %	Median gender bonus gap %
2021	61.84	48.03
2020	21.46	0.00
Difference	40.38	48.03

% of bonus proportions received – men



% of bonus proportions received – women



The bonus gap for this year has been impacted as there were no performance or profit share bonuses in July 2020. This meant that the main bonuses paid were those under our “introducer scheme” which pays a percentage of billed fees to staff who introduce a new client to the firm. All employees have access to the scheme, the bonus payment is equal (it is a fixed percentage of billed fees for introduced clients) and the number of men and women who received bonuses were roughly equal. However, two men received higher value payments due to the amount of fees billed to the clients introduced by them. As the data set is so small with a total number of staff who received introducer bonuses standing at 42, this has significantly affected the overall mean and median figures. We are considering how to ensure the scheme is promoted internally, including to new joiners, and will continue to monitor and analyse the gaps that occur for different types of bonuses.

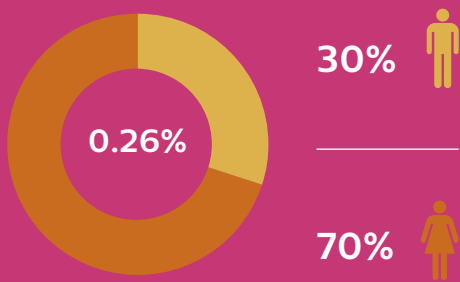
Employee quartiles

We continue to have a larger proportion of women across all pay quartiles: The overall population standing at 71.4% in the month of April 2021.

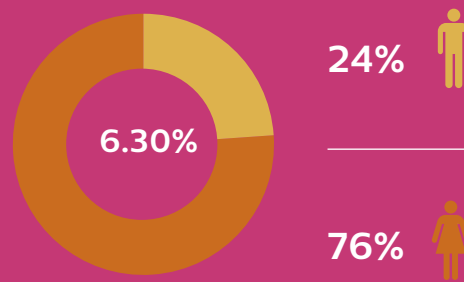
100% of our promotions in July 2021 to both Associate and Senior Associate were women, which has helped to improve the representation of women in the upper middle and upper quartiles. Additionally, 75% of promotions within the Business Team in July 2021 were women.

The graphics below show the corresponding mean gender pay gap within each quartile.

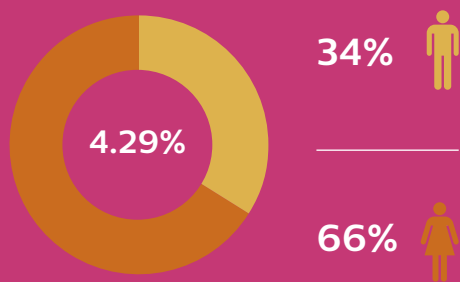
Lower quartile



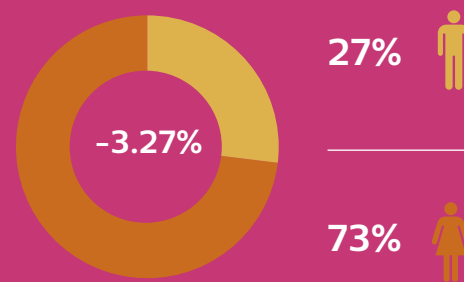
Lower middle quartile



Upper middle quartile



Upper quartile



Partner profit gap

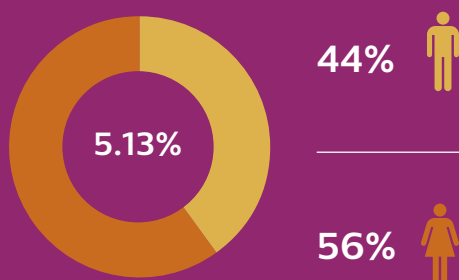
As of 1st April 2021, 37% of our partnership were women. This is a slight percentage decrease on the same reporting period in 2020 and is due to losing two women, a senior partner and a partner, from a small partnership of 35. There were also no promotions made into the partnership in 2021 so consequently our partners and senior partners remained the same, moving through the lockstep. However, we have since made encouraging steps towards increasing the number of women in the partnership and are confident this will continue. We are positive that we will improve the gender balance of our senior partnership over the coming years.

Year	Mean partner profit gap %	Median partner profit gap %
2021	20.94	40.05
2020	11.68	21.01
Difference	9.26	19.04

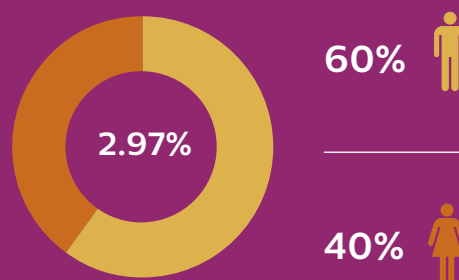
The partner mean profit gap has increased from 11.68% in 2020 to 20.94% in 2021 and the median gap has also raised from 21.01% to 40.05%. This relates to the departure of women partners who left as highlighted above. As a result, the number of women partners in the upper middle quartile and upper quartile have declined.

Partner quartiles

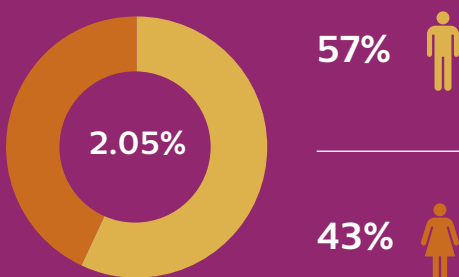
Lower quartile



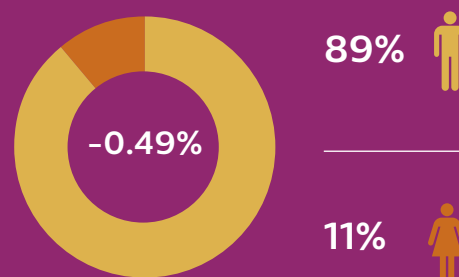
Lower middle quartile



Upper middle quartile



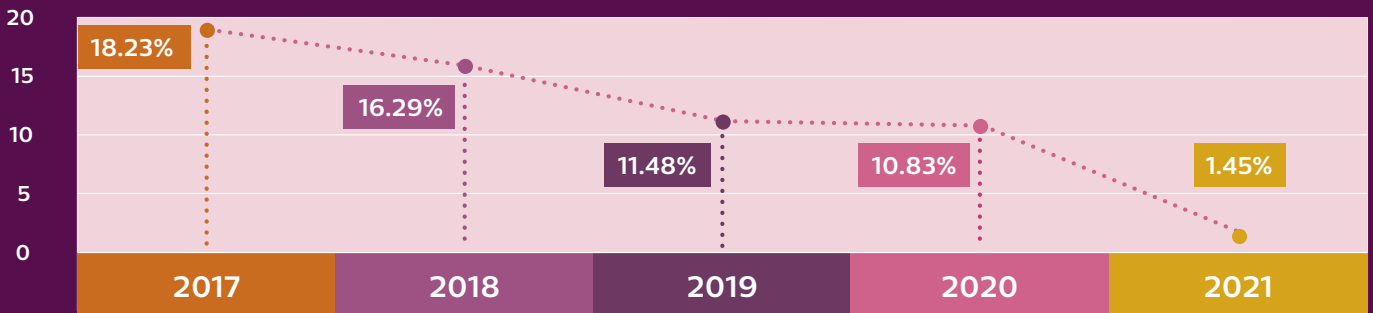
Upper quartile



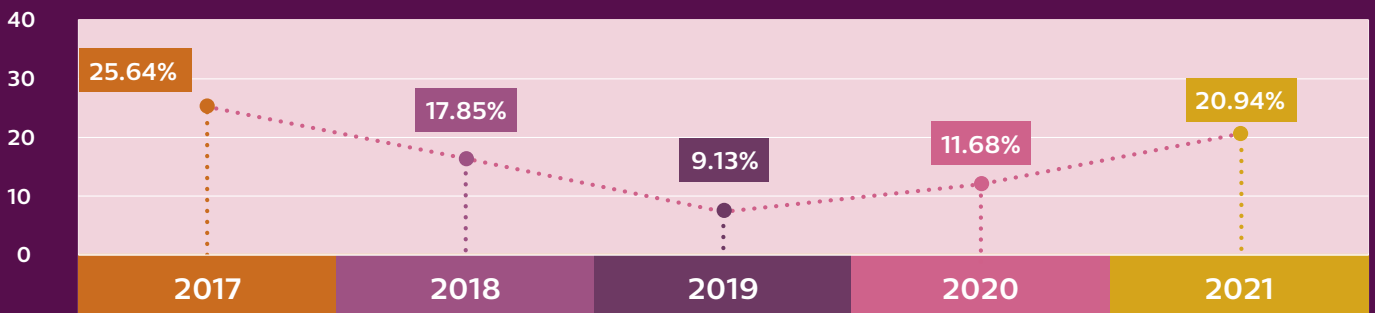
Combined pay and profit gap

Year	Combined mean gender pay & profit gap %	Combined median gender pay & profit gap %
2021	35.92	15.84
2020	35.79	35.07
Difference	-0.13	-19.23

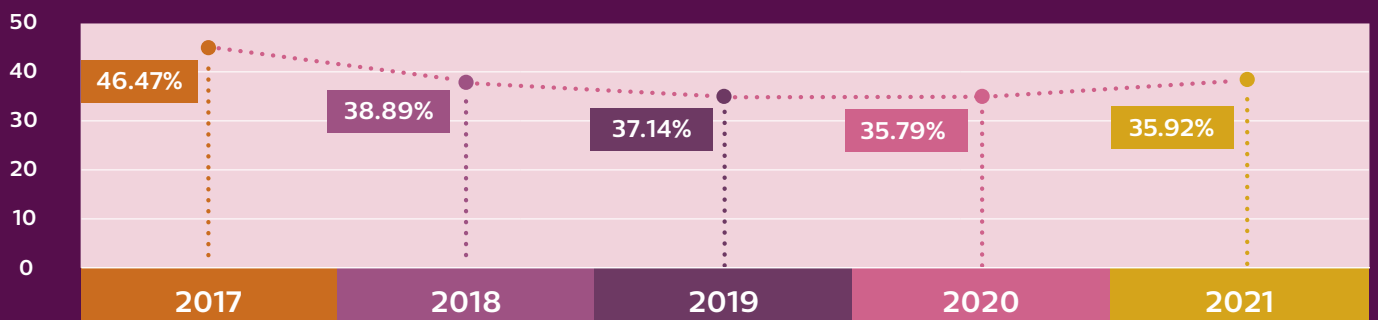
Mean employee pay gap %



Mean partner profit gap %



Mean combined partner pay and profit gap %



What have we achieved?

Targets

Our gender target is a 40:60 split either way due to the small numbers in our partnership and senior management team. In this reporting period, our split was 37:63 principally due to the departure of two women partners. However, our pipeline is encouraging; out of three candidates for the partner elections in 2022, all are women. As part of our lateral hire recruitment, with one woman and one man joining the partnership, we are on track to exceed our targets for 2022. Our Gender Representative on the Management Board, along with our HR Director, will evaluate the process post the partner elections and track the progression of these women should they be successful.

Inclusion training

We successfully delivered inclusion training to our partnership and senior management team in Autumn 2021, focusing on why specifically it is key for our future as a firm. Our next step is to work with our Heads of Departments (HoDs) to embed EDI into their business plans and roll out inclusion training across the firm.

REACH and RISE upward mentoring

Upward mentoring flip-flops the typical mentoring relationship; the senior employee seeks to gain business insights and personal experiences from a less experienced, often a younger employee. Members of our senior management and partners were mentored by members of REACH (Race, Ethnicity & Cultural Heritage) and RISE (supporting our black colleagues). The programme was a great success; our 17 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. 88% of the mentors were female. The mentors and mentees shared learnings from the programme and the mentees gave a commitment to the mentors and firm, to drive forward a number of initiatives including senior leaders to have objectives around EDI in their business plans.



Partner development

We have introduced an induction for partners when they join the Management Board. This is to make the Management Board accessible to everyone and ensure that all new members are not only welcomed but understand their role and responsibilities. The Gender Representative on the Board and the COO will review the programme regularly to ensure it is successful and fit for purpose. In addition, we have implemented a support programme for new partners elected to the partnership. The Gender Representative is seeking real-time feedback from the new partners who are on this programme to help it develop and evolve.

Performance review process/tools

We have simplified our performance review process to focus on quality conversations, creating a culture of continuous learning and development, where performance is regularly discussed. In discussion with our Gender Group, we decided to continue with mid-year and end of year reviews to enable our people to seek written feedback. Our HoDs, HR Business Partners together with our HRD, review all promotions with a gender lens and address any gender bias.

Talent pipeline

We have continued to closely monitor our talent pipeline for all fee earners with both a gender and ethnicity lens, to help ensure we are supporting people throughout all stages of their career. 100% of our promotions to both Associate and Senior Associate were in favour of women in our last promotion round.

Inclusion survey

We carried out a survey of the whole firm which gave our people the opportunity to provide feedback on our how inclusive they feel we are as a firm, what we do well and where we can improve. Results are still being analysed but early indications show the overall opinion is positive and the final outcomes will be presented to the Management Board in the spring with actions being fed into the EDI strategy.

Menopause Awareness

During Menopause Awareness month in 2021, we teamed up with 'Talking Menopause' to deliver a webinar to educate our people. Following this we created an online Menopause Information & Support Hub on our intranet. We are in the process of creating an employee & partner support group and are about to embark on upskilling our Mental Health First Aiders so they can support women at this time in their lives.

As a firm, we also provide an employer funded Menopause Plan via our private health provider. Our aim is to support our women to continue working whilst going through the menopause and make open discussions the norm.

Women in Law Pledge

We have recently signed the pledge to show our commitment to working together to harness the power of gender equality to transform the business of law. The pledge holds us accountable for promoting gender equality across the firm and our supporting action plan outlines how we will achieve this.

What we're going to do

Whilst we have made some progress on our inclusion journey, there are still many things that we can and should be doing. We have committed to achieve the following 3 core projects in the coming 12 months.

#1 Continue to implement inclusion training

The next stage is for our line managers to undertake inclusion training and to roll out inclusive behaviour training to all employees. Our expectation remains that it is everyone's responsibility to help create an inclusive environment. The outcomes of our inclusion training will be regularly monitored, reported to the Board and implemented into our EDI strategy.

#2 Set EDI objectives for HoDs and Directors

Following our inclusion training with HoDs and Directors, we will be supporting them with implementing inclusion into their people plans. This will ensure that they are driving change for the business. To help deliver this, we will be introducing a targeted EDI objective for HoDs and Directors in the next round of performance reviews.

#3 Continue to improve 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. However due to the implementation of a new practice management system and a lack of resource, this project was delayed. It will now be implemented by late 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.



Conclusion

Whilst we are gradually beginning to see the impact of our actions, we cannot afford to lose momentum. Change doesn't happen overnight. However, we are confident that through the work we are committed to doing, we will continue to see our gender pay gap close.



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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