

michelmores

Gender Pay Gap
Report 2022

Gender Pay Gap Report 2022

At Michelmores, we are committed to creating an inclusive working environment where everyone has the opportunity to reach their potential whilst being their authentic self at work. We believe that one of our strengths lies in the difference between us as individuals.

We are an advocate of gender pay gap reporting as a tool to improve transparency on pay. We use the information from our gender pay gap reporting to help inform where we need to focus to help to reduce or eliminate pay gaps. We recognise that change does not happen overnight, and so we have made a long-term commitment to closing the gap.

Our analysis shows that a key driver of our gender pay gap continues to be occupational segregation, ie the tendency for men and women to be employed in different types of jobs. For us (and many other professional service firms), women are concentrated in our business support roles, which tend to be lower paid, whereas men occupy the more senior roles across legal and support.

Another key driver is the geographical variance of our offices. The majority of our support staff, who are primarily women, are based in the South West region, where salaries are lower than in London.

Headline results

- the mean pay gap (the difference between the earnings of men and women) has reduced since 2021, with a year-on-year reduction of 1.7%, and a 12% overall reduction since we first reported in 2017
- our median pay gap (being the difference between the midpoints of all male salaries and female salaries, when ordered from lowest to highest) has increased by 21% since 2021. This is largely due to the reduction of women in the upper middle quartiles as some have progressed into Partnership roles and as a result become self-employed and no longer counted as part of our employee figures; it has also been impacted by the recruitment of men into some of our lawyer roles in London
- there has been an improvement in the representation of women in the upper quartile, with an increase of 2% building upon the 8% increase from last year
- the representation of women in the lower quartiles is still high, due to women being overrepresented in the lowest paying roles (occupational segregation). However due to the recruitment of more men into these roles we have seen a reduction in our lowest quartile by 7%
- our overall mean pay gap is 26.24%
- our mean bonus pay gap is similar to previous years at 48.6%; the median figure is 17.34%

Understanding our results - employee data

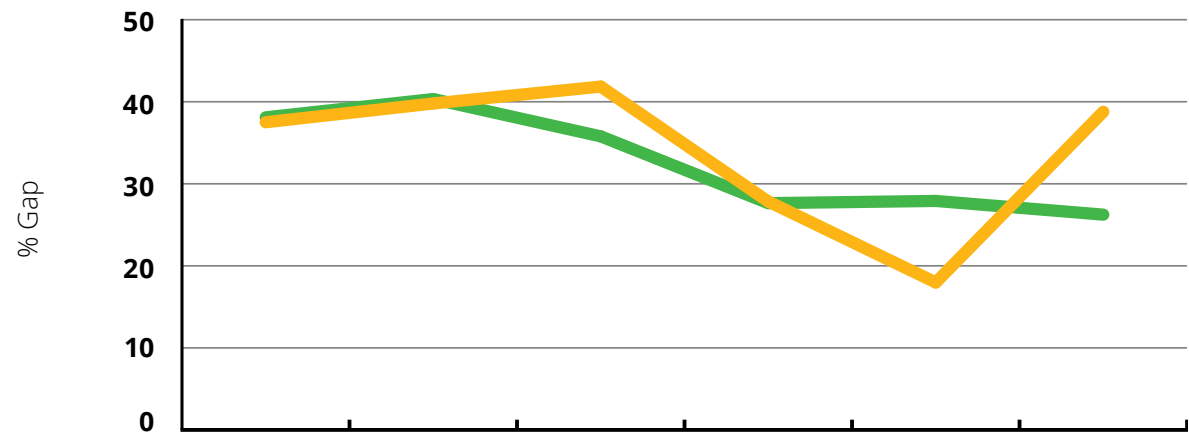
Gender pay gap

Our mean gender pay gap has reduced slightly from 2021. The graph shows how our gender pay gap has decreased since we first reported in 2017.

- our median pay gap has increased by c1% since 2017 due to an increased number of women now being in Partnership roles
- our mean pay gap for 2022 has reduced by approximately 11%, since we first reported in 2017

We are really pleased with the progress that we have made and the positive impact our initiatives have had, but we know that there is still work to do.

Gender pay gap



	2017	2018	2019	2020	2021	2022
Mean	38.1	40.33	35.78	27.64	27.91	26.24
Median	37.5	39.79	41.85	27.84	17.97	38.78

This table shows pay gaps by job level, some roles have had a reduction since 2021.

Based on our analysis, we are confident that men and women are paid equally for doing equivalent roles at Michelmores and the variance by job level is due to the locational variance of our offices.

Role	Mean	Median
Senior Associate	1.81%	3.62%
Associate	9.53%	1.94%
Solicitor	-2.37%	-1.34%
Trainee	-2.08%	-3.64%
Support	-6.51%	-16.93%

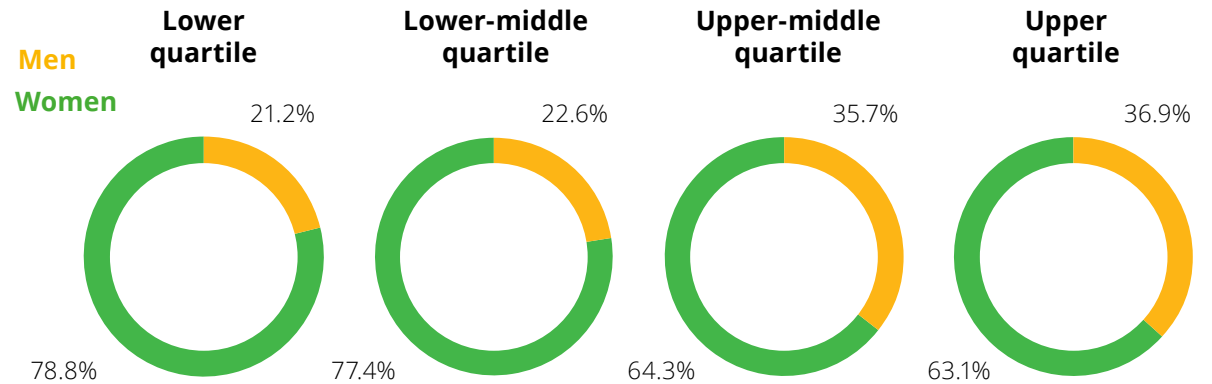
Bonus scheme – employee data

Bonus pay gap

- the bonus pay gap exists as our bonuses are paid as a percentage of salary and there is a higher proportion of women in the lower paid quartiles
- our mean bonus pay gap has remained relatively static compared with last year. We have seen an increase of 1.4% in the mean and a reduction of 1% in the median, since we first reported in 2017
- there is a reduction in the percentage of men and women receiving a bonus compared with last year, this is due to us paying a Firmwide bonus to all eligible staff for their contribution during the exceptional circumstances of COVID-19. We've had a number of new joiners during the last year, who weren't employed by us/or eligible at the time the bonus payments were made

Pay quartiles - employee data

The charts illustrate the gender distribution across the Firm in four equally sized quartiles.



Bonus pay gap



	2017	2018	2019	2020	2021	2022
Mean	47.17	39.96	51.56	50.3	50.46	48.6
Median	18.18	0	35.08	26.7	26.7	17.34

Our Partner pay gap

As part of our commitment to greater transparency, although we are not obliged to do so, we have chosen to report our Partner pay gap figures. This is in the spirit of providing a complete picture of gender pay across the Firm.

The mean and median pay gaps have increased due to the greater proportion of men promoted to Tier 1 (from Tier 2) within the Partnership. We have also promoted more women into the Partnership, resulting in them occupying the lower pay quartiles of this group. Longer term we expect this to change as we see those women progressing through to Tier 1 status.

Partner Pay

The difference between men and women

	Mean	Median
Hourly pay	17.85%	36.83%

Proportion of men and women awarded a bonus in 2020:

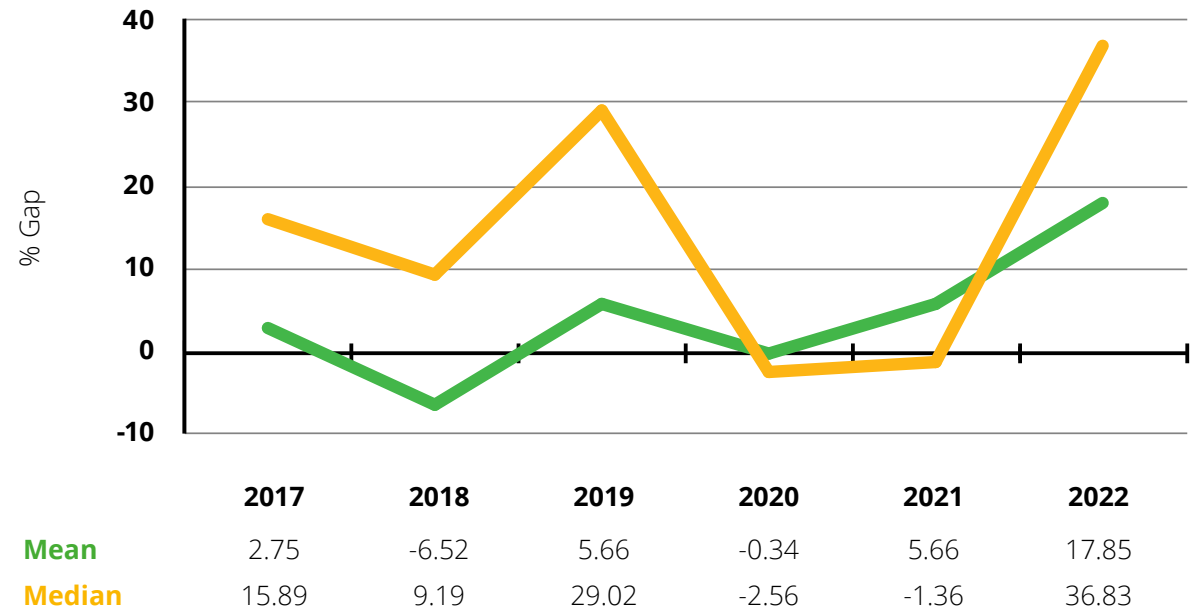


80% of men received a bonus



86% of women received a bonus

Partner gender pay gap



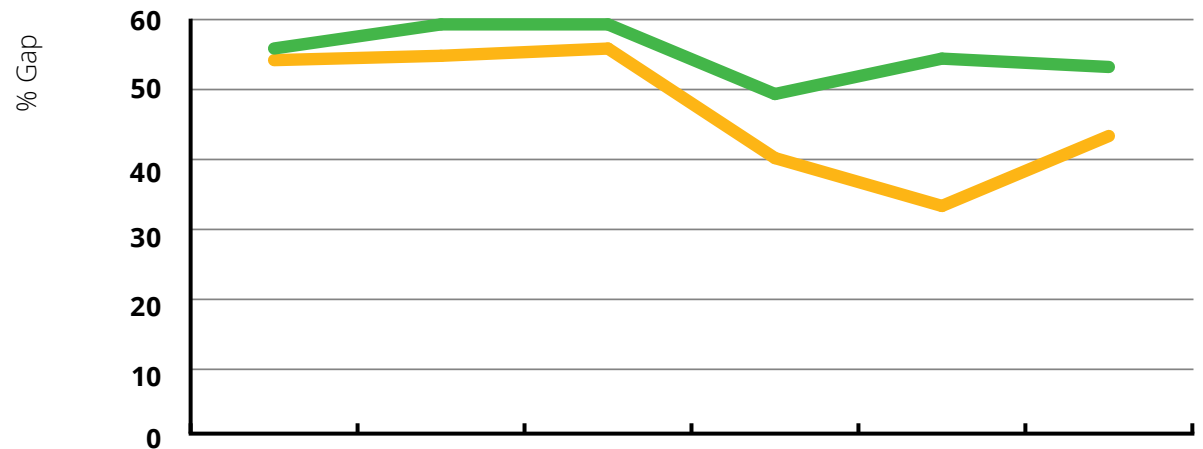
Our overall gap

Bringing together the Partner and employee data gives us a metric to understand the overall pay gap across the entire Firm.

	Mean	Median
Hourly pay	53.13%	43.13%

Our overall mean pay gap has remained similar to last year, and our median gap has increased by 10%. We will continue to track and monitor this overall pay gap position over the coming years.

Gender pay gap - all including Partners



	2017	2018	2019	2020	2021	2022
Mean	55.81	59.3	59.3	49.21	54.34	53.13
Median	54.12	54.75	55.8	39.93	32.99	43.13

Our initiatives

At Michelmores, we believe our strengths lie in valuing our people as individuals and sustaining a culture where inclusion and a sense of belonging are paramount. We constantly evolve to meet our people's diverse needs which allows everyone the opportunity to thrive and reach their full potential, whilst being their true selves at work.

Our ethos of treating people as individuals, means we encourage people's development needs so one size fits one and encouraging our people to develop in areas that excite them or make them different. That is how we nurture the brightest and best people.

In 2016, launched the [Women@Michelmores](#) initiative, which supports the development and progression of women in the Firm, with a key aim of creating a better gender balance across our Partnership. In May 2017, our representation of women at Partner level was 21%, and by April 2022 we exceeded our target of 30%, as this had increased to 37%. For the same period, our representation of women at Senior Associate level rose from 40% to 82%.

On the right are some of the initiatives that have contributed to us reaching this target:

- **policies** - this year we have reviewed our policies and initiatives to help create a psychologically safe environment at work. Over the next year we will be launching new policies and providing training and support on fertility treatment, pregnancy loss, domestic violence and the menopause. We will also be launching our Family Leave project which aims to support everyone before, during and after a period of family leave
- **Aspire** - this programme is designed to equip our Associates with both the skillset and confidence to prepare and put themselves forward for promotion to Senior Associate. A key focus of the programme is enhancing an Associate's business development skills, which is often an area of the Associate role where women may lack confidence. Feedback from attendees of the programme has been incredibly positive
- **coaching for all our newly promoted Senior Associates** - the coaching is designed to offer support and advice to Senior Associates in managing the transition into their new role and the additional responsibilities and expectations that their new role brings. It also provides additional support and advice on how to balance

the new challenges of a more senior role with family/ home responsibilities and how to maintain a healthy balance between work and personal life. Female Senior Associates have particularly valued this coaching and the additional support it offers as they progress through their career

- **Continuous Conversations** - more regular and open discussions focused on work, individual contribution and performance have been well received. Team Leaders are also optimising the more formal Development Conversations to promote open and constructive discussions around future ambitions and developmental feedback, particularly for female members of their team
- **transparency** - we provide transparency in our pay and promotion processes. All of our colleagues are aware of the promotion criteria for each stage, and we focus on alleviating unintentional bias for those who have a role in our internal promotion processes. We communicate annually on how our pay decisions are made and have 121s with individuals so they can understand where their pay sits within the pay range and why

Agile and flexible working

Our approach to agile working provides greater equality of opportunity for all. Our philosophy is based on finding the best mix to meet the needs of our clients, to collaborate and connect with each other, and to balance individual needs.

For many parents and carers, traditional full-time office-based roles aren't easy; sometimes they aren't possible. This is why where our people choose to conduct their work is activity-led, with a balance between time spent remote working, and time in the office available for most roles. Providing an agile approach, with flexibility embedded into it, enables a wider variety of people to find, keep and progress in a meaningful role at Michelmores.

Since the launch of our approach to agile working we have seen a reduction in our formal flexible working requests, but increased employee engagement and productivity.

Next steps

We believe the steps that we are taking will improve progression and development opportunities for women and men, and thereby help to reduce the gender pay gap at Michelmores. We know that we have more work to do and will not see results immediately, however we are committed to making further improvements.

Our Core Goals, expressed as three pillars are the foundation of what our business needs to do to progress. They will help our clients to navigate change and underpin everything we do. Under our Culture of Choice pillar, we are focused on cultivating how we can better work together in ways which support our strategic aims and are aligned to our values. This pillar is about finding more ways to involve everyone in co-creating solutions to help drive our business forward. This includes developing more inclusion and belonging programmes that help our people to realise their potential and to grow with the Firm. It is also about creating opportunities that help us to foster a more diverse and inclusive workforce.



Tim Richards, Managing Partner

I confirm the data reported is accurate and has been calculated to the relevant legal requirements.

