



# Gender Pay Gap Statement

Report 2022

# Howard Kennedy – Gender Pay Gap Statement 2022

## Executive summary of results

Howard Kennedy is pleased to report that it remains ahead of the reported UK mean gender pay gap of 14.9%<sup>1</sup>, but there is still room for improvement. We acknowledge increases in both our mean and median gender pay gap for our employees, as at April 2022, in comparison to our 2021 data. These figures do not relate to equal pay. We monitor our reward practices and our review process to ensure we pay our people fairly for equivalent roles. A further definition of the difference between equal pay and gender pay is below.

The gap widening is due to the majority of our 2021/22 vacancies falling in the Lower Quartile range and being filled by females, as well as our male hires in 2021/22 being in our Upper Middle Quartile. As the population of male employees is significantly smaller than our female population, where we have multiple hires in a single quartile, this more greatly influences both the mean and median ranges for salaries in comparison to our female population. Our recruitment strategy will continue to focus on diversity in hiring to address this. There are, however, some roles in the Lower Quartile range that predominantly attract female applicants over male.

This being said, we are proud to be able to report an increase of women in our Upper Quartile range in comparison to last year as a result of our commitment to hiring more women in senior positions in 2021/22. Over two thirds of our hires in 2021/22 were women, and of our new hires who fell in our Upper Quartile the majority of hires were female showing we can attract, and retain, women at all levels across the firm.

### What is the "gender pay gap"?

Gender pay gap reporting shows the difference between men's and women's average earnings across the business. The 'gap' is reported as a percentage, with a positive result showing in favour of men, and a negative result showing in favour of women.

Reporting encourages discussion around the factors that can limit female progression: such as occupational segregation, unconscious bias, family responsibility and how this is viewed and treated.

### How does this differ from "equal pay"?

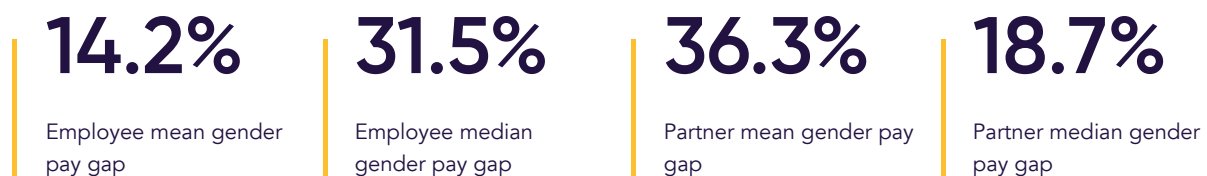
Equal pay is where we look at men and women in comparable roles and ensure their salaries are equal. Gender pay does not look at like-for-like roles. Equal pay is out of scope of these reporting requirements.

### What are the "mean" and "median", and why show both?

A "mean" average involves adding up all the numbers and dividing the result by how many numbers are in the list. Mean averages are useful because they give a good overall indication of the gender pay gap. However, the result can be distorted by outliers (for example, an individual who is paid significantly more or significantly less than others in the firm) in the data.

A "median" average shows the middle number if all the numbers were shown in numerical order. Median averages are useful to indicate the 'typical' situation, as they are not distorted by outliers. However, this wouldn't effectively highlight where there are pay gap issues at the highest and lowest levels.

Using these two different types of average gives a more balanced overview of the overall gender pay gap.



<sup>1</sup> Office for National Statistics

- <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2022>

## Employee pay statistics

### Our results

Below shows the results of our 2022 Gender Pay Gap report against prior years:

# 14.2%

Mean gender pay gap for employees  
This is a change of 1.2% in comparison to 2021.

# 35.1%

Median gender pay gap for employees  
This is a change of 13.9% in comparison to 2021.

	2021	2020-21 change	2020	2019-20 change	2019
Mean gender pay gap	13.0%	2.9%	10.1%	-7.6%	17.7%
Median gender pay gap	21.2%	-5.2%	26.4%	5.8%	20.6%

### Pay quartiles

As part of the reporting requirements, we are required to break down our employee population into equal quartiles based on their salary, and show the percentage of men and women within each quarter. Pay quartiles rank individuals from highest to lowest hourly rate of pay and split these into 4 evenly sized groups.

% of employees in each pay quartile	Male	Female
Q4 (Upper Quartile)	34.7%	65.3%
Q3 (Upper Middle)	32.9%	67.1%
Q2 (Lower Middle)	21.9%	78.1%
Q1 (Lower Quartile)	25.0%	75.0%

## What do the results tell us?

We had a significant number of vacancies which fell in our Lower Quartile range and in keeping with the majority of our hires being women, the majority of these roles were also filled by women. The increase in both the mean and median pay gaps show us that the gap between men and women's salaries has widened. This is due to the majority of male hires being recruited at a higher level which has pulled up both the average and mid-point of salaries in comparison to hiring women at all levels.

As part of the reporting requirements, we are required to break down our employee population into equal quartiles based on their salary, and show the percentage of men and women within each quarter.

Howard Kennedy has a greater proportion of women than men across all quartiles, which indicates that we are able to attract, recruit and retain women at all levels within the firm. We have also seen an increase in the overall percentage of women in the firm as well as an increase in women in our Upper Quartile roles.

## Employee bonus statistics

### Our results

As well as salary, it's also important to ensure other remuneration is equal across the business which is why we're also required to report on bonuses.

# 29.6%

Mean bonus gap.  
10.1% change from 2021

# 20.6%

Median bonus gap  
-3.6% change from 2021

# 75.3%

Males receiving a bonus  
37.6% change from 2021

# 79.3%

Females receiving a  
bonus 41.1% change  
from 2021

	2021	2020-21 change	2020	2019-20 change	2019
Mean Bonus Gap	19.5%	-4.0%	23.5%	9.9%	13.6%
Median Bonus Gap	24.2%	6.5%	16.7%	-10.6%	27.3%
Males Receiving Bonus	37.7%	-3.7%	41.4%	6.3%	35.1%
Females Receiving Bonus	38.2%	-10.0%	48.2%	6.2%	42.0%

### What do the results tell us?

The number of employees receiving a bonus in 2021/22 nearly doubled in comparison to the previous year. As a firm, we were proud to give a firmwide bonus during COVID for those who were employed in the 2021/22 financial year. We were keen to support our employees through times of uncertainty and also recognise firm performance. However, as the bonuses were offered as a percentage of salary, this has resulted in a larger mean bonus gap because the majority of our male population were in our Upper Quartile in 2020/21, therefore receiving larger bonuses. As well as this, as bonuses are reported as the actual amount paid rather than full-time equivalent, the influence of the majority of our part-time employees were female also increased the gap.

We continue to be transparent in our process of giving bonuses and strive to be consistent and fair in our approach.

## Partner pay statistics

### Our results

We have chosen to share information on the gender pay gap for partners within our statement to ensure that there is transparency at all levels of the firm.

# 36.3%

Mean gender pay gap for partners  
This is a change of 10.4% in comparison to 2021.

# 18.7%

Median gender pay gap for partners  
This is a change of -6.0% in comparison to 2021.

	2021	2020-21 change	2020	2019-20 change	2019
Mean bonus gap	25.9%	0.4%	25.3%	-3.9%	29.2%
Median bonus gap	24.7%	0.5%	27.3%	-7.3%	34.6%

Partner Gender Split	
Male	Female
71.7%	28.3%

### What do the results tell us?

We acknowledge that the gender pay gap for our partners is wider than for our employees. This can be attributed in part to the proportion of women at partner level not being representative of the gender split across the rest of the firm, a factor that we continue to address as part of our talent and development approach as well as our recruitment strategy. In addition, whilst individuals are not included in our data when on family leave, we were pleased to offer support to our partners who were on maternity leave with our new partner maternity policy.

The median gap reducing for partners shows that the mid-point of remuneration received by our female partners is getting closer to the male mid-point.



## Looking ahead

### Our strategy

We are pleased to see an increase in women in our Upper Quartile but acknowledge we need to do more to balance the split throughout the quartiles. We continue to place emphasis on addressing these through the many initiatives described below.

We are committed to inclusion and providing everyone with opportunities to progress and develop. We are doing this through initiatives such as our development curriculum, mentoring and career frameworks. We invested in leadership training for partners around 'Respect at Work' and launched our Women's Campaign to celebrate women across the firm and challenge any unconscious bias. We continue to raise awareness of the challenges facing women in the workplace through our wellbeing strategy including the introduction of a further enhanced maternity pay policy, offering parental coaching to everyone who returns from a period of parental leave and running parenting clinics on a regular basis. In the coming year, menopause will be a big focus of our wellbeing strategy.

We still have a lot of work to do and are excited about the opportunity to build on the changes made already through focus on ESG/Responsible Business, a strategic imperative for 2023 and beyond.

We are also proud to be corporate members of WorkLife Central because we recognise that it can sometimes be difficult balancing home life with a progressive career and we want to support our working parents with access to networking, events, webinars and mentoring.

We continue to provide transparency around our pay philosophy, including publishing our pay bands for each level. We aim to standardise pay ranges for roles to ensure comparable pay for broadly similar jobs, while reflecting the specific market value of different specialisms.

Our goal is always to improve our statistics from last year which was unfortunately not achieved. However, the firm has a continuing commitment to reduce the pay gap further at both the mean and median level.



