



SHAKESPEAREMARTINEAU
Legal advice for life and business

Gender and Ethnicity Pay Gap Report 2020



Taking responsibility for equality, diversity and inclusivity is not just a nice thing to do, or a moral thing to do, it's actually a commercial thing to do. It's better for business, better for the economy, better for society, better for the world.

This last year has shown just what we can achieve when we work together, when we are kinder, when we are flexible, when we represent neurodiversity in decision-making and when we trust each other to do the right thing.

Unlike a number of our peers within the sector we did not reduce the hours or salaries of our people during the pandemic, managed to top up those who we had to place on Furlough and we set up a hardship fund accessible to all and we provided a 'work from home' allowance; we also ensured a focus on health and wellbeing including the creation of a dedicated wellbeing hub, increased number of mental health first aiders across the firm and hold regular health and well-being sessions.

At Shakespeare Martineau our purpose is to unlock the potential of our people, clients and communities. We look to do this without bias, ensuring everyone is treated as an individual and has an equal opportunity for fulfilment, progression and fair reward, regardless of gender and ethnicity or any other diverse characteristic.

So, for the second year running, we are again reporting on our ethnicity pay gap and by doing so continue to take full accountability and identify opportunities for positive change.

We are pleased to see a reduction in the gender pay gap in 2020 however, we recognise that there is still a gap. And while we can't influence the personal choices of our people who may opt for lower-paid roles, we can maintain our commitment to ensuring that all people have equitable opportunity to develop their careers and move into the higher paid roles, if this is right for them.

We are proud to note that 61% of our promotions in 2019/20 were female, and 25% were people from an ethnic minority group.

At Shakespeare Martineau, we are fully confident that all our people are paid equally for equivalent jobs and that reward is based purely on skills and experience.

Sarah Walker-Smith, CEO

What is the gender pay gap?

The gender pay gap is the percentage difference between average hourly earnings for men and women within an entire business. It does not consider job roles, location, experience or seniority of the individuals.

How is this different to equal pay?

Gender pay gap isn't the same as equal pay. Equal pay, as set out in the Equality Act 2010, is the legal requirement for employers to pay men and women performing equal work the same pay.

Improvement year on year

Since our last report we have seen a slight decrease in gender pay gap, from 18.9% (2019) to 18.3% (2020).

18.9% to 18.3%
(2019) (2020)

These figures translate to the average gross hourly rate of pay for females being £17.82 against male's rate of pay being £21.81 or £34,749pa vs £42,530pa.

Our ethnicity gap has also reduced by 3.2% for our employees since our last report.

However, when we look at the ethnicity pay gap at the firm, we can see that a proportion of our people have chosen not to disclose their ethnicity. This, and the diverse range of possible ethnic backgrounds means that results are unlikely to be a full and true representation of our ethnicity pay gap.

While we are only required to provide data based on salaried employees, for transparency, we have also reported member* and employee figures as one combined data set under 'our people' providing a full picture of the firm, which shows the gender pay gap has reduced by almost 9% in 2020.

We have also conducted a series of programmes and launched initiatives in the last year that we hope will have a positive impact on gender and ethnicity pay gaps in the years to come.

Gender Pay Gap at April 2020

Figures are expressed as a percentage of male employees' earnings. A positive number indicates that men earn more than women; a negative number indicates the reverse, zero means there is pay parity. Movement is in comparison to 2019 figure.

Hourly Rate	Mean (average)	Movement	Median (mid-point)	Movement
Employees	18.3%	-0.6%	29.2%	-1.2%
Partners	-0.3%	-2.8%	-8.5%	-8.4%
Our people (combined)	44.3%	-8.9%	44.1%	-4.8%

Our people (combined) figure is skewed by a high number of male partners: 72.7% of our members* are male. Income for partners is significantly higher than the average for our salaried employees and therefore our resulting combined pay gap across all of people is high, at 44.3%. It is, however, lower than last year by almost 9%.

*members are those who have an equity share in the firm and are therefore self-employed.

Bonus reporting
(proportion of
employees paid any
amount of bonus)



Female
93%



Male
93%

(NB
2019
figures
F 90%
M 93%)

Bonus Payments	2020
Mean	-10.7%
Median	0.0%

Bonus Payments	2020
Excluding CEO Mean	-6%
Excluding CEO Median	0.0%

Pay quartiles (calculated by dividing the workforce into four equal parts)

Diversity headcount	Employees			Partners			Our people (combined)		
	M	F	Diff	M	F	Diff	M	F	Diff
Q1	26.9%	73.1%	69	78.6%	21.4%	16	26.1%	73.9%	84
Q2	23.3%	76.7%	80	74.1%	25.9%	13	23.7%	76.3%	93
Q3	33.3%	66.7%	50	59.3%	40.7%	5	40.7%	59.3%	33
Q4	43.6%	56.4%	19	72.7%	27.3%	16	62.1%	37.9%	43

Hourly Salary	Employees			Partners			Our people (combined)		
	M	F	Diff	M	F	Diff	M	F	Diff
Q1	£9.37	£9.30	0.70%	£47.04	£50.37	-7.07%	£9.55	£9.58	-0.4%
Q2	£12.63	£12.40	1.83%	£60.62	£59.11	2.54%	£13.97	£13.83	1.0%
Q3	£19.79	£18.88	4.60%	£91.50	£90.03	1.60%	£24.82	£23.97	3.4%
Q4	£35.96	£35.02	2.60%	£135.69	£135.03	0.48%	£72.98	£61.91	15.2%

Ethnicity Pay Gap

Figures are expressed as a percentage of white British employees' earnings. A positive number indicates that white British people earn more than people from an ethnic minority group; a negative number indicates the reverse, zero means there is pay parity. Movement is in comparison to 2019 figure.

Hourly Rate	Mean (average)	Movement	Median (mid-point)	Movement
Employees	14.5%	-3.2%	12.6%	-4.2%
Partners	3.3%	1.2%	17.3%	-1.7%

Figures are not an accurate representation of the firm, as a high proportion of our people opted for 'prefer not to say' in ethnicity reporting.

Impact of Furlough

As per reporting guidelines, gender and ethnicity pay gaps can only be calculated based on our people in the business who were on their normal pay during the relevant pay period in which the snapshot data is collected (in our case the period covering 5th April 2020). This has meant excluding those people in the business with a reduced income as a result of furlough for the relevant pay period. As more women than men within the firm were furloughed this has marginally skewed the data. Even including our furloughed people, the gap has still marginally improved.

Closing the gap

We're still on a journey – but we're heading in the right direction.

Steps so far

On the next page are just some examples of our actions, commitments, pledges and processes we've put in place to create a culture of inclusivity and equitable opportunity.

It's these actions in the last year that have seen us recognised as 'outstanding' by Best Companies 2021. Thanks to independent, anonymous votes from our people, we are listed in the Best Companies to work for: **top 20 law, top 100 Midlands and top 75 large companies in London.**



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‘Own your diary’

Empowering our people to work flexibly to better manage work-life balance at a location and during the hours that work for them, including individuals with children and caring responsibilities.

LiveSmart

LiveSmart - a year-round programme to support our people with a range of resources from flexible benefits and financial guidance to wellbeing webinars and workouts.

More in Common (MiC) inclusion group

Educating the firm on all diversity issues with intersectionality at its core.



Social Mobility Pledge

Undertaking outreach activities mentoring individuals, providing access to work experience and apprentice opportunities and working to adopt open recruitment practices to promote a level playing field for people from disadvantaged backgrounds or circumstances.



Mental health support

Offering comprehensive mental health support through our Wellbeing Hub, 25 trained Mental Health First Aiders and external Employee Assistance Plan open to all our people; along with providing one-to-one counselling support from a trained business psychologist and counsellor.



Race at Work Charter

Signing the Race at Work Charter and committing to zero tolerance of harassment and bullying, publishing our ethnicity data and progress made and taken action to support ethnic minority career progression.

Award-winning Connectors Programme

Reverse mentoring scheme that fosters inclusion, propels innovation and improves diversity within our future leader pipeline.

Award-winning Shadow Board

Increasing diversity of voices heard at decision making level; by gaining broader perspectives, challenges and ideas making us better.



Fair Redundancy Pledge

Committed to reporting transparent EDI stats for any redundancies.

Hardship Fund

Open to any of our people who need it to provide a one-off amount, with no requirement to repay.



Wellbeing Cafés

Regular firm-wide virtual 'Wellbeing Cafés' for all through peer support.

My Ideas

Collaborative ideas generation platform to boost how we work and build our culture during lockdown and beyond.

Talent Inclusion and Diversity Evaluation

Significant improvement (+21%) in our Talent Inclusion and Diversity Evaluation (TIDE) score since 2018.

ED&I programme

ED&I programme with external D&I Consultancy.





Unconscious bias

Unconscious bias training for all our people.

Diverse hiring

Diverse hiring with approximately 75% of talent recruited directly by sourcing candidates from diverse talent pools and continuing to promote our inclusive culture and working practices.

Blind recruitment

Implemented blind recruitment for trainees and removed minimum qualifications from 2021 for trainees; we recruit our trainees on skills and experience only and have removed any factors that can lead to biased recruitment decisions.

50:50

Targeted measures to represent a 50:50 split of genders across events, content and PR.



C-19 Pledge

Providing our people practical support and advice for personal wellbeing, financial security and mental wellbeing, proactively supporting our clients and communities during the pandemic.



Change the Race Ratio

Working to increase ethnic diversity among board members and senior leadership, publishing our progress and continuing to build on our inclusive culture.



What's next?

While we've made a series of positive steps, we must keep up the momentum, that's why we have short, medium and long-term plans to:

Keep the conversation going - we must continue to learn, to talk, to grow and to evolve. We will continue people surveys, conversations, workshops, commitments and actions, to ensure we do this.

Diversify our careers offering to provide more placements, into work schemes to support routes into and career moves into our firm.

Continually challenged and evolve our diverse hiring practices to improve our diversity in talent pools, removing any barriers contrary to our inclusive culture.

Continue our focus on learning from our diverse workforce, being brave with our inclusion conversations and challenging ourselves on the actions we take.

Continue working with colleagues in the wider professional services industry to be a force for change, improving diversity through collaboration with our partnerships and collaborations with clients.

Historical data

	Employees			Partners			Our people		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Mean	17.4%	21.1%	18.9%	5.4%	6.6%	2.5%	49.5%	50.8%	53.2%
Median	22.9%	31.3%	30.4%	10.0%	11.0%	-0.1%	46.8%	49.8%	48.9%

Employees	2017			2018			2019		
By Quartile	Female	Male	AH Diff	Female	Male	AH Diff	Female	Male	AH Diff
Q1	73%	27%	-1.7%	72.5%	27.5%	-0.11%	72.6%	27.4%	0.59%
Q2	79%	21%	-2.5%	82%	18%	-0.63%	81.4%	18.6%	1.75%
Q3	76%	24%	4.9%	72.5%	27.5%	4.29%	73.8%	26.2%	1.83%
Q4	59%	41%	3.2%	56%	44%	6.17%	58.7%	41.3%	2.64%

Partners	2017			2018			2019		
By Quartile	Female	Male	AH Diff	Female	Male	AH Diff	Female	Male	AH Diff
Q1	36%	64%	1.8%	37%	63%	1.33%	31.0%	69.0%	1.70%
Q2	27%	73%	0.7%	29%	71%	-1.01%	25.0%	75.0%	-3.89%
Q3	24%	76%	-15.9%	29%	71%	-15.08%	32.0%	68.0%	-14.72%
Q4	24%	76%	0.9%	25%	75%	1.29%	27.0%	73.0%	-4.62%

Our People	2017			2018			2019		
By Quartile	Female	Male	AH Diff	Female	Male	AH Diff	Female	Male	AH Diff
Q1	72%	28%	-1.0%	73%	27%	-0.70%	72.0%	28.0%	0.90%
Q2	80%	20%	0.3%	83%	17%	-1.00%	83.0%	17.0%	2.80%
Q3	65%	35%	4.7%	62%	38%	1.10%	68.0%	32.0%	3.70%
Q4	40%	60%	20.8%	35%	65%	14.50%	38.0%	62.0%	20.60%

Bonus Payments	2017	2018	2019
Mean	40%	39%	5.1%
Median	0%	0%	0.0%
Excluding CEO	2%	11.9%	N/A
Excluding CEO and Firmwide	-14.9%	-12%	N/A

Bonus Participants	2017	2018	2019
Female	95%	95%	90%
Male	93%	94%	93%

Ethnicity Pay Gap 2019 only

	Mean (average)	Median (mid-point)
Hourly Rate	17.7 %	16.8 %
Bonus	83%	0.0%