At HCR we remain committed to recruiting, rewarding, and promoting people on merit, irrespective of gender or other protected characteristics. For the last three years we have gone beyond the statutory measures to ensure we are truly diverse in our recruitment, promotion, and flexible working practices. We want to be fully transparent about our progress in this regard and remain determined to create opportunities for all our people to achieve their full potential at HCR.

A reminder about what the Gender pay gap is

The legal reporting requirements

- Gender pay gap reporting includes six measures with the ‘average pay gap’ being the one most widely reported.
- The average pay gap is expressed using two calculations - the median and the mean.
- The mean (average of salaries) can be quite skewed as typically the highest paid earn significantly more than the lower paid.
- The median (the middle of the distribution) tends to be reported on more widely as it is a truer expression of the experience of the typical man and women.
- The quartile measure divides the employee population into four. It is expressed as a percentage of gender in each quartile and is used to see if men and women are paid equally in each quartile.
- The average bonus gap is calculated using mean and median.
- The final measure looks at the proportion of women to men receiving a bonus.

The Results

This is the fifth year that we have reported on our gender pay gap and the results for 2021 are below. Click HERE for the detail. The Gender Pay gap is based on the snapshot date of 5th April 2021, which was prior to the merger with Hewitsons. Therefore, Hewitsons staff are not part of this analysis this year.

We are reporting this year that the median has increased from 37.35% to 40.83% and the mean gap has increased from 31.07% to 32.45%. This trend is disappointing but mainly attributable to senior level recruitment in that year. If you were to look at our core population year on year, we would be showing a positive trend. Specifically, it would result in a decrease in our mean from 31.07% (our mean last year) to 28.52%. Clearly, we need to understand why our recent senior hires have been primarily male candidates and address issues coming out of this.

On a positive note, the underlying data shows that a number of our measures around renumeration, progression and retention are having an impact. In addition, we are reporting that 98.5% of our female staff received a bonus in comparison to 80% in the year previous.

It remains critical to focus on the real drivers of the gender pay gap.
Progress against our own measures

In the Gender Pay period 6th April 2020 to 5th April 2021 we made the following progress against our own measures:

- **Recruitment** - 2020/21 was an unusual year because of Covid-19. We recruited fewer people and more fee earners than non-fee earners than the year before. Of the fee earners recruited two thirds were female. Our talent strategy led by Arpinder Dhillon is to continue to build out more robust inclusive processes around attraction, recruitment, retention and progression. One of the ways to achieve this is through the focus on internal or direct recruitment and, as such, we developed our own recruitment function. Increasing the level of direct recruitment allows us to have more control on how we recruit, reducing unconscious bias but also looking at different sourcing strategies to diversify our talent base.

- **Promotions** - I am pleased to report a gender balance in our promotions. We have a strong pipeline of solicitors progressing to senior associate and balanced number of promotions through the partnership.

- **Progression** - In 2021 we launched our revised career pathways, competency framework and management development curriculum. These frameworks and tools will show managers and leaders (current and future) what ‘good’ looks like as you progress your career. In addition, we also launched our fast track process, an exciting new development to accelerate or fast track your progression to partner. Entry to fast track is based on a robust assessment process, opening up the partnership to people based on capability, and future leadership potential and minimising any unconscious bias.

- **Flexible working** - Although the part time arrangements have remained broadly the same as the previous year, in 2021 we introduced our smart working approach using a bespoke approach team by team. Smart working is perhaps the most impactful of all our initiatives in giving people greater flexibility to make their lives work. Hybrid working can be a great catalyst to enable working parents greater freedom in how to balance their work and parenting commitments. We trained heads of teams in how to facilitate these conversations and ran follow up training for all partners in this approach and in how to deal with some of the people challenges of working in a hybrid way.

We continued to build on our talent and Equality, Diversity and Inclusion plans as part of Project Field. This year:

- We completed extensive market research to create salary structures for all fee and support roles which have shaped the pay review and budgeting process. We believe that this will provide greater consistency, transparency, and alignment of pay decisions across teams and regions as well as position the firm in a stronger position against the external market. All heads of teams are now using these pay structures.

- We have created a calendar of cultural events/moments that matter to celebrate our differences and allow for a more inclusive working environment whilst avoiding any sense of tokenism. We started posting in 2021 and have communicated our calendar for 2022.

Deborah Brumwell,
HR Director