



ashurst

Gender Pay Gap Report

WHERE WE ARE AND WHAT WE ARE DOING





DEFINITIONS

Equal pay is the right for men and women to be paid the same for the same, or equivalent work, or work of equal value.

Basic (or fixed) pay is guaranteed cash wage or salary paid to employees for doing their work for a contracted period of time.

Ordinary pay includes basic pay, paid leave, un-reduced maternity pay, un-reduced sick pay, area allowances, shift premiums, bonus and other pay (including car allowances paid via payroll), on call /standby allowances, clothing, first aid or fire warden allowances). Ordinary pay does not include overtime, expenses, salary sacrifice deductions, benefits, redundancy pay, arrears of pay, reduced leave pay and tax credits.

Bonus pay includes payments related to profit-sharing, productivity, performance and other incentive pay, piecework and commission, long term incentive plans; and the cash equivalent value of shares on the date of payment.


Gender pay gap the difference in ordinary pay between male and female employees, expressed as a percentage of male ordinary pay as at 5 April.

Gender bonus gap the difference in bonus pay received during the 12 months preceding the relevant date, by male and female employees, expressed as a percentage of the bonus pay received by male employees.

Mean the sum of all the values in a list divided by the number of values.

Median the middle value in a list where the values are listed in numerical order, from lowest to highest.

Quartiles splits the distribution of employees into four equal groups, where each group contains a quarter of the data.



New legislation in April 2017 required UK employers with more than 250 employees to publish their gender pay gap data. This has led to a welcome focus by businesses to understand and reduce gender pay inequality. While the reasons for the gender pay gap are complex, the benefits of a more equitable work force, with increased diversity of all types, have been repeatedly proven.

The legislation requires us to provide separate data for our London and Glasgow offices as at 5 April 2018, which we have done. However, these businesses operate as one entity in terms of delivery of services, both internally and to clients, and as such we have also provided data for the total UK firm combined. In addition, while partners are excluded from the statutory requirement as they are not employees, we appreciate there is an interest in this comparison and have also separately included data which includes the UK partnership. Partners are not paid by way of fixed salary, (but instead by way of profit share), and so to ensure a like-for-like comparison, we have compared total pay for all staff (ordinary pay plus bonuses) versus the “total remuneration” paid to partners.

For the legal industry, where equal pay for equal work is well established, it’s clear that the pay gap issue is long-dated and structural. We have significantly more male partners and in contrast, in our business services, significantly more females at below manager level. This is a feature that takes time to change by way of evolution. We are able to report a real improvement in our gender pay gap for legal staff but only a small improvement in London overall compared to last year (further analysis and detail is provided in the report). This has led us to review the challenges and successes between business services and legal and to provide figures separately for both of these groups.

At Ashurst, the review and analysis of our gender pay gap has led to useful insights and some of our initiatives and action plans are already showing benefits. These, in turn, are driving new approaches and we look forward to further positive changes.



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Overview of data findings by office: Legal and Business Services

	London	London	Glasgow	UK	UK (all staff and partners)	UK (partners only)
	2017	2018	2018	2018	2018	2018
Mean pay gap	24.8%	24.6%	12.4%	19.8%	57.7%	15.7%
Median pay gap	32.7%	29.4%	9.4%	26.1%	40.7%	10.8%
Mean bonus pay gap	64.4%	47.7%	57.7%	57.0%		
Median bonus pay gap	60.2%	56.2%	59.0%	50.0%		
Bonus Achievement – Female	34.1%	30.5%	15.9%	27.2%		
Bonus Achievement – Male	44.3%	35.1%	10.7%	28.2%		

Compared to 2017 data for all at London, we see small positive changes in our gender pay gap and slightly more significant improvements in our bonus pay gap. Further detailed analysis of this is shown in the next section.

As last year, women at Ashurst make up the majority of our workforce (53% this year compared to 61% last year) and represent 61% of our business services and secretarial teams. Within business services London, 20% of the team is made up of secretarial staff (these figures cover the period prior to the reorganisation) and of the highest paid roles at Senior Manager and above level, 69% are men.

The Glasgow office continues to grow and is now large enough to be reported on each year. We are encouraged by the small gender pay gap in Glasgow but recognise the need to focus on the gap in bonuses.

Unsurprisingly, when the figures include partners as compared to all staff, the gap widens again, reflecting the higher percentage of male partners (82%) within the UK firm. When we analyse the data of female as compared to male partners, the mean and median gaps are smaller than the UK and London legal.

Overall, the bonus gender pay gap remains the key challenge. To address this we reviewed and enhanced our appraisal system and bonus scheme last year, reducing the focus on chargeable hours on the legal side while opening up the bonus scheme for all business services staff, not just managers. However, it will take a number of years until the full impact of these changes will be seen.



Legal – London

	2018	2017
Mean pay gap	10.0%	16.4%
Median pay gap	11.6%	21.0%
Mean bonus pay gap	42.1%	62.6%
Median bonus pay gap	33.9%	55.2%
Bonus Achievement – Female	25.2%	35.3%
Bonus Achievement – Male	32.6%	46.5%

The mean gender pay gap within Legal has dropped significantly to 10% from 16.4% in 2017. Similarly, the mean bonus pay gap has noticeably shrunk to 42.1% from 62.6% in 2017.

This data was a snapshot as at 5 April 2018, prior to our improved bonus and appraisal processes being implemented. Importantly, the previous scheme awarded bonuses within Legal on the basis of a combination of billable hours and performance. This impacted women because billable hours for women tended to be lower than for men (hours in FY18 were 1600 for men and 1496 for women). The firm recognised that these differences were reflective of imperfections in our system, not different working practices. The development of work allocation and smarter working practices have been put in place to address these imperfections. Pleasingly, hours for this year are forecast to be 1566 for men versus 1538 for women – a significant narrowing of the gap. We expect this to feed through into bonus payments in time, further reducing the bonus pay gap.

For both Ashurst and the industry as a whole, the retention and career progression of senior women, including at partner level, is central to reducing the gender pay gap and to creating a more diverse and effective work force. Shifting working practices such as smarter working and increased support for junior women continue to have a positive impact and we have made great strides in our Diversity and Inclusion initiatives. As we recently reported in our Diversity and Inclusion report, one of the strongest responses on the engagement results globally and for London and Glasgow specifically was “Ashurst promotes a diverse and inclusive work environment”. This can be seen, for example, in the increased proportion of women on our Emerging Leaders Programme. In London, almost half of the identified candidates in 2018 were women, which compares favourably to 2017 when only a quarter of the London candidates were women.

Business Services including Secretarial – London

Staff working in Business Services make up only 32.1% of the London office population and therefore with the improvements in the gender pay gap in Legal, we had expected a stronger overall improved London result. We have performed a separate analysis on our business services gender pay gap to understand the results. We cannot make a comparison to 2017 as these results were not produced then, but we will show them separately going forward.

	2018
Mean pay gap	34.8%
Median pay gap	34.3%
Mean bonus pay gap	62.8%
Median bonus pay gap	62.9%
Bonus Achievement – Female	34.3%

The significant pay and bonus gap in Business Services is a result of the majority of lower paid roles being held by women, with one third of the women in this group in secretarial roles. These roles, prior to the change in the bonus scheme, were not eligible for bonus payments. Also, higher paid roles have been more often occupied by men, with the percentage of men in these roles increasing during this review period.

A review process has been launched to focus on what we can do to reduce this pay and bonus gap, including increasing female representation within manager and senior management positions.



Glasgow

For this review period, 97% of Glasgow staff are in Ashurst Advance or Business Services and there is a fairly even split of women (51.4%) versus men (48.6%). The mean gender pay gap is pleasingly low at 12.4% which is lower than London overall at 24.6% and Business Services in London at 34.8%.

There is a significant gender bonus pay gap even though 62% of the bonuses paid in Glasgow were to women. This was driven by the fact that overall, bonuses were relatively small, with a small number of exceptions skewing the results. The focus on bonuses for all in future, should smooth this out, and we will not be complacent about ensuring bonuses remain equitable.



How we are addressing the gender pay gap

A number of initiatives that we have already put in place to address our gender pay gap over the last few years appear to be starting to deliver results, and many of these will not yet have fully filtered through to our results. However there is more we can do. Our continued focus areas will be:



Changes to the bonus scheme

All staff are eligible for bonuses with a focus on high performers, irrespective of role or seniority.

For legal staff the emphasis on chargeable hours as a metric for eligibility for a bonus has been reduced to focus on the wider role of the lawyer. Launched for the 2018 financial year, the first payments under the new scheme will only be made in July 2019 and will not be reflected in our gender pay gap data until April 2020.



Enhancement of performance appraisal process

Data generated during 2017 allowed us to analyse our performance appraisal process and implement some changes that further ensured consistency across job function, practice area, seniority and gender. During the 2018 process we were pleased to see more parity between male and female performance results, with little differential in the proportion of either gender achieving top rankings.



Work allocation and Smarter Working

Over the last three years we have rolled out a work allocation system which uses an independent manager to allocate work rather than partners, driving an increase in the perceived fairness of work allocation and opportunities for associates to access new work types. This should continue to narrow the gap between male and female billable hours. This initiative won the Game Changer Award in the Business in the Community Gender Equality Awards in 2017.

In addition, our Smarter Working guidelines have provided more flexibility to both men and women and we expect use of this flexibility to increase as technology improvements are implemented. This initiative was shortlisted in both The Lawyer Awards 2017 and Legal Week Innovation Awards 2018.

FURTHER INITIATIVES BEING DEVELOPED TO ADDRESS THE GENDER PAY GAP INCLUDE:

1. **Review of Shared Parental Pay policy:** Recent figures released by the Department for Business, Energy and Industrial Strategy show that less than 2% of eligible couples currently make use of Shared Parental Leave which was introduced to encourage couples to share parenting responsibilities. A review of our policy is underway with changes expected in Q1 of FY2020.
2. **Formal job evaluation:** Development of job evaluation for our business services staff which will allow us to group roles into job families and develop robust salary scales which will be gender neutral.
3. **Changes in recruitment practices:** With salary scales, we can pay the salary for specific roles, without reference to an individual's current compensation at a previous organisation. This is significant because market research indicates that women move less frequently and broadly speaking, are less aggressive on salary negotiations. Therefore, when negotiating a new salary at Ashurst, women may already be earning less than a male counterpart externally if, for example, they have taken some time out or only received inflationary type increases because they have not moved jobs. This is essentially already done in our legal areas as we pay spot rates at each level up to S2. This approach has been adopted elsewhere, as an example, legislative changes in the US in New York and California already make it illegal to put current compensation numbers on an applicant's CV and recruitment agencies are no longer allowed to ask for current compensation when considering an offer.
4. **More focussed leadership development and promotion to senior roles:** Over the last few years we have developed leadership programmes for our legal staff. Talented business services staff, with potential to move to the next level, will now be included on these programmes too.

Our statistics

Government information on statutory pay gap reporting and what the gender pay gap means can be accessed via the [gov.uk website](https://www.gov.uk).

The following tables show the mandatory gender pay data.



Gender pay report – London

GENDER PAY GAP

Mean	Median
24.6%	29.4%

BONUS PAY GAP

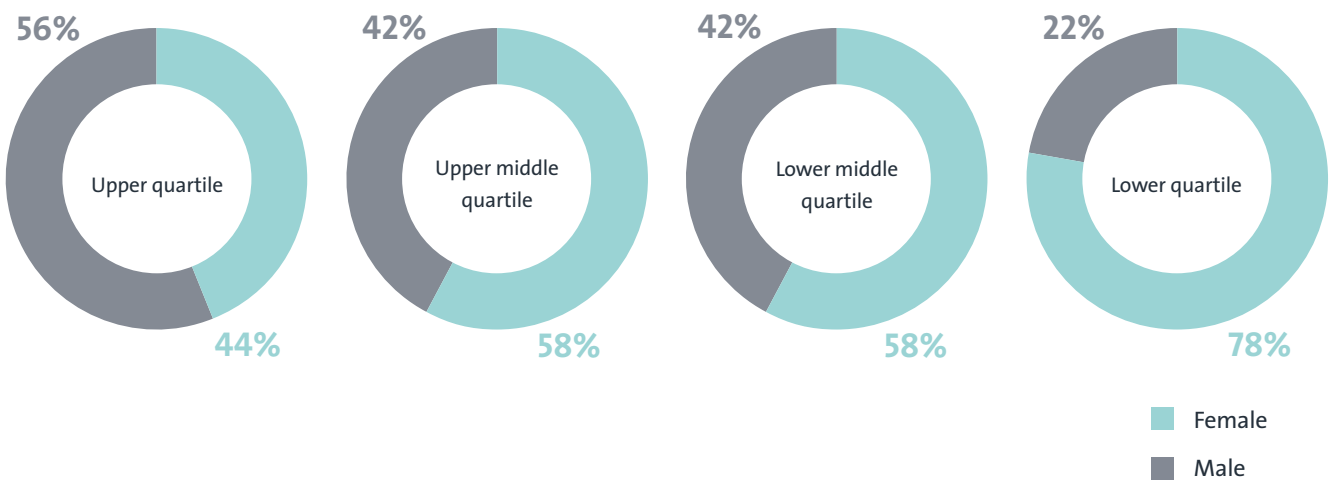
Mean	Median
47.7%	56.2%

BONUS ACHIEVEMENT

Female	Male
30.5%	35.1%

PAY GAP QUARTILES

The proportion of men and women in each quartile of the organisation pay structure.





Gender pay report – Glasgow

GENDER PAY GAP

Mean	Median
12.4%	9.4%

BONUS PAY GAP

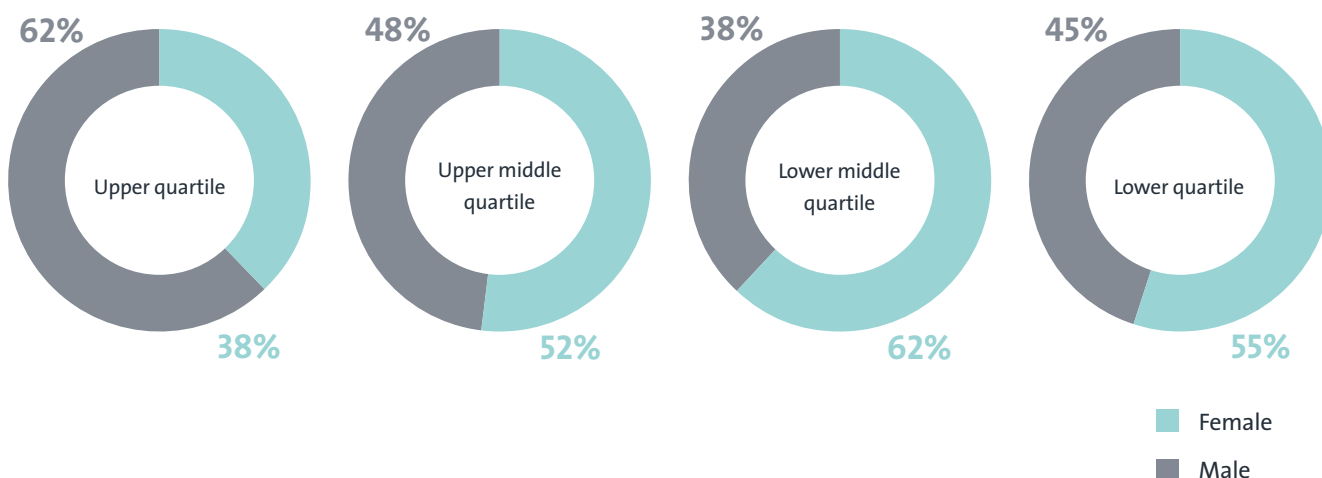
Mean	Median
57.7%	59.0%

BONUS ACHIEVEMENT

Female	Male
15.9%	10.7%

PAY GAP QUARTILES

The proportion of men and women in each quartile of the organisation pay structure.



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