



**HFW GENDER PAY GAP
REPORT: 2018/19**
**OUR WORK
ENVIRONMENT AND
COMMITMENT TO
DIVERSITY & INCLUSION**

We are committed to creating a diverse and inclusive working environment in which people of all backgrounds and experiences can reach their full potential. We strive to be one of the best employers of talent, regardless of gender, gender identity, ethnicity, race, marital status, disability, religious belief, sexual orientation, age or caring responsibilities.

“We have made real progress as a firm since the publication of our first Gender Pay Gap Report, with increased female representation among our Partnership and on our global Management Board.”

As in our previous Gender Pay Gap reports, we have again chosen to report significantly more detailed gender pay data than is required in order to provide a full and frank assessment of our performance. That includes data on our self-employed partners and, for the first time, our global and ethnicity pay gap data.

Increasing the representation of women within law firm partnerships has been a long running issue for the entire legal industry. It is one that we are tackling and we are making progress.

Since the publication of our first Gender Pay Gap Report in 2016/17, the percentage of female partners at the firm globally has increased from 11% to 18%.

Women currently account for 40% of our Business Services heads and 43% of our Legal Director and Of Counsel roles, which were introduced in 2017 to offer lawyers an alternative career path to partnership.

Women have also accounted for 42% of all participants in our Associate Leadership Programme since it was launched in 2017 – our development initiative for those focused on securing a more senior role within the firm.

We now have three female members of our global Management Board, with our Global Head of Construction,

Carolyn Chudleigh, serving as the Board’s dedicated equality representative.

But we acknowledge that we have much more work to do. We continue to review our approach to gender equality in order to identify further actions that will help bring about meaningful change.

Jeremy Shebson, Managing Partner:

“We remain committed to creating a diverse and inclusive working environment for everyone at HFW. We have made real progress as a firm since the publication of our first Gender Pay Gap Report, with increased female representation among our Partnership and on our global Management Board, which reviews the firm’s progress against our diversity strategy on a quarterly basis. We have also been focusing as a firm on promoting open discussion around diversity issues – both internally and with clients. But as with other law firms, it is a journey for us and we are driven to do far better – particularly when it comes to gender equality at the most senior levels of the firm. We will continue to strive for meaningful change at HFW and across the industry as a whole.”

Corrin Kaye, Director of Human Resources

“Ever since the Gender Pay Gap regulations were introduced, we have made a point of publishing data that goes significantly beyond the government’s requirements, in order to provide an open and comprehensive assessment of our performance. We have taken that one step further this year, broadening our report to include gender pay gap data for all of our international offices and also pay gap data by ethnicity. This reflects both the seriousness with which we treat these issues and also the fact that, as an integrated global firm, we are focused on actions that will deliver positive change for all of our colleagues around the world.”

Gender Pay & Bonus Data

The following data shows the difference in average hourly pay and average bonus pay of male and female employees in the UK during the 12 months to 5 April 2019.

The 'mean' is the 'average'. In this case, it was calculated by adding up all of the individual pay and bonuses, and dividing that total by the number of employees. The 'median' is the 'middle' value if all individual hourly or bonus pay data was listed in numerical order.

A positive figure means that men are paid more on average than women. A negative figure means that women are paid more on average than men. The higher the figure, the greater the difference.

Each set of data is followed by a brief explanation. For more context, see the introductory overview ("Our Work Environment and Commitment to Diversity & Inclusion").

We confirm that the following data is accurate.

All Staff:

	Mean		Median	
	2018/19	2017/18	2018/19	2017/18
Hourly Pay	16.1%	18.2%	34.0%	32.6%
Bonus	30.3%	24.2%	0.0%	54.1%

This shows that our male employees are paid 16.1% more on average than our female employees in the UK – down from 18.2% in 2017/18. (This data excludes partners, who are self-employed and do not receive a salary. Partner data is provided later in this report.)

This year's median bonus gap of 0.0% highlights the danger of viewing gender pay gap figures in isolation. If the median for male bonuses was two places higher (remember, the median is the 'middle' value if all bonus payments were listed in numerical order), the median bonus gap would have been 33.9%. Similarly, if you look at lawyers only, the median bonus gap would heavily favour female lawyers, at -185.9%. But if you lowered the median for male lawyers and raised the median for female lawyers by just one place each, the gap would disappear to 0.0%.

Our hourly pay and bonus figures continue to be heavily distorted by a significant gender imbalance across our Secretarial Support and Business Services teams. Women account for 92% of our Secretarial Support roles and more than 70% of the most junior roles in Business Services, and only 40% of associates.

If you remove Secretarial Support from our all-staff data, the mean hourly pay gap for 2018/19 drops from 16.1% to 5.0% and the mean bonus gap drops from 30.3% to 8.9%

Proportion of colleagues who receive a bonus:

	2018/19	2017/18
Female	92.5%	91.9%
Male	95.5%	89.5%

This shows a 3.0 percentage point difference in the number of our male and female colleagues in the UK who received a bonus in 2018/19. Bonuses are based on individual performance, so we would expect some degree of variance in these figures from year to year. We remain confident that men and women have an equal opportunity to participate in and earn a bonus at HFW.

Pay quartiles:

	Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Female	71.6%	76.7%	55.1%	56.5%	37.1%	39.5%	42.7%	40.0%
Male	28.4%	23.3%	44.9%	43.5%	62.9%	60.5%	57.3%	60.0%

This chart illustrates the pay distribution by gender across the firm in four equally sized quartiles.

There remains a significant imbalance in the Lower quartile. As previously explained, this is due to a number of factors, particularly the high number of women in Secretarial Support and junior Business Services roles.

The differences across the other quartiles reflect the fact that the firm has more male fee-earners than female fee-earners (see "Gender breakdown by grade", below), and more men in the most senior Business Services roles.

Gender breakdown by grade:

	Total		Partners (fixed-share and Equity)		Associates and Senior Associates		Trainees		Business Services		Secretarial Services	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Female	46%	47%	14%	13%	40%	43%	49%	40%	49%	48%	92%	98%
Male	53%	52%	85%	85%	59%	56%	49%	60%	50%	51%	8%	2%
Prefer not to say	1%	1%	1%	2%	1%	1%	2%	0%	1%	1%	0%	0%

The key issue highlighted by this data is the significant under-representation of women among our partnership. Since the publication of our first Gender Pay Gap Report in 2016/17, the percentage of female partners at the firm globally has increased from 11% to 18% (the data in the above table is for the UK only). We remain focused on increasing female representation at partner level.

These are some of the ways in which we are actively seeking to improve gender diversity at the firm:

- The firm operates a transparent recruitment and promotion process based on clear criteria that are communicated to all candidates on application. Our HR team use tools such as interview guides, interviewer training, post-application feedback, and assessment based on competence and technical ability, to ensure that these processes do not unintentionally limit opportunities for women. Globally, 56% of our Associates and 56% of our Senior Associates are women, which shows we have a strong pipeline of female talent.
- We aim for gender balance among the participants in our annual Associate Leadership Programme – our development programme for those seeking promotion to Partner or Legal Director.
- We use Talent Mapping – reviewing all of our staff in relation to their Performance and Potential – to identify and then support our most talented lawyers, female and male.
- We carry out annual reviews of the firm’s female and male salary and bonus data to ensure that there is no conscious or unconscious bias.
- Our gender equality network provides an opportunity for male and female colleagues to share their experiences, contribute to the firm’s diversity and inclusion initiatives and give feedback on the firm’s progress. The network also reviews the firm’s policies and processes to ensure that they are inclusive.
- Our MyFamily initiative and parental transition coaching for parents in London supports parents before, during and after parental leave.
- Female colleagues are actively encouraged to develop their external networks, which is key to their development, by engaging with external industry groups such as WISTA (the Women’s International Shipping & Trade Association).
- We celebrate International Women’s Day and International Men’s Day annually and run internal events across the firm’s office network to highlight the importance of gender equality.
- We have run a series of internal discussion groups with Dr Jill Armstrong, a research fellow at Murray Edwards College, Cambridge University, in relation to her research on how to change workplace culture to be more inclusive for women.

Additional information:

The firm is not legally required to publish the following data, but we have chosen to share it in the interest of transparency.

Hourly pay gap by fee-earner grade:

	Mean		Median	
	2018/19	2017/18	2018/19	2017/18
Fee-earners	5.6%	4.2%	7.0%	11.6%
Associates	0.1%	-4.7%	-2.9%	-4.5%
Partners	19.7%	9.4%	16.7%	34.1%

This section breaks down the hourly pay gap by fee-earner grade, ensure a more relevant, like-for-like comparison.

The data shows that there is a 5.6% difference in average hourly pay for our male and female fee-earners in the UK. This includes paralegals, professional support lawyers and trainees. This is up from 4.2% in 2017/18, because the female fee-earners that left the firm during 2018/19 were on average slightly more senior than the male fee-earners that left during the same period in 2017/18.

It also shows that there is virtually no difference in average hourly pay between our male and female associates in the UK, and that our male partners are paid 19.7% more on average than our female partners in the UK. This is because we continue to have a greater proportion of male equity partners than female equity partners. We recognise the need to improve female representation at the highest level of the firm.

Global gender pay gap:

	Mean	Median
Hourly Pay	18.0%	13.8%
Bonus	26.7%	-6.3%

HFW is one firm globally, and we are committed to creating a diverse and inclusive environment in all of our offices around the world. As such, we have decided to publish global hourly pay gap data for the first time, even though we are only legally required to publish data for the UK.

These calculations are based on gross annual pay, with all currencies converted to GBP using average exchange rates for the 2018/19 fiscal year. The figures do not include partners, consultants, contractors, temporary workers or work experience roles.

The data shows that the average hourly pay and bonus gaps across our international offices are broadly in line with the position in London. This reflects the fact that we apply a consistent approach to remuneration across the firm globally.

Ethnicity pay gap:

	Mean	Median
Hourly Pay	14.8%	23.7%
Bonus	-4.0%	0.0%

We strive to be the best possible employer of talent, regardless of gender, gender identity, ethnicity, race, marital status, disability, religious belief, sexual orientation, age or caring responsibilities. We have therefore chosen to publish ethnicity pay gap data for the first time.

The data shows that non-BAME employees are paid 14.8% more on average than our BAME employees in the UK. (We don't currently hold ethnicity data for all employees across our international offices.) It is worth noting that the small sample size – we currently have 72 BAME employees in London, accounting for 21% of our total employees – means that small changes to the workforce can result in large changes to the pay gap data.

About HFW:

HFW is a leading global law firm in the aerospace, commodities, construction, energy, insurance and shipping sectors. The firm has more than 600 lawyers, including 185 partners, based in offices across the Americas, Europe, the Middle East and Asia-Pacific. HFW prides itself on its deep industry expertise and its entrepreneurial, creative and collaborative culture.

It is our policy to:

- Treat all with whom we interact, internally or externally, with dignity, courtesy, respect and fairness.
- Encourage talented individuals from diverse backgrounds to flourish and develop their careers in an environment of mutual support.
- Promote equal opportunity in all areas of employment and prohibit discrimination against, or harassment of, members of the firm, prospective employees and those with whom the firm engages.
- Regularly monitor the effectiveness of our diversity policy and take proactive measures to advance it.

To find out more about our commitment to diversity and inclusion, or to read our global diversity statement, visit: <http://www.hfw.com/Diversity>

HFW has over 600 lawyers working in offices across the Americas, Europe, the Middle East and Asia Pacific. For further information about our capabilities, please visit [hfw.com](https://www.hfw.com)

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