



**VICTORIAN
WOMEN
LAWYERS**

ADDRESSING THE GENDER PAY GAP IN THE LEGAL SECTOR

WHAT IS THE PAY GAP IN THE LEGAL SECTOR?

Women make up 62.5% of professionals working in law, but the WGEA data (based on 66 law firms) demonstrates the pay gap is as follows:

- For all legal sector workers – full timers **35.6%**; part timers **31.9%**;
- For professionals¹ – full timers 15.5%; part timers 22.8%;
- For clerical staff (**86.0%** of whom are women) – full timers **3.2%**; part timers **18%**;
- For senior managers – full timers **13.9%**; part timers – **31.8%**; and
- For key management – full timers **18.4%** (insufficient data for part timers).

Significantly, the gap is much wider for part timers. Also

15 LAW FIRMS ARE EMPLOYERS
OF CHOICE FOR GENDER EQUALITY,
BUT THERE IS STILL WORK TO DO
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of note is the fact that women barristers have not been captured in this data.

HOW LAW FIRMS ARE ADDRESSING THE PAY GAP

Many firms are committed to improving gender equality outcomes and there are now 15 law firms who have received the WGEA's Employer of Choice for Gender Equality citation. Legal firms are also more likely than employers in other sectors to:

- have adopted a flexible working arrangements policy (74.6% compared to the overall average of 50.0%), and
- have conducted a gender pay gap analysis (64.2% compared to 19.1% of employers across all industries).

However, based on the overall industry gender pay gap statistics, there is still much work to do in the legal sector.



AUSTRALIAN LAW FIRMS

Maddocks

In 2014, Maddocks' CEO Michelle Dixon decided to conduct a gender pay gap analysis to ensure that male and female lawyers were paid the same amount for work of equal or comparable value. Maddocks' Finance team produced a report that analysed pay on a level-by-level basis (i.e., Lawyers, Associates, Senior Associates).

The report showed gender, organisational level, years of service, years in the organisational level and components of total remuneration (adjusted to show annualised and full-time equivalent remuneration). Very few gaps were identified. Senior management investigated the reasons for the gaps and whether those reasons were justified. Where gender pay gaps could not be justified, adjustments were made to restore equity. Pay data continues to be monitored for gender gaps on an annual basis.

Michelle Dixon says: *'Maddocks has a long standing commitment to pay equity as part of our broader gender diversity strategy. We're proud to acknowledge that gender equity sits at the front of our thinking when making performance, talent development and pay decisions. We are firm believers that salary and recognition should be equal for the same or comparable jobs, regardless of an employee's gender.'*

Herbert Smith Freehills

Herbert Smith Freehills (HSF) states that it recognises the importance of being vigilant in its commitment to pay equity within the firm. At their last remuneration review, they had no overall gender pay gap for its lawyers. They have introduced rigorous checks and balances to scrutinise remuneration at each level in the firm.

The key strategies adopted to counteract gender pay gaps include having a formal remuneration policy with specific gender pay equity objectives, with management sign off, in order to gain increased focus and commitment to ensuring equitable pay outcomes. In addition, HSF examine each step in the talent management process (resourcing, development, performance and remuneration outcomes) for alignment with best practice and to check for situations where unconscious bias could influence outcomes.

HSF utilises reporting dashboards for key metrics by gender for example: pay outcomes; attrition; performance and by business unit (practice group) to increase transparency and to drive accountability at each level.

HSF undertakes remuneration gender analysis using criteria to ensure that like for like comparisons are being made with people in similar roles at similar levels and years' experience in the firm.

Other broader strategies include inclusive leadership and unconscious bias training; workshops in making flexible working practices successful; sponsorship; Corporate Mums programme; mentoring; coaching and the Lean In circles.



MORE AUSTRALIAN CASE STUDIES

ANZ

ANZ had calculated the average pay gap between men and women in Australia was \$295 a week, or \$15,000 a year. To address this, in mid-2016 ANZ promised an extra \$500 a year employer super contribution for its 12,700 female staff in Australia. Super contributions during parental leave, paid and unpaid, will be paid for up to 24 months instead of 12 months, for Australia-based employees on their return to work.

In addition to employee benefits, ANZ has launched personal saving measures, including free superannuation advice for customers with less than \$50,000 in superannuation and a specialist financial planning service designed to identify the needs and preferences of women.

These efforts follow research showing that Australian women retire on average with half the amount of super held by their male colleagues, detailed in the *ANZ Women's Report 2015*.

Telstra

To achieve pay equity, Telstra focuses on the numbers. They collect comprehensive salary data and employment metrics and analyse them in a variety of different ways to drill down to the fine detail that lies behind pay inequity and gender inequality. By using their data effectively, Telstra is able to fix salary issues at the level of the individual, and in this way, they have substantially reduced or eliminated like-for-like pay gaps. "Like-for-like pay gaps" meaning pay gaps between women and men undertaking work of equal or comparable value (comparing jobs at the same performance standard), for example, comparing two senior engineers in the same organisation.

Recognising that pay equity and gender equality are interdependent, Telstra has introduced other initiatives to improve gender equality and these will ultimately lead to improved pay equity. These initiatives include working with recruiters to ensure gender neutrality in selection processes; awareness-raising and education for all stakeholders from the Board down; implementing policies designed to change company culture to be fully inclusive over the long term; promoting non-traditional technical and engineering careers to schoolgirls; offering flexible work in every role; and developing high potential women to move into senior leadership roles.



ThoughtWorks

Global technology consultancy ThoughtWorks addresses the gender pay gap through a system of regular and rigorous pay reviews. Pay reviews are conducted by a panel and are detailed and thorough. Inequities are investigated carefully and where appropriate, salaries are adjusted to ensure parity.

ThoughtWorks has also taken steps to address the drivers of the gender pay gap by implementing flexible work practices, providing leadership development training for women, and introducing quota hiring (50/50 recruitment policy) across all roles. In these ways, the organisation is helping its employees to manage their work and family responsibilities effectively, and it is laying the groundwork to develop and maintain a diverse talent pipeline from graduates through to senior leadership in the future.

KPMG

In 2015, KPMG put annual pay reviews and bonus allocations on hold for three weeks while it did a detailed breakdown of individual job roles and salaries to target pay inequity in its workforce. Elements of the analysis – which covers all 6500 domestic employees from management to the mail room – were made public. The public version of the report does not reveal the difference between what men and women are paid but does reveal the extent to which the firm has narrowed that gap in the last four years under a deliberate initiative led by chief executive Gary Wingrove.

¹ non-management, non-clerical staff; see definitions at <http://data.wgea.gov.au/help>

WANT TO KNOW MORE?

The Workplace Gender Equality Agency has the tools and resources you need to conduct a pay gap analysis and create a pay equity strategy:
<https://www.wgea.gov.au/lead/addressing-pay-equity>.

To access live links to the resources in this flyer, legal sector case studies and more on the gender pay gap, visit our website at vwl.asn.au