

Bird & Bird

# Annual Pay Gap Results

2023



# Introduction

Diversity and inclusion is at the very heart of who we are – as a firm and as individuals. For us, inclusion is about creating an environment where everyone can enjoy what they do and perform at their best, in the knowledge that they will be treated fairly and with respect, no matter who they are. This belief runs deep in our firm culture.

Creating and maintaining a diverse and inclusive environment doesn't happen by chance. It needs consistent effort and targeted plans, to reduce opportunities for bias and ensure people from all backgrounds can thrive. We take this very seriously and know that we could always be doing more. We have introduced a number of initiatives, policies and programmes to help improve the proportion of women in our partnership. In order to ensure we are holding ourselves to account, for the first time, we have set ourselves the goal of reaching 30% representation of women in the global partnership as part of the firm's 5-year strategy.

Our London Management Team remains focused on increasing diversity at senior levels across the business to help us close our pay gaps. We understand that this can only happen by continuing to work closely with our people to understand their experience in the firm, using this insight to shape our processes and culture, and collaborating with our leaders, networks and clients to accelerate our progress where possible.



*Phil Sherrell*

Partner, Head of London



*Zoe Feller*

Partner, London Management Team  
Chair of D&I Committee



*Andrea Pankhurst*

Head of HR (UK)



*Elizabeth Lang*

Partner and Chair of D&I Committee

# Understanding the report

## Gender pay gap

The gender pay gap is the difference in hourly earnings between men and women.

Gender pay gap reporting regulations requires reporting on the pay gap between men and women in a binary way, meaning that reporting does not include data on trans identities. We do not have sufficient data sets for these identities for reporting purposes.

## Relevant employees

Relevant employees for the purpose of pay gap reporting are determined by the government's definition. These are people who are employed, and being paid in full, on the snapshot data.

Anyone receiving reduced pay (for example, Statutory Maternity Pay), or on unpaid leave, during the pay period, is excluded as per the regulations.

## Ethnicity pay gap

The ethnicity pay gap is the difference in hourly earnings between those who identify as ethnically diverse and those who identify as white.

We have voluntarily reported on our ethnicity pay gap since 2020, using data provided as part of our diversity monitoring initiatives. 97% of employees and 93% of partners in our pay gap data set have provided a response. Those who have chosen not to respond have been excluded from the calculations.

## Statement of Accuracy

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all employers with 250 employees or more to publish data on their gender pay gap. We confirm the data reported here is accurate and meeting the requirements of this legislation.

## Reference period

**Pay Gap:** The snapshot date for the pay gap is 5 April 2023. As we pay monthly, the reference period for this report is April 2023 and includes pay after deductions for salary sacrifice benefits for all employees and salaried partners. Those who received reduced pay during this period have been excluded as per the regulations.

**Bonus Gap:** Includes bonus payments made within the 12 months up to and including the reference period 5 April 2023 (the majority of our bonuses were paid in our May 2022 bonus round). In accordance with the regulations, we have calculated our gender bonus gap using actual bonuses paid to employees working part-time rather than full-time equivalent amounts.

# Understanding the report

## Mean

The mean is calculated by adding up all the relevant values and dividing the result by how many values were in the list (the average).

For the **mean gender pay and bonus gap**, we calculate the mean rate of hourly pay, or bonus, for women and men, compare the two, and find the difference.

The **mean ethnicity pay and bonus gap** is calculated in the same way, but we are comparing the pay of people who identify as ethnically diverse, and those who identify as white.

## Median

The median is the mid point of a data set, when the values are ordered from smallest to largest. If there is an even number of results, the median will be the mean of the two central numbers.

The **median gender pay and bonus gap** is the difference between the 'middle' rate of hourly pay, or bonus, for men and the 'middle' rate of hourly pay or bonus for women.

The **median ethnicity pay and bonus gap** is calculated the same way, but we are comparing the pay of people who identify as ethnically diverse, and those who identify as white.

The gender pay gap is presented as a % of men's earnings. For example:

- A +10% pay gap would mean that women, on average, earn 10% less than men per hour
- A -10% pay gap would mean that women earn, on average, 10% more than men per hour

The ethnicity pay gap is presented as a % of those who identify as white.

A pay gap is not the same as equal pay and does not mean women or people who identify as ethnically diverse are being paid less than men or people who identify as white in the same roles.

It is illegal to pay men and women different amounts for the same job, and this is not what pay gap reporting measures.

## Quartiles

We divide the total number of employees into quarters based on salary range, ordered from the lowest paid (lower hourly pay quarter) to the highest paid (upper hourly pay quarter). Quartiles are used to help show the representation of groups at different levels of pay within the organisation.

# Executive summary

## Gender pay gap

- We are pleased to see that both the mean and median gender pay gaps have reduced for both employee pay and bonus payments
  - For employee pay, the mean gender pay gap has reduced from **17.2%** (2022) to **15.5%** and the median has reduced from **39.1%** (2022) to **34.2%**
  - For bonus payments, the mean gender bonus gap has reduced from **37%** (2022) to **30.7%**, the median has reduced from **50%** (2022) to **40%**
- There has been an increase in the proportion of men receiving a bonus from 38% to 47.1%, whilst the proportion of women receiving a bonus has stayed at a similar level at 39.7% (37.3% in 2022)
- We have more men proportionately in the upper pay quartiles and this has increased by 1.1% this year, but we have also seen a 3.1% increase in women's representation in the upper middle pay quartile
- The partner, and combined employee + partner, pay gaps have increased which is largely driven by appointments to partnership at a junior level, as well as senior leavers
- Overall, we continue to have more women than men in the employee pay data set - 61% women (63% in 2022), 39% men (37% men in 2022).

## Ethnicity pay gap

- We are pleased to see that both the ethnicity employee pay gap and bonus gap have both reduced this year
- The mean has decreased by 1.8% and the median has decreased by 11.47%
- The negative figure of -0.03% shows that the median hourly pay for ethnic minority employees is ever so slightly higher than the figure for white employees
- The mean bonus gap has also reduced by 5.9% to 38.8% and the median bonus gap figure by 13.9% to 26.1%
- Of the employees included in the data set for 2023 reporting, 20% of our people identify as being from an ethnically diverse background (a slight increase from 18% of those included in the 2022 reporting).

## Interpreting the results

The key drivers of our gender pay gap are either underrepresentation or overrepresentation of certain cohorts.

We have an underrepresentation of women at senior levels. However, we have also seen an increase in junior women partners, which is a positive step for representation, but has the knock-on effect of increasing our partner pay gap.

We have an overrepresentation of women in the lower quartiles, and in particular roles such as secretarial positions. While these roles are competitively rewarded by reference to the market, the fact that so many of them are held by women has the effect of reducing the average pay and bonuses of women in our firm.

A key driver of the ethnicity bonus gap is an overrepresentation of white employees in more senior positions where bonuses are awarded. For the gender bonus gap, proportionately more bonuses were awarded to men in senior positions than women.



# Addressing our pay gaps

We are aware that our total earnings gaps exist due to underrepresentation of women and individuals from an ethnically diverse background in senior roles. While the pay and bonus gaps remain, we are committed to attracting and retaining more diverse talent. So far this year, we are pleased to see greater representation across our population of new joiners.

## 2023 highlights

- We reviewed our Associate bonus criteria following consultation, effective for bonuses awarded in May 2023
- We refreshed our [Global Women's Development Programme](#), aimed at supporting women into the partnership. Since its launch in 2016, 135 women have attended the GWDP, and so far 46% of alumni have gone on to take up legal director or partner positions
- We achieved Mansfield certification for the second time, requiring us to consider at least 30% historically underrepresented lawyers for lateral hiring, senior leadership positions, and business development activities
- We launched new policies and benefits to improve and support our employee experience, including sabbatical, menopause, fertility and baby loss
- We completed a Global Employee Engagement Survey to further understand the experience of our people, which will input into key decisions and future planning
- We continue to partner with organisations to support our progress, including WorkLife Central, Rare's Race Fairness Commitment, LEGAL Core, Reignite.

## What's next?

- A focus on progressing towards our global goal to achieve 30% women in the partnership
- Reciprocal mentoring, connecting our senior leaders with mentors from an ethnically diverse background, across all levels of the business
- Enhancing development opportunities and curriculum content relating to gender and ethnicity
- Investment in a data analytics tool to better understand data and track our progress

***Gender balance and racial, ethnic and cultural diversity are two pillars of our global D&I strategy – read the full strategy on our website [here](#)***



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# Gender pay gap data

2023

# Statutory reporting

## Employee pay gap figures

Year	Mean	Median
2023	<b>15.5%</b>	<b>34.2%</b>
2022	17.2%	39.1%
2021	21.6%	38%
2020	20.4%	39.2%

- Both the mean and median gender pay gaps have reduced since last year, by 1.7% and 4.9% respectively

## Employee bonus gap figures

Year	Mean	Median
2023	<b>30.7%</b>	<b>40%</b>
2022	37%	50%
2021	34%	33%
2020	43%	58%

- The mean and median bonus gap for all employees has reduced by 6.3% and 10% respectively
- In the employee data set, 47.1% of men received a bonus compared to 39.7% women
- There has been an increase in the proportion of men receiving a bonus this year (38% in 2022) whilst the proportion of women receiving a bonus has stayed at a similar level (37.3% in 2022)

A **bonus gap** reflects the difference in average payments received between two groups and does not reflect the likelihood of a particular section of the workforce receiving a bonus.

A **key driver** of the bonus gap is that amongst the associates included in the data set, a greater proportion of men received a bonus than women.

Amongst Business Services employees, there was a more equal proportion of men and women receiving a bonus.



# Statutory reporting

## Partner pay gap figures

Year	Mean	Median
<b>2023</b>	<b>-2.7%</b>	<b>19.3%</b>
2022	-10.8%	3.6%
2021	-7.9%	15.6%
2020	-11.7%	-3.0%

- We have seen an increase in both the mean and median partner pay gap
- This is largely driven by appointments to partnership at a junior level and senior leavers
- Overall, we continue to have a higher representation of partners who are men, which is why our 5-year global strategy includes our goal to reach 30% of women in the partnership

## Combined Employee + Partner pay gap figures

Year	Mean	Median
<b>2023</b>	<b>48.2%</b>	<b>40.48%</b>
2022	50.1%	50.9%
2021	47.6%	49.1%
2020	44.1%	49.2%

- Having more men than women in the partnership is the main contributor to the combined pay gap
- We recognise the need to take further steps in order to achieve better representation in the partnership, which is why the 30% goal is part of our 5-year global strategy

# Employee Pay Quartiles

Year	Lower Men	Lower Women	Lower Middle Men	Lower Middle Women	Upper Middle Men	Upper Middle Women	Upper Men	Upper Women
2023	21.9%	78.1%	40.3%	59.7%	44.8%	55.2%	49.4%	50.6%
2022	23.6%	76.4%	29.4%	70.6%	47.9%	52.1%	48.3%	51.7%
2021	20.1%	79.9%	33.8%	66.2%	51.5%	48.5%	53.4%	46.6%
2020	28.1%	71.9%	31.1%	68.9%	48.9%	51.1%	55.6%	44.4%

**Quartiles**

- We divide the total number of employees into quarters based on salary range, ordered from the lowest paid (lower hourly pay quarter) to the highest paid (upper hourly pay quarter)
- Quartiles are used to help show the representation of groups at different levels of pay within the organisation

- We have seen a 3.1% increase in women's representation in the upper middle pay quartile
- Women continued to be highly represented in more junior positions, which predominantly fall within the lower quartiles
- Overall, we have more women than men in this data set (61% women and 39% men) and the overrepresentation of women in lower quartiles (as shown above) drives the gender pay gap

# Associate Pay Gap - Yearly Comparison

Year	Junior		Mid-Level		Senior	
	Mean	Median	Mean	Median	Mean	Median
2023	0.3%	0%	2.8%	2.6%	-4.3%	-1%
2022	1.9%	1.3%	-0.2%	-1.0%	-1.9%	-1.1%
2021	0.6%	-0.8%	-2.4%	-0.8%	-1.2%	-1.6%
2020	0.7%	0.7%	-0.2%	-0.1%	2.8%	2.9%

- This table shows that there are minimal pay gaps for Associates at the junior and mid-level, and a positive pay gap at the senior level
- These differences are driven by a combination of the proportion of men and women at each PQE level within the band and the impact of pension contributions:
  - There is a higher percentage of women at the more junior end within the Mid-level band
  - There is a higher percentage of women at the more senior end within the Senior band
  - As the pay gap is calculated after pension contributions, individuals choosing to contribute large amounts into their pension will affect the hourly rate (i.e. reducing their pay/hourly rate) and therefore impact the pay gap

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# Ethnicity Pay Gap data

2023



# Voluntary reporting

## Ethnicity pay gap figures

Year	Mean	Median
<b>2023</b>	<b>4.3%</b>	<b>-0.03%</b>
2022	6.1%	11.5%
2021	11.8%	20.6%
2020	15.5%	22.4%

- Both the ethnicity employee pay gap and bonus gap have both reduced this year, by 1.8% and 11.53% respectively
- The negative figure of -0.03% shows that there is no median pay gap between white employees and employees from an ethnically diverse backgrounds
- We do not currently have a large enough data set to report on the partner ethnicity pay gap

## Ethnicity bonus gap figures

Year	Mean	Median
<b>2023</b>	<b>38.8%</b>	<b>26.1%</b>
2022	44.7%	40%
2021	17.1%	48%
2020	41.4%	25%

- The mean bonus gap has also reduced by 5.9% to 38.8% and the median bonus gap figure by 13.9% this year
- The underrepresentation of ethnic minority employees at senior levels is a key contributor to the bonus gap
- In the data set for 2023, 44.1% of white employees received a bonus compared to 40.3% in 2022
- For employees from an ethnic minority background, 38.5% received a bonus compared to 35.2% in 2022

# Employee pay quartiles

Year	Lower White	Lower Minority	Lower Middle White	Lower Middle Minority	Upper middle White	Upper Middle Minority	Upper White	Upper Minority
2023	78.6%	21.4%	77.9%	22.1%	75.2%	24.8%	81.9%	18.1%
2022	78%	22%	81%	19%	78%	22%	84%	16%
2021	74%	26%	79%	21%	79%	21%	89%	11%

- Of the employees included in the ethnicity pay gap data set, 20% identified as from an ethnically diverse background, 74% identified as being from a white background, 3% answered 'prefer not to say' and 3% did not respond
- Therefore, the distribution of ethnically diverse employees in each pay quartile is generally representative of our population. We are aware we have more to do to increase ethnically diverse representation at senior levels.

# Our commitment



We are committed to increasing diversity across our recruitment and promotion practices, and to ensure we are providing an inclusive environment in which all our people can thrive and progress.

As part of this, we continue to invest in key projects and partnerships in relation to Gender Balance and Race, Ethnicity and Culture, as well as our other D&I pillars, with the aim of enhancing the employee experience and retaining and promoting talent.

Click [here](#) to learn more about our D&I strategy and initiatives.