

Gender pay gap report

UK 2019



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Integrated, business-focused advice on corporate governance,
narrative reporting and company secretarial matters

Introduction

Norton Rose Fulbright is pleased to provide its latest report on the gender pay gap, in accordance with the Equality Act 2010.

The first section of this report focuses on our employee population in which we fulfil our statutory reporting obligations. For the second consecutive year, we also report on data based on the earnings of our Black and Minority Ethnic ("BAME") employees. BAME employees' data is calculated using the same methodology as that used for gender and is expressed as a difference between them and all other employees.

We are also pleased to report for the first time the pay gap for employees who identify as LGBT+. Whilst we recognise the data we hold for our BAME and LGBT+ employees is not complete, we feel it sends a positive signal of intent to publish the pay data on what we have.

The second section of the report provides data on our UK partnership. Although not a statutory requirement, we want to maintain the open and transparent approach we have taken in the last two years in order to have a complete understanding of the issue to help us improve the gender pay gap.

The pay data is accurate as at 5 April 2019 and the bonus data for employees is based on the 12 months to 5 April 2019. The data below includes the latest results alongside a comparison of the previous year.

Diversity and inclusion remains a central tenet of our people and business strategy and this is a key area of focus around the world, spearheaded by our Global Diversity and Inclusion Committee and our Global and Regional Chairs. As an organisation we have prioritised our diversity and inclusion strategy, making it central to, and an inherent part of, the firm's strategy. Whilst our work towards our long-term goals is progressing, we recognise that the gaps in pay and bonuses for our UK workforce as detailed in this report require more work in a number of areas.

Gender pay gap vs equal pay

It is important to restate that equal pay means men and women being paid the same for carrying out the same or similar work, which is a legal requirement. This report is principally about the gender pay gap: the difference in average hourly pay, and bonuses, between all males and females in a workforce irrespective of role or seniority.

01 | Employee data

Table 1 - Pay and bonus gap 2018

	Mean	Median
Hourly pay	24.8%	35.2%
Bonus	38.7%	33.8%

Table 2 - Pay and bonus gap 2019

	Mean	Median
Hourly pay	21.0%	35.1%
Bonus	40.8%	50.0%

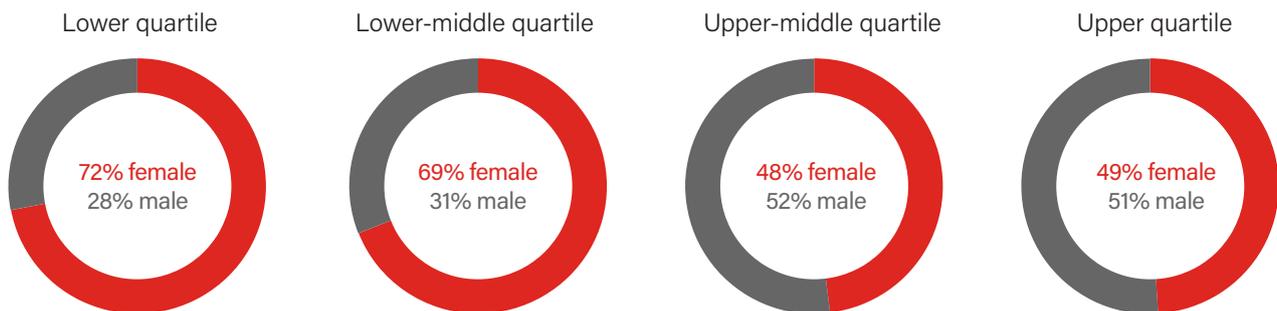
Table 3 - Proportion of women and men receiving a bonus payment in the UK 2018

Women	28.1%
Men	35.5%

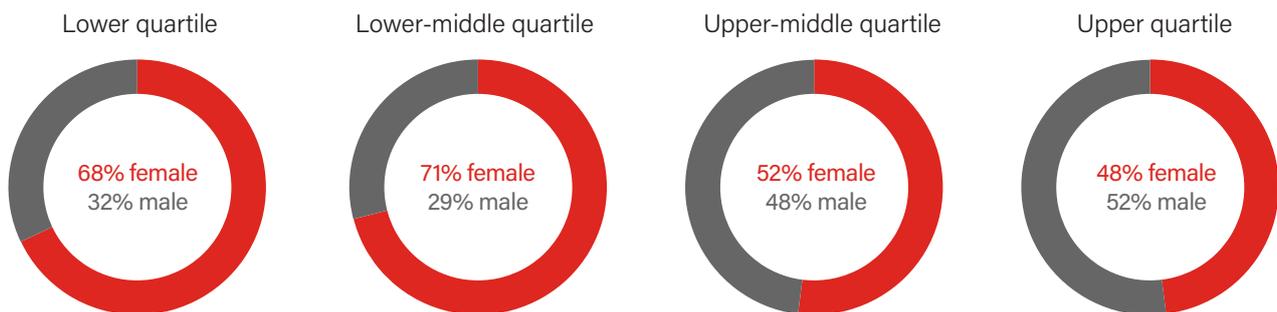
Table 4 - Proportion of women and men receiving a bonus payment in the UK 2019

Women	25.9%
Men	32.0%

Pay quartiles 2018



Pay quartiles 2019



These charts show the percentage of men and women in each of the pay quartiles across the UK's employee population. The mean pay gap within each of the quartiles is as follows:

Table 5 - Pay gap within quartiles 2018

Quartile	Mean pay
Lower	-17.6%
Lower-middle	5.1%
Upper-middle	16.4%
Upper	16.8%

Table 6 - Pay gap within quartiles 2019

Quartile	Mean pay
Lower	-12.6%
Lower-middle	3.8%
Upper-middle	1.1%
Upper	9.9%

Where a negative figure is shown in the data it means that on average women are paid more than men.

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Breakdown of data for associates and other staff

In addition to our statutory gender pay gap reporting we have also analysed the mean and median difference in pay and bonuses for our associates and other employees. The data for this is as follows:

2018				
	Mean pay	Median pay	Mean bonus	Median bonus
Associates ¹	6.6%	4.0%	-0.4%	9.8%
All other employees ²	27.8%	17.4%	58.4%	57.9%

2019				
	Mean pay	Median pay	Mean bonus	Median bonus
Associates ¹	5.7%	3.5%	19.4%	24.1%
All other employees ²	21.0%	23.8%	48.4%	44.8%

¹ Includes all qualified lawyers below partner level.

² Includes business services, secretarial staff and trainee solicitors. Excludes Associates.

Summary points

There has been an improvement in the mean gender pay gap for hourly pay in 2019.

The greatest gender pay imbalance remains in our lower quartile, though it has improved since last year. The majority of those roles are administrative and secretarial, with 68% of the employees being women.

The lower-middle, upper-middle and upper quartiles have seen a reduction in pay imbalance.

Men received a higher number of bonuses proportionately compared to female employees, and the average bonus for men continues to be higher than for females.

The bonus pay gap has increased for associates. This was due to the higher number of discretionary bonuses awarded to men in our 2018 pay review.

In the 2019 Salary Review process, the discretionary bonus payments were carefully moderated and team leaders were encouraged to look at bonuses through a gender lens to raise awareness of the issue. We hope to see this have a positive impact on the bonus gap in the 2020 report.

The mean gender pay gap remains bigger in the non-associate UK workforce, though it has reduced in this population since last year. The larger gap is partly explained by more varied job roles and levels of seniority.

Ethnicity

Norton Rose Fulbright's focus on diversity remains broader than gender, so we have reported our pay gap data between our BAME and other employees.

2018			2019		
	Mean	Median		Mean	Median
Hourly pay	12.5%	13.4%	Hourly pay	14.4%	17.1%
Bonus	-6.4%	-6.4%	Bonus	18.1%	11.1%

Summary points

The data shows that the salary and bonus pay gap has increased on last year, owing in part to the departure of some senior BAME employees.

The data should be read with the caveat that 33% of employees have not disclosed their ethnicity. Our focus for the coming years will be to continue improving disclosure of diversity data in order to gain a more accurate picture.

Following the success of our first career development programme for BAME associates in 2019, we will continue to offer this programme on an annual basis. Our focus is on improving the retention and progression of BAME talent in the firm and continue to build upon these achievements. In 2015, we set ourselves a 25% target for BAME representation in our trainee population which we have since then consistently met or exceeded. We also continue to support the Race at Work Charter.

Sexual orientation – pay gap between LGBT+ and heterosexual employees

2019		
	Mean	Median
Pay gap	-9.5%	-26.9%
Bonus gap	11.8%	-40.0%

Summary points

The data should be read with the caveat that 40% of our people have not disclosed their sexual orientation. Of those that have disclosed, 3% of employees identify as LGBT+ and 57% identify as heterosexual.

The data presents a broadly positive picture of the pay and bonuses of our LGBT+ employees compared to heterosexual employees.

As sexual orientation data of our partners is limited, it has not been included as it does not meaningfully add to the statistics.

Our focus for the coming years will be to continue improving disclosure of diversity data in order to gain a more accurate picture.

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02 | Partners

As last year we have used the same methodology to produce the mean and median "pay" data for partners as we have for employees noting that partners receive a profit share rather than "pay". This analysis is based on UK partners only and includes all partners in management positions.

2018				
	Mean pay	Median pay	Mean bonus	Median bonus
Partners	18%	26%	30%	0%

2019				
	Mean pay	Median pay	Mean bonus	Median bonus
Partners	31.5%	46.8%	-4.3%	50.0%

Summary points

The pay and bonus data for partners is subject to fluctuation due to the demographics of the partner population.

More women have been promoted to partnership in the last few years than in the past, but as they are promoted to the lower end of the pay scale, the pay gap is impacted. This should improve over the coming years as the junior female Partners progress in their careers. We continue to monitor this closely.

There was a similar spread of bonus payments for male and female partners this year, but as we continue to have a higher number of male partners at the senior end of the partnership, the bonuses awarded to female partners are split between a smaller number of female partners which can distort the data.

03 | Combined employee and partner data

When we combine both employees and partners for the purposes of this exercise we see the following outcome:

2018				
	Mean pay	Median pay	Mean bonus	Median bonus
Combined employees and partners	50.9%	39.6%	58.8%	35.0%

2019				
	Mean pay	Median pay	Mean bonus	Median bonus
Combined employees and partners	51.9%	41.1%	52.3%	57.9%

04 | Gender diversity at Norton Rose Fulbright

We remain committed to attracting and retaining female talent and continue to focus on increasing diversity and gender representation at all levels. To become an employer of choice, we aspire to create a culture of respect for every individual. This commitment is integral to our approach to doing business.

We work hard to create gender diversity at all levels of our business. Our senior leadership team recommends ambitious targets to drive a more gender-representative partnership and to encourage accountability within practice groups to achieve them.

We have recently set new targets for both the firm's partnership and its management boards aspiring to have 40% men, 40% women and 20% flexibility. Currently, 27% of our partners in the UK are women.

We focus our efforts on active career development through our development curriculum and talent management programmes. The Career Strategies Programme (CSP), designed to support and develop female lawyers on track for partnership, has since its launch in 2010 contributed to increasing female representation in the annual partner promotion cohorts with 45% of the programme alumnae having made Partner within 3 years of attending the CSP. In the Europe, Middle East and Asia region alone, 40% of the partners made up between 2013 and 2020 were women and 78% of them were CSP alumnae.

The overall sentiment from the 2019 employee engagement survey was very positive. The three areas that received the highest scores were "I feel respected in the workplace," "I believe the firm is a diverse and inclusive place to work," and "Given the opportunity, I tell others positive things about working here."

Whilst we have achieved gender parity at trainee and associate levels, one of our key challenges is to recruit and retain female senior associates and female partners. To address this, we focus on gender neutral language in our job descriptions and adverts and mention our flexible and agile working offering. We market our benefits policies and programmes for women such as our established maternity (and shared parental leave) policy that provides full pay for the first 28 weeks of leave and a coaching programme for expectant parents (including men) in order to support them in planning and managing their departure and return to work, including balancing the demands of their professional and personal lives.

We understand that working parents and carers make up an increasing number of our working population, and to support them while driving employee engagement, we promote flexible and agile working alongside tailored support for these populations.

Agile working includes both formal and informal flexible working arrangements and we have always had employees on formal flexible working arrangements. In May 2018, following a 12-month trial and consultation process, the London office launched agile working to all of its employees and partners. In the UK, we currently have 20% of our London workforce working a flexible working arrangement - men and women, fee-earners and business services staff.

Our Women's network is active in the market which helps position us as a thought leader in the sector and with our clients. For example, last year they initiated a programme of reverse mentoring which has been very successful.

While we continue to deliver inclusive leadership training and unconscious bias education, the firm introduced a new Respectful Behaviour policy in April 2019 which replaced our former Dignity at Work policy. The Respectful Behaviour policy sets out in detail what behaviours constitute bullying, harassment, discrimination, victimisation, abuse and other inappropriate conduct (including banter and hostile environment behaviours), the consequences of such behaviours, and the range of options available to individuals to have their concerns addressed and to be supported. All employees and partners completed a mandatory e-learning training on Respectful Behaviour.

Our work on Diversity and Inclusion remains a work in progress, but importantly we will continue to engage our people, who are at the heart of our business, on the cultural changes we are driving which we believe will positively impact equality and pay gaps.

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