

# ETHNICITY PAY GAP REPORT 2022.

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# Ethnicity pay gap report 2022

*“At Morton Fraser we’re committed to creating a diverse and inclusive workplace where our people can be themselves and be at their best more of the time.”*

At Morton Fraser we’re committed to creating a diverse and inclusive workplace where our people can be themselves and be at their best more of the time. This is fundamental to Morton Fraser being an innovative, collaborative and high performing Firm for the future. We take this commitment very seriously and within our People Strategy we have a number of initiatives planned to ensure this ambition is realised.

Whilst it is not a legislative requirement for organisations to produce or share their Ethnicity Pay Gap, we have chosen to do so as part of our commitment to Diversity, Inclusion and Belonging.



# Terminology

The ethnicity pay gap shows the difference between the **average** (mean or median) earnings of ethnic minority employees and non-ethnic minority employees.

The **mean average** involves adding up all of the hourly rates of pay for ethnic minority employees and dividing the result by the total number of ethnic minority employees. The same is then done for non-ethnic minority employees and the two results are compared.

The **median average** involves listing all the hourly rates for ethnic minority employees in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. The same is then done for non-ethnic minority employees and the two results are compared.

Ethnic minority employees include all employees who identify as any ethnicity other than white as selected in the ethnic minority field within the firm's HR system, Cascade. Non-ethnic minority employees include all employees who identify as white, along with all employees who have not provided ethnicity data within cascade. For this reason, there may be people who identify as EM within the non-EM category. We therefore encourage all employees who have not already done so to complete their ethnic origin within the personal details screen in Cascade to ensure these figures are as accurate as possible.



# Ethnicity pay gap at 8 August 2022

Mean Ethnicity Pay Gap

12.0%

Median Ethnicity Pay Gap

24.02%

From a purely statistical standpoint, the median is considered to be a more accurate measure of the pay (and bonus) gap as it is not skewed by very low hourly pay or very high hourly pay. However, we know that in some cases very highly paid people can tend to be white, and very low paid people can tend to be non-white, and the mean paints an important picture of the pay gap because it reflects this issue. It is therefore good practice to use both the mean and the median which is why we have done so in this report.

The diagram above shows our “ethnicity pay gap”. This is a snapshot of the difference between the average hourly pay levels of our ethnic

minority employees compared to the average hourly pay levels of our non-ethnic minority employees, irrespective of their role or level in the Firm.

Having analysed the data, we believe the reason for the current ethnicity pay gap is due to the underrepresentation of ethnic minority employees in the firm generally, and an underrepresentation of ethnic minority employees in higher pay quartiles in particular.

We also believe that the data is not a fully accurate picture of the current position, given the number of people who have not yet completed their ethnic origin within Cascade which means a number of ethnic minority employees may currently be included within the non-ethnic minority figures. Again, we would appeal for all employees to update their details within the personal details screen in Cascade to make our reporting as accurate as possible to provide a basis for taking further action.

# Bonus between ethnic minority and non-ethnic minority employees

	Mean	Median
Bonus (2022)	38.97%	25.86%

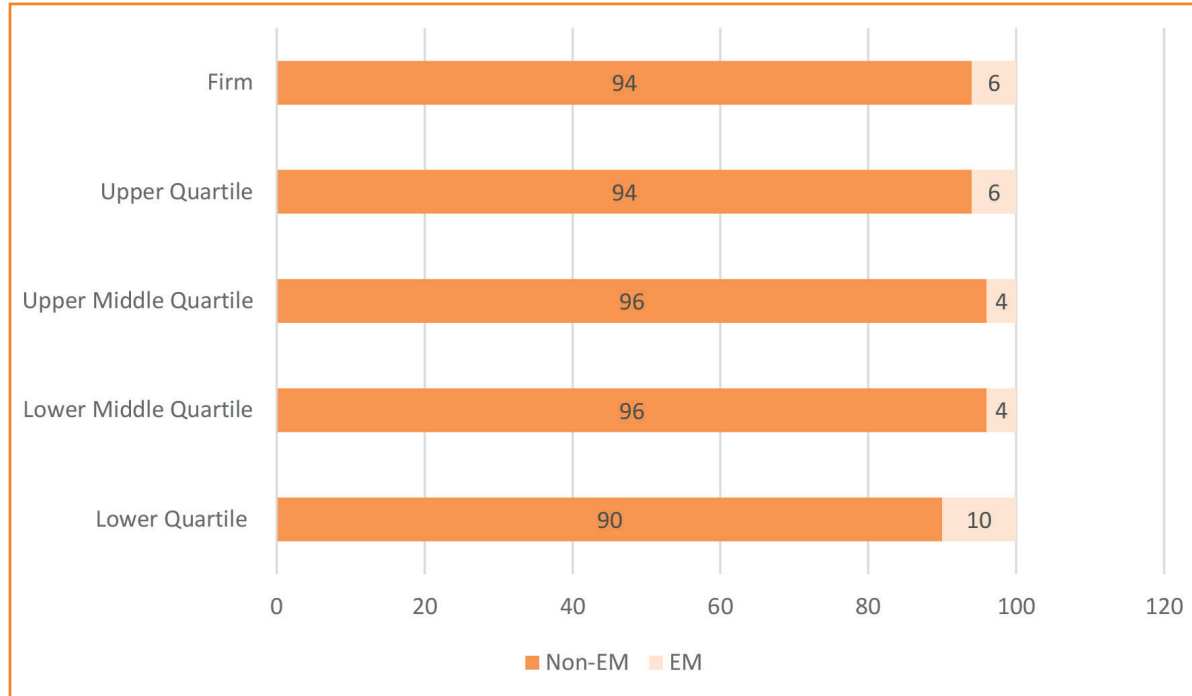
Our bonus is a profit share scheme that is offered to all of our people based also upon personal performance. Payments are based upon a percentage of profit for the Firm's financial year to 30 April and are paid in July each year.

As we have very few ethnic minority employees within the firm (less than 6% of employees as declared), the small sample size can cause the figures to be skewed.

In addition, we made a positive change to eligibility requirements for receiving a bonus in 2022 and removed the requirement for

an employee to have worked a full year before being eligible for PRP. Instead, employees receive a bonus as a proportion of their earned income for the period of time from joining to the end of the financial year. 17% of our EM employees joined within the last few months of the financial year and therefore received lower bonus payments as these were calculated as a percentage of their earned income over a shorter time period than employees who had worked for the full financial year. Again, this reduces the figures considerably despite being a result of start date and not being related to ethnicity.

# Ethnicity demographic per quartile



This calculation requires us to show the percentage of ethnic minority and non-ethnic minority employees in four quartile pay bands. This is done by listing all employees from the lowest hourly rate of pay to the highest hourly rate of pay and then dividing the workforce into four equal parts.



# THANK YOU.

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FOR EMPLOYMENT LAW BY THE TIMES IN  
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