

The business case for diversity

14 February 2018

This paper is about the business benefits of a diverse and inclusive legal profession. It provides practical examples of the actions firms can take and what we are doing to support firms.

Download (PDF 26 pages, 796KB)

[<https://www.sra.org.uk/globalassets/documents/sra/research/risk-business-case-diversity.pdf?version=4a1ac3>]

Open all [#]

Why diversity matters

Equality and diversity in the legal profession is important for many reasons, including:

- high standards – allowing the most talented people to become solicitors and progress in their careers, ensuring a highly skilled and proficient workforce
- the effective administration of justice – a diversity of views and approaches supports an independent and effective justice system, whether in law firms or in the judiciary
- improved access to services – some people may be more likely to seek legal advice from solicitors they share some social or cultural characteristics with.

The Lammy Review ¹ [#n1] examined the treatment of and outcomes for Black, Asian and minority ethnic people in the criminal justice system. It highlighted that a representative workforce, including the judiciary and lawyers within the system, is important in achieving fair outcomes and improving trust in the legal sector. The judiciary is drawn from the legal profession, so it is important that solicitors are representative of the people needing legal help.

"To build trust and respect for the rule of law, there must be a step change in the diversity of the magistracy and especially the judiciary."

There is also a real commercial advantage to having a diverse workforce. There is growing evidence about the positive relationship between diversity and commercial performance. ² [#n2] For example, closing gender pay gaps has been estimated to add £150bn to the UK economy by 2025. ³ [#n3] And an additional £24bn, representing 1.3% of GDP, could be added from full



representation of Black, Asian and minority ethnic individuals across the labour market, through improved participation and progression. 4 [#n4]

Some law firms are taking positive actions to address differences in the balance of gender, ethnicity and sexuality, and to improve social mobility and the support given to disabled staff. However, there is still some way to go with both recruitment and career progression for the profession to be fully representative across all strands of diversity.

This report shows that the proportion of women and Black, Asian and minority ethnic solicitors progressing to senior roles does not yet reflect the proportions entering the profession. And solicitors with disabilities or from state schools are under-represented across the profession.

Embedding diversity and inclusion into law firms' culture is an important part of developing a modern, open competitive legal sector, providing accessible services for those who need them.

"Promoting and supporting diversity in the workplace is an important aspect of good people management - it's about valuing everyone in the organisation as an individual. However, to reap the benefits of a diverse workforce it's vital to have an inclusive environment where everyone feels able to participate and achieve their potential. While UK legislation – covering age, disability, race, religion, gender and sexual orientation among others – sets minimum standards, an effective diversity and inclusion strategy goes beyond legal compliance and seeks to add value to an organisation, contributing to employee well-being and engagement." 5 [#n5]

The business case for a diverse profession

Diversity across all levels of staff, including senior leadership, has been linked to improved organisational performance. 6 [#n6] For example, based on an international analysis of public companies, those in the top quarter for ethnic diversity are 35% more likely to have financial returns above their national industry average. And companies in the top quarter for gender diversity are 15% more likely to have profits above their national industry average. In addition, for every 10% increase in gender diversity in senior leadership, profits rise by 3.5%. 7 [#n7]

Unequal business performance within the same industry and country shows that staff diversity gives a competitive advantage, as market share shifts toward more diverse companies over time. For example, some insurance companies have indicated that they look to employ legal firms with diverse teams. 8 [#n8]

Some of the organisational benefits of a diverse workforce are: 9 [#n9]

Attracting the best staff

Organisations with the best reputation for diversity will appeal to the widest talent pool of potential candidates. Removing the barriers that some groups face to entering, and progressing within, the profession and some organisations, maximises the chances of getting and retaining the best people for each role. This report sets out the barriers and how these can be removed through fairer recruitment practices to find the best talent.

Some firms are widening their talent pool by taking on apprentices, which allows young people to earn an income while they train, as well as providing some firms with a financial incentive. 10 [n10]

"It is simply good business sense to recognise the enormous potential of women and to take action to nurture and progress female talent. 11 [n11]

"Our business is all about our clients and our biggest asset is our people. [...] Our partners are split 18% female, 82% male, and yet our intake is 50% female. That means we are losing a lot of talent which is both wrong and bad business. There is no easy fix. So, we have a whole series of initiatives to help us get to the root of the issue, find sustainable solutions and action change. We are determined to turn this around." 12 [n12]

Cost efficiencies and improved productivity

Organisations that have robust equality and diversity practices, which monitor the recruitment, pay and promotion of all groups, benefit from higher labour productivity and lower staff turnover. 13 [n13]

Improved employee morale and engagement associated with a diverse and inclusive workforce improves retention rates of staff and talent. This lowers recruitment and severance costs and the risk of reputational damage from employment tribunals.

Flexible working and home working are often seen as ways of supporting women in work, but can be used to help the work-life balance of all staff, support everyone with caring responsibilities and can increase productivity. Agile working also gives staff the flexibility to manage their work-life balance, as the focus is on outputs rather than the time spent at work. For example, firms we visited during our thematic review of diversity practices and experiences, told us that when offered flexible working, their staff became more flexible with them and were more able to meet clients' needs. 14 [n14] Senior managers can lead by example, such as showing that it is acceptable to work flexibly by noting in their calendar when they are out of the office for family commitments.

Real life example: A firm where most of its staff work from home report that their overhead costs are much lower. And their solicitors report that, as well as gaining more time for themselves, they can respond to their clients quicker. 15 [n15]

Better understanding of the market

Staff with diverse backgrounds and perspectives will have insights about the widest range of stakeholders, for both domestic and international business. Diversity at all levels within a business can lead to addressing the customer needs and cultural sensitivities of untapped markets. This might be, for example, through improved market strategies or new products and services aimed at the needs of diverse communities. This can lead to higher customer satisfaction, as well as widening the customer base.

"Diversity at all levels in organisations builds strong foundations for long-term success, in both the private and the public sector. Making good use of the talent, skills and experience of all drives better corporate performance and a successful economy. Those businesses which reflect the diverse nature of the environment in which they and their stakeholders operate are the ones that employees, customers and other stakeholders value."

Creativity, innovation and problem-solving

A wider range of perspectives can be achieved when all staff are fully included within the organisation, and their differences are valued and respected. This means decisions will be more thoroughly considered and better informed, increasing the chance of more innovative ideas and solutions. 16 [n16] More diverse teams therefore give businesses the ability to better react to market changes.

Embedding diversity and inclusion into the culture and systems of organisations allows firms to fully benefit from the creative problem-solving benefits that diverse teams bring.

"Having a diverse firm keeps our brand relevant to clients. From a business point of view, we recognise that there is a diverse client base that we want to provide services to. We want all our staff to be themselves and have the best development opportunities. This gives us creative capability in our business, as creativity comes from diversity, not from a conversation with 10 people the same as yourself."

How diverse is the legal profession?

We collect diversity data from the law firms we regulate every other year, which can be found in our online law firm diversity tool

[<https://www.sra.org.uk/solicitors/resources/diversity-toolkit/law-firm-diversity-tool-2/>] . This helps others understand the diversity of the profession and allows firms to benchmark themselves against the rest of the market. The latest data, published in 2018, shows:

Gender

- 48% of all lawyers 17 [n17] in law firms are women.
- 58% of in-house solicitors are women.
- Women are over-populated in the mid-tiers of the profession as they represent 59% of solicitors 18 [n18] but only 33% of partners 19 [n19] are women.
- Only 29% of partners in very large firms (with 50 or more partners) are women.
- 2% of solicitors and 1% of partners report that their gender identity was different to that assigned to them at birth.

Ethnicity

- The proportion of all Black, Asian and minority ethnic lawyers has increased to 21% from around 15% in 2014. 11% of people in employment across Great Britain are Black, Asian and minority ethnic.
- 14% of in-house solicitors are Black, Asian and minority ethnic.
- In very large firms (50 or more partners), 9% of partners are Black, Asian and minority ethnic. In one-partner firms, 34% of partners are Black, Asian and minority ethnic.
- 14% of all lawyers are Asian whereas 5% of partners in large firms (10 or more partners) are Asian. And 3% of all lawyers are Black, which reflects the working population, whereas 1% of partners in firms with six or more partners are Black.

Disability

- Only 3% of all lawyers in law firms declare a disability.
- 1.5% of in-house solicitors declare a disability.
- 16% of the UK working age population, and 10% of the working age population in employment, are disabled. 20 [n20]

Social mobility

- 68% of all lawyers in law firms attended a UK state school compared with 85% of non-solicitor staff.
- 57% of partners in very large firms (50 or more partners) attended a UK state school, compared with 43% in 2014.



- And 36% of partners in very large firms attended fee paying schools, compared to 24% of all partners. Only 7% of the UK population attend fee-paying schools. 21 [n21]

Sexual orientation

- 3% of all lawyers declare that they are lesbian, gay or bisexual. This compares to 2% of the UK population over 16, although Stonewall estimates that 5-7% is more accurate.
- There may be some underreporting as 13% of all lawyers decline to respond to this question.

10% to 16% of all lawyers did not respond, or preferred not to give an answer, to the questions about disability, sexual orientation, religion, educational background and caring responsibilities. This is similar to previous years and indicates that the culture of the profession may be less open about diversity in these areas than about gender, age and ethnicity.

Independent analysis of our diversity data explored solicitors' career progression. 22 [n22] It concluded that:

- the prospects of becoming a partner are higher for white males than any other group across all types of firms
- high-street firms give Black, Asian and minority ethnic males, white females, and Black, Asian and minority ethnic females the greatest opportunities to become a partner
- Black, Asian and minority ethnic women are particularly disadvantaged in progressing within the solicitors' profession.

Entry into the profession is diverse but female, Black, Asian and minority ethnic and disabled lawyers continue to be under-represented at partner level. And Black, Asian and minority ethnic and disabled solicitors are proportionately more likely to work in smaller firms. Law firms have a responsibility to improve the diversity at all levels: by nurturing, valuing and developing all of the talent they recruit.

How firms can overcome barriers to diversity

People's career paths and choices are influenced by their social background and education as well as barriers to entering, and progressing in, the profession.

There are different barriers for different groups, and different barriers within groups. And some people face multiple barriers if they are a member of more than one disadvantaged group. So, it is important not to group all strands of diversity, or even all groups within a strand, together when trying

to overcome the barriers. This means that it is best for firms to take more than one approach to improving diversity. 23 [#n23]

Education

Firms can influence the educational barriers, for example, in the way they think about, and interact with, different schools and universities. We encourage all firms to get involved with initiatives where possible and to assess their own policies and ways of working.

Valuing skills not just school results

School pupils from less advantaged backgrounds often make subject choices that negatively affect their prospects, and the quality of information, advice and guidance is weaker for these pupils. 24 [#n24] And they lack access to wider opportunities, such as a variety of sports clubs and language classes, that help develop the non-educational competencies that are valued in professions. This can also apply to some of the minority ethnic groups who tend to come from lower socio-economic backgrounds.

Attainment at school or college continues to be used as screening criteria by two thirds of leading legal firms, and it affects candidates' ability to secure a training contract. 25 [#n25] However, these measures do not guarantee high performing candidates are recruited. 26 [#n26] Some firms recognise this and remove school results from their selection criteria.

"Valuing differences is something that needs to be evident from the outset. A legal career has traditionally been seen as restricted for those from private education and elite universities. The legal industry is taking considerable steps to change this. [We] have dropped [our] grade criteria to CCC and any degree while CV's are blind to help level the playing field. 27 [#n27]

Exploring different routes to qualification

University law students from disadvantaged backgrounds and those that study part-time tend to have lower pass rates. And students who are a member of several different disadvantaged groups have a lower attainment than if they were a part of just one. 28 [#n28]

For example, Black, Asian and minority ethnic students that are from a low income background are less likely to do well than those who are either Black, Asian and minority ethnic from a wealthy background, or white from a low income background.

Students at highly selective universities are more likely to have been educated at selective or fee-paying schools, or be from relatively affluent backgrounds. They typically have access to higher status professional

networks, academic staff with links to leading firms and the money to support travel for placements and other work experiences. 29 [n29]

In these ways, students from wealthy backgrounds are structurally advantaged over other students.

Students need significant funds or employer support to complete the Legal Practice Course (LPC). Many students do not get a training contract as it is very competitive, so there is risk attached to their investment. Those that are less able to take financial risks are therefore less likely to take the LPC.

The Solicitors Qualifying Examination, the common assessment for all potential solicitors, is likely to reduce the financial burden on potential solicitors. It will mean that some will not need to find a training contract if they already have relevant work experience, for example, as an apprentice. It should also increase the opportunities to access the profession, as candidates will have demonstrated their ability through the robust assessments, irrespective of the route they take. Some firms can access funds through the Apprenticeship Levy to reach potential, and train their own, talent. This may mean fewer students have to self-fund their way through the qualification process.

Many firms target the most selective universities in their recruitment campaigns. But firms with a higher proportion of trainees from Oxbridge or Russell Group universities have lower levels of subsequent gender and ethnic diversity at associate and trainee level. 30 [n30] Some firms recognise that engaging with and recruiting from a wider range of universities adds value to their organisation.

Real life example: The Fairness Project, run by three universities, equips students to maximise their employability through understanding inequality and unfair diversity barriers in the legal profession, helping them to develop personal strategies to overcome these. The students are encouraged to address their own biases to also help them to become fairer employers and managers in the future, and to help change the culture of the legal profession from within. 31 [n31]

Recruitment and progression

Other barriers to entering and progressing in the profession include the varied opportunities to gain experience, the availability of role models, recruitment biases and that some organisational cultures are not inclusive. The barriers within firms vary considerably depending on the area of law, and the size and status of the firm. 32 [n32]

Widening access to work experience



Law students' access to work experience can be affected by their social or family networks. And someone with caring responsibilities, or who needs to earn additional income, will have less time to be able to gain experience by volunteering in a law firm or law centre. 33 [#n33] Unpaid internships are often inaccessible to those from disadvantaged backgrounds. 34 [#n34]

Firms can get involved in an initiative that gives work experience to students from disadvantaged backgrounds, such as PRIME [<https://primecommitment.co.uk/>] , City Solicitors Horizon, and the Pathways to Law [<https://pathwaystolaw.org.uk/>] .

Providing role models

Many students from lower socio-economic backgrounds do not apply to law firms because they feel that they will not fit in, even when they have attended Russell Group universities. 35 [#n35] And a lack of positive role models discourages disadvantaged and Black, Asian and minority ethnic graduates from applying to some professions and some organisations. 36 [#n36] Role models are particularly important to the progression of Black British employees. 37 [#n37] But there are few Black, Asian and minority ethnic senior managers in large organisations.

Initiatives such as Inspired by Law, Aspiring Solicitors [<https://www.aspiringsolicitors.co.uk/>] , Sponsors for Educational Opportunity [<http://www.seo-london.org/>] and the Social Mobility Business Partnership [<https://smbp.org.uk/>] widens aspirations and gives students some role models, as well as expanding the potential talent pool. Some firms also recognise the value in having a website, and other marketing materials, that better reflect the diversity of the profession and students.

Real life example: "[Our] Diversity Career Mentoring programme provides university students from diverse ethnic and socioeconomic backgrounds with mentors from within [our] business. The mentors provide students with insight on life at [our business] as well as sharing tips and advice on CV writing, job application skills, the firm's recruitment channels and general guidance on employability skills required for working life.

We know that Black, Asian and minority ethnic staff are less likely to have career sponsors, which can impact their allocation to jobs, the roles they have and their career progression. To address this, we started an active sponsorship programme for high potential Black, Asian and minority ethnic and female directors and senior managers, called Talent Watch". 38 [#n38]

Large multi-disciplinary practice

Fair recruitment practices

Firms tend to use indicators to find the 'brightest and best' recruits, such as type and name of institution attended, and qualification scores. Their use



varies across the sector, or even within individual firms, and they are not as effective as many assume. 39 [#n39] And the use of these may disproportionately disadvantage those from lower socio-economic groups.

Unconscious bias and discrimination are barriers to diversity. 40 [#n40] Several studies found that job applications using a name associated with a minority ethnic group are less likely to be successful in getting to the sift stage of recruitment. 41 [#n41]

Some firms are working to reduce their recruitment bias by updating their candidate screening systems, which could improve social mobility and diversity across all groups. For example, by removing school attainment criteria, as noted above, or by removing all university or school details from applications, so candidates are judged only on their performance and potential. Contextual recruitment, such as the system offered by Rare [<https://www.rarerecruitment.co.uk/Contextual-Recruitment.php>] , also helps organisations identify candidates from disadvantaged backgrounds with the greatest potential.

Behavioural science has been put to good effect in improving recruitment diversity in other sectors. For example, changing the phrasing of a job advertisement and job description to appeal to all applicants' values and sense of belonging, along with advertising through media that appeals to different groups, widens the diversity of recruits. And having a diverse team to make recruitment decisions increases the chances of finding the best candidate. 42 [#n42]

Real life example: A large graduate recruiter removed the need for applicants to have a minimum 2:1 degree pass or the equivalent of three B grades at A-level. It also introduced a blind CV policy, to reduce any unconscious bias. A year after the policy was introduced:

- recruits from state schools increased by 10% to 49% for graduates and to 59% for school leavers
- recruits who were the first in their family to go to university rose by 7%
- there was a 75% increase in the number of applications to its student programmes for the following year, 18% of who would have not been eligible to apply before the criteria changed. 43 [#n43] Large multi-disciplinary practice

It is important for firms to monitor how different recruitment strategies affects their diversity, as some initiatives may work better in some firms and some areas of work than others. Firms should also assess whether their recruitment agency is helping or hindering diversity.

Firms should make sure that their training contract tests are suitable for all students and make reasonable adjustments where needed. 44 [#n44]

"Race, gender or background should be irrelevant when choosing the right person for a role – few now would disagree with this. But organisations and individuals tend to hire in their own image, whether consciously or not. Those who have most in common with senior managers and decision makers are inherently at an advantage. I have to question how much of this bias is truly 'unconscious' and by terming it 'unconscious', how much it allows us to hide behind it. Conscious or unconscious, the end result of bias is racial discrimination, which we cannot and should not accept."

"We make three key recommendations for firms wishing to access the widest range of talent to benefit their business and their clients in future; first, amend attraction strategies to encourage higher numbers of applications from students with a wider range of educational and socio-economic backgrounds; second, ensure that these diverse students have access to similar levels of support enjoyed by their more traditional peers, in order to navigate the selection process effectively; third, interrogate current definitions of talent, including how potential is identified and assessed, to ensure that disadvantaged students are not ruled out for reasons of background rather than aptitude and skill."

Widening progression opportunities

There are large differences in the diversity of partners in large firms. For some solicitors, becoming a partner at a larger firm is not what they choose to do. However, the barriers set out above, along with unconscious bias and discrimination when deciding who to give opportunities and promotions to, affect partnership diversity.

Mentoring programmes are proven to improve diversity at management levels, along with being more transparent with diversity statistics and practices. ⁴⁵ Middle and senior managers can also celebrate and encourage people with diverse characteristics, call out biases, champion diversity initiatives, and challenge existing work practices. Increasing the interactions that managers have with all staff means they are more likely to recognise the value that people from different backgrounds bring to the business. ⁴⁶

Our 'Unlocking the benefits of diversity' [\[https://www.sra.org.uk/sra/how-we-work/archive/reports/unlocking-benefits-diversity/\]](https://www.sra.org.uk/sra/how-we-work/archive/reports/unlocking-benefits-diversity/) report sets out some of the actions firms can take to improve diversity at all levels, and therefore improve their organisational performance. A key action for improving the progression of all groups of people is to make sure that firms' cultures are inclusive, so that all staff feel able to be themselves. Maintaining a continued focus on improving diversity is also important. This can be achieved with minimal cost and resources, for example:

- Make flexible or agile working available to all staff, where possible.
- Networking groups can be more visible and inclusive, encouraging allies to attend the groups and identifying how senior managers can support the groups.
- Small firms can set up, or join, networks across firms to share best practices and accelerate change.
- Both men and women should be given the flexibility to take parental leave.
- Events can be held that reflect the cultural and social values of all staff.

Business in the Community [<https://www.bitc.org.uk/>] shares best practice and has online toolkits and guides to support employers. It is likely to develop a guide on discussing race in the workplace and a portal with case studies and unconscious bias training packages.

Real life example: In 2009 Black, Asian and minority ethnic students made up 23% of one firm's overall student intake in 2009. They set a target of 30% and chose to:

- Remove UCAS scores as entry criteria for graduate roles and assess people on their potential, not backgrounds. In 2016, 39% of their graduate intake were Black, Asian and minority ethnic.
- Target a wider range of schools and universities to raise aspirations about different career options to a more diverse student group. They now recruit from over 90 universities.

"For us diverse teams are a business advantage and we want to reflect our clients and the wider world. We have monitored the diversity of our pipelines since 2011 but recognised that if we really want to move the dial on diversity we needed to make some systemic changes to how we attract, retain and promote our people. This also had to cover all aspects of difference, not just gender.

These interventions are producing measurable results, but we recognise that we need to keep up the focus and attention on this important area of diversity to make a sustainable difference." Large multi-disciplinary practice 47 [#n47]

Trends in equality, diversity and inclusion requirements

All businesses must comply with the legislation

[<https://www.equalityhumanrights.com/equality/equality-act-2010>] on equality and diversity. SRA Principle 9 [<http://www.sra.org.uk/solicitors/handbook/code/content>] supports the legislation and means that solicitors and firms must encourage equality of opportunity and respect for diversity.

Since the Equality Act 2010, other changes to improve equality and diversity include:

- new rules on flexible working in 2014, which extended the right to ask for flexible working to all employees
- shared parental leave introduced in 2015, so working parents can decide how to share their leave
- a requirement for all employers with over 250 employees to publish their gender pay and bonus data by April 2018
- a requirement that all FTSE 350 firms have at least 33% of women on their boards by 2020 and have at least one Black, Asian and minority ethnic director.

There are also calls from the government for all companies to publish their gender pay gap data, make sure there is progress on female representation at senior levels, and make flexible working available for all employees from the start of their employment. 48 [n48] The government is also in favour of having publicly available data on ethnic diversity.

There is a risk of reputational damage for eligible firms that do not meet the requirements. We encourage firms to take the lead by being transparent with their diversity data and use it to their advantage in developing their business.

"The government encourages all employers to adopt [the McGregor Review] recommendations to make the workplace more inclusive. As the proportion of British working age adults from Black, Asian and minority ethnic backgrounds is increasing, it has never been more important for employers to harness the potential of this home-grown talent and influence positive behaviour change in the labour market. As with any significant change in working practices, success will only be delivered if everyone in an organisation takes ownership of the issue." 49 [n49]

The McGregor Review suggests that firms go beyond the government targets: "all employers with more than 50 people must set aspirational targets to increase diversity and inclusion throughout their organisations – not just at the bottom. Companies should look at the make-up of the area in which they are recruiting to establish the right target. For instance, the proportion of working age people from a Black, Asian and minority ethnic background in London and Birmingham is already over 40%, with Manchester not far behind."

Real life example: "We have set ethnicity and gender targets for manager level and above, which provide direction and drive the promotion, recruitment and retention activities that underpin them. This year we have



published our targets, and progress against them, in our digital annual report. We believe that greater transparency drives accountability and targets action where it is needed most. Business leaders are also accountable for these targets and for driving change where it is needed." 50

[#n50] Large multi-disciplinary practice

Real life example: One firm publishes an annual audit of the diversity of their staff across all diversity strands. Their statistics have informed the development of their diversity and inclusion programmes. They focused on graduate recruitment to build a more diverse talent workforce by working with Rare recruitment, which specialises in top Black, Asian and minority ethnic graduates, and hosting graduate recruitment events on multiculturalism. Large law firm

How we are working to improve diversity

We are committed to working with those we regulate to support them in achieving a more diverse and inclusive profession. We promote diversity by providing data, conducting research, providing guidance and engaging with firms and others about diversity and inclusion. And our regulatory and educational reforms will build on this and widen access to the profession.

Adding to our understanding of diversity in the profession

Our collection of diversity data helps us shape our understanding of the diversity of the profession and we make this available online. We collected data from law firms about gender identity for the first time in 2017.

Our diversity data was independently analysed to understand the career progression of women and Black, Asian and minority ethnic solicitors, and how their representation in senior roles can be improved. The research [<https://www.sra.org.uk/sra/how-we-work/archive/reports/diversity-legal-profession/>] highlighted the large increase in female new entrants since 1970 and the increase in new admissions by Black, Asian and minority ethnic solicitors over the last 10 years.

In 2017, we visited over 40 firms to find out how they promote equality, diversity and inclusion. Our report 'Unlocking the benefits of diversity' [<https://www.sra.org.uk/sra/how-we-work/archive/reports/unlocking-benefits-diversity/>] highlights the good practice among many firms.

Engaging with firms and others about diversity and inclusion

The Risk Outlook [<https://www.sra.org.uk/archive/risk/outlook/risk-outlook-2020-21/diversity-in-the-profession/>] and the resources pages [<https://www.sra.org.uk/solicitors/diversity-toolkit/diversity-toolkit>] have information on

ways to increase the fairness of recruitment and promotion. We have also raised awareness of transgender equality in the profession with guidance and case studies [<https://www.sra.org.uk/solicitors/diversity-toolkit/trans-inclusion>] .

We support, attend and promote professional and community events that support diversity and wellbeing [<https://www.sra.org.uk/solicitors/resources/your-health-your-career/>] for all solicitors. For example, we brought firms together to discuss women in law and how to promote a lesbian, gay, bisexual and trans-friendly work place. We sponsor the UK's Diversity Legal Awards [<http://diversitylegalawards.org/>] , support Pride events and raise awareness of diversity in the profession at conferences and with politicians.

Widening access to the profession

The Solicitors Qualifying Examination will be introduced not before 2020. This should open up opportunities to access the profession, increasing the potential for social mobility and support diversity: 'since it will enable students to chart more flexible pathways'. 51 [#n51]

We have worked with firms and the government to encourage legal apprenticeships. More than 500 people who followed non-traditional routes into the profession have been admitted following our amendment to the Training Regulations in 2015. And we work with law firms and students through the Social Mobility Business Partnership [<https://smbp.org.uk/>] , which gives opportunities and support for students from less privileged backgrounds.

Our reforms to the Code of Conduct and Principles will reduce the regulatory burdens and costs on firms and solicitors. They will give more flexibility in how legal services are delivered, which may encourage a wider pool of people to join the profession and improve access to services.

Helping consumers and evaluating the impact

The Legal Services Consumer Panel recommended that regulators:

- help Black, Asian and minority ethnic consumers to feel more confident in their lawyer by helping everyone to understand the quality of service they can expect
- work towards price transparency, given the limited availability of fixed fees in the areas of law that Black, Asian and minority ethnic groups are more likely to need.

Our reforms will help to address these recommendations. For example, we will develop the Legal Choices website [<http://www.legalchoices.org.uk/>] and our law firm search tool [<https://www.sra.org.uk/consumers/using-solicitor/law-firm-search>] to improve the information available to people and small businesses. We are

also considering the types of information that we and firms might publish in the future.

We will be evaluating the impact of our regulatory reforms on the public, law firms, individual solicitors and the wider market. It will specifically look at the effect of our reforms on equality, diversity and inclusion across all groups. This will allow us to amend or adapt any aspect of our policy changes, if needed.

SRA resources

Law firm diversity tool [<https://www.sra.org.uk/solicitors/resources/diversity-toolkit/law-firm-diversity-tool-2/>] – 2017 diversity data from the people who work in the law firms we regulate.

Unlocking the benefits of diversity [<https://www.sra.org.uk/sra/how-we-work/archive/reports/unlocking-benefits-diversity/>] – Our review of the career progression of individuals and diversity of firms, including the drivers and motivations behind career choices.

Mapping advantages and disadvantages: Diversity in the legal profession in England and Wales [<https://www.sra.org.uk/sra/how-we-work/archive/reports/diversity-legal-profession/>] – An independent analysis of our diversity data to understand the career progression of women and Black, Asian and minority ethnic solicitors.

How to promote diversity in your firm
[<https://www.sra.org.uk/solicitors/resources/diversity-toolkit/promote-diversity/>] – A set of questions to help you think about improving diversity.

Useful reports

The Lammy Review
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/643001/lammy-review-final-report.pdf] – An independent review into the treatment of, and outcomes for, Black, Asian and Minority Ethnic individuals in the Criminal Justice System, 2017

Why diversity matters [<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>] – McKinsey & Company, 2015

The McGregor-Smith Review
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf] – Race in the Workplace, 2017

Useful organisations



Sutton Trust [<https://www.suttontrust.com/>] – A foundation that improves social mobility in the UK through evidence-based programmes, research and policy advocacy. They equip young people with the support, knowledge and skills to make informed decisions about their futures by partnering with universities, employers and charities.

Social Mobility Foundation [<http://www.socialmobility.org.uk/>] – A charity that provides opportunities and networks of support for young people from low-income backgrounds. They also run the Social Mobility Employer Index which ranks Britain's employers on their actions to access and progress talent from all backgrounds. All organisations get free feedback on their performance, which highlights areas where they performed well and where improvements can be made.

The Behavioural Insights Team [<https://www.bi.team/>] – A social purpose company that uses behavioural science methods. They have developed a recruitment platform, Applied [<https://www.beapplied.com/>], that aims to remove bias and stereotype threat from job descriptions, assessments and recruitment decisions.

Rare [<https://contextualrecruitment.co.uk/>] – Their contextual recruitment system uses big data to help organisations identify candidates with the greatest potential.

Notes

1. The Lammy Review: An independent review into the treatment of, and outcomes for, BAME individuals in the Criminal Justice System

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/643001/lammy-review-final-report.pdf], 2017

2. See, for example: Why diversity matters

[<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>], Hunt, V., Layton, D. and Prince, S.,

McKinsey & Company, 2015; Business and Social Mobility: A manifesto for change

[http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/246696/Business_Social_Mobility_Manifesto.pdf]

, Social Mobility and Child Poverty Commission, 2013; LGBT: The Value of Diversity, Credit Suisse, 2016; Impact of gender diversity on the boards of the FTSE 100

[<https://www.cranfield.ac.uk/som/case-studies/gender-diversity-and-ftse-100-firms>], Cranfield School of Management; We Just Can't

Handle Diversity: A research round-up, Burrell, L., Harvard Business Review, July-August 2016; The business case for equality and diversity: a survey of the academic literature

[<https://www.gov.uk/government/publications/the-business-case-for-equality-and-diversity-a-survey-of-the-academic-literature>], Department for Business, Innovation and Skills, 2013



3. The power of parity: Advancing women's equality in the United Kingdom, McKinsey & Company, 2016. 38% of this extra GDP could come from increased female participation in the labour force, with participation rising from 76% under the business-as-usual forecast in 2025 to 79%. 35% would come from more women working in the more productive sectors, and 27% from a rise in women's working hours by an average of 25 to 30 minutes a day.
4. The McGregor-Smith Review: Race in the Workplace
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf] , 2017
5. Diversity and inclusion in the workplace
[<https://www.cipd.co.uk/knowledge/fundamentals/relations/diversity/factsheet>]
, CIPD, June 2017
6. Why diversity matters [<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>] , Hunt, V., Layton, D. and Prince, S., McKinsey & Company, 2015; The McGregor-Smith Review, Race in the Workplace
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf] , 2017; Board of Director Diversity and Firm Financial Performance, Erhardt, N.L., Werbel, J.D. and Shrader, C.B., Corporate Governance: An International Review, volume 11, 2003; Corporate Governance, Board Diversity, and Firm Value, Carter, D.A., Simkins, B.J. and Simpson, G., The Financial Review, volume 38, 2003; Does Diversity Pay? Race, Gender and the Business Case for Diversity, Herring, C., American Sociological Review, volume 74, number 2, 2009; Examining the Link between Diversity and Firm Performance, Roberson, Q.M. and Park, H.J., CAHRS Working Paper 06-02, 2006
7. Based on an analysis of data for 366 public companies across a range of industries in Canada, Latin America, the United Kingdom, and the United States: Why diversity matters [<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>] , Hunt, V., Layton, D. and Prince, S., McKinsey & Company, 2015
8. " Firms will stagnate without social diversity
[<https://www.thetimesbrief.co.uk/channels/762-diversity/posts/17626-firms-will-stagnate-without-social-diversity>] ' The Times The Brief, 7 June 2017
9. Managing Cultural Diversity: Implications for Organizational Competitiveness, Cox, T.H. and Blake, S. The ExecutiveVol. 5, No. 3 (Aug 1991), pp. 45-56; The McGregor-Smith



Review: Race in the Workplace

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf] , 2017; Diversity

Management as Calling: Sorry, it's the Wrong Number!', Tatli, A., & Özbilgin, M. F., in Diversity Outlooks, Koall, I., Bruchhagen, V. and F. Höher, F. (Eds.), 2007; Snowy Peaks: Ethnic Diversity at the Top, Runnymede Trust, 2010; Family Friendly Working Hours Taskforce, Flexible Working: working for families, working for business, 2010; Flexible working and work-life balance, Acas, 2015; The business case for equality and diversity: a survey of the academic literature [<https://www.gov.uk/government/publications/the-business-case-for-equality-and-diversity-a-survey-of-the-academic-literature>] , Department for Business, Innovation and Skills, 2013

10. The Apprenticeship Levy Study Legal Sector
[http://employers.bpp.com/assets/Law_Sector_Research.pdf] , trendence UK, 2017
11. Prime Minister announces new drive to end the gender pay gap [<https://www.gov.uk/government/news/prime-minister-announces-new-drive-to-end-the-gender-pay-gap>] , Gov.uk, 2017
12. Annual Review 2017, Allen & Overy, 2017
13. The Impact of Diversity and Equality Management on Firm Performance: Beyond High Performance Work Systems, Armstrong, C., Flood, P.C., Guthrie, J.P., Liu, W., MacCurtain, S. and Mkamwa, T., Human Resource Management, volume 49, 2010
14. Unlocking the benefits of diversity [<https://www.sra.org.uk/sra/how-we-work/archive/reports/unlocking-benefits-diversity/>] , SRA, 2017
15. The lawyer who works from his garden on some of the best-known cases in Britain [<https://www.legalcheek.com/lc-careers-posts/the-lawyer-who-works-from-his-garden-on-some-of-the-best-known-cases-in-britain/>] , Legal Cheek, September 2017
16. White Paper: Hacking Diversity with Inclusive Decision Making, Cloverpop, 2017; The Impact of Diversity and Equality Management on Firm Performance: Beyond High Performance Work Systems, Armstrong, C., Flood, P.C., Guthrie, J.P., Liu, W., MacCurtain, S. and Mkamwa, T., Human Resource Management, volume 49, 2010
17. 'All lawyers' refers to both the solicitors, and other lawyers, and the partners in the law firms that we regulate.
18. 'Solicitors' refers to the solicitors and other lawyers, such as barristers or chartered legal executives, in the law firms that we regulate.



19. 'Partners' refers to the solicitor partners, sole practitioners and members or directors in the law firms that we regulate.
20. Official Statistics: Disability facts and figures
[<https://www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures#fn:3>] , Department for Work & Pensions and Office for Disability Issues, 2014; Analysis of Labour Force Survey, 2015
21. Independent Schools Council, 2015
22. Mapping advantages and disadvantages: Diversity in the legal profession in England and Wales
[<https://www.sra.org.uk/sra/how-we-work/archive/reports/diversity-legal-profession/>] , Centre for Employment Relations and Innovation and Change, University of Leeds and Newcastle University Business School, 2016
23. Why Your Diversity Program May Be Helping Women but Not Minorities (or Vice Versa), Apfelbaum, E., Harvard Business Review, August 2016
24. State of the nation 2016: social mobility in Great Britain
[<https://www.gov.uk/government/publications/state-of-the-nation-2016>] , Social Mobility Commission, 2016
25. Introduction of the Solicitors Qualifying Examination: Monitoring and Maximising Diversity
[<https://www.sra.org.uk/globalassets/documents/sra/research/monitoring-maximising-diversity.pdf?version=4a1ace>] , Bridge Group, 2017
26. A qualitative evaluation of non-educational barriers to the elite professions
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/434791/A_qualitative_evaluation_of_non-educational_barriers_to_the_elite_professions.pdf] , Social Mobility and Child Poverty Commission, 2015
27. Diversity League Table [<http://www.blacksolicitorsnetwork.co.uk/the-findings/>] , Black Solicitors Network, 2017
28. Baseline attainment data: legal education, training and post-qualification, SRA, 2015
29. Performance Indicators: Widening participation of under-represented groups [<http://www.hesa.ac.uk/news/04-02-2016/performance-indicators>] , HESA, 2016; A qualitative evaluation of non-educational barriers to the elite professions
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/434791/A_qualitative_evaluation_of_non-educational_barriers_to_the_elite_professions.pdf] , Social Mobility and Child Poverty Commission, 2015



30. Diversity League Table [<http://www.blacksolicitorsnetwork.co.uk/the-findings/>] , Black Solicitors Network, 2017
31. The Fairness Project: equipping students to maximise employability, McKee, T., Nir, R., Hervey, T., Griffiths, E., Alexander, J., and Cairns, J., 2017
32. Introduction of the Solicitors Qualifying Examination: Monitoring and Maximising Diversity [<https://www.sra.org.uk/globalassets/documents/sra/research/monitoring-maximising-diversity.pdf?version=4a1ace>] , Bridge Group, 2017
33. Barriers to the legal profession [<https://www.legalservicesboard.org.uk/wp-content/media/2010-Diversity-literature-review.pdf>] , Legal Services Board, 2010; The McGregor-Smith Review: Race in the Workplace [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf] , 2017
34. State of the nation 2016: social mobility in Great Britain [<http://www.gov.uk/government/publications/state-of-the-nation-2016>] , Social Mobility Commission, 2016
35. A qualitative evaluation of non-educational barriers to the elite professions [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/434791/A_qualitative_evaluation_of_non-educational_barriers_to_the_elite_professions.pdf] , Social Mobility and Child Poverty Commission, 2015
36. Why the Difference? Issues Facing Minority Ethnic Graduates, Institute of Education 2016; More evidence on the power of role models [<https://www.bi.team/>] , The Behavioural Insights Team, 2017
37. Why the Difference? Issues Facing Minority Ethnic Graduates, Institute of Education, 2016; Race to Progress, BITC, 2011
38. The PwC diversity journey: Creating impact, achieving results [<https://www.pwc.com/gx/en/diversity-inclusion/best-practices/assets/the-pwc-diversity-journey.pdf>] , PwC, 2016
39. A qualitative evaluation of non-educational barriers to the elite professions [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/434791/A_qualitative_evaluation_of_non-educational_barriers_to_the_elite_professions.pdf] , Social Mobility and Child Poverty Commission, 2015
40. The McGregor-Smith Review: Race in the Workplace [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf] , 2017

41. A Test for Racial Discrimination in Recruitment Practice in British Cities

[https://www.academia.edu/1610717/A_test_for_racial_discrimination_in_recruitment_practice_in_British_cities]

, Department for Work and Pensions, 2009; Why Do Skilled Immigrants Struggle in the Labor Market? A Field Experiment with Thirteen Thousand Resumes

[<http://oreopoulos.faculty.economics.utoronto.ca/wp-content/uploads/2014/03/Why-Do-Skilled-Immigrants-Struggle-in-the-Labor-Market.pdf>]

, Oreopoulos, P., American Economic Journal: Economic Policy 3, 2011; Are Emily and Greg More Employable than Lakisha and Jamal?

[<http://www.nber.org/papers/w9873>] A Field Experiment on Labor Market Discrimination, Bertrand, M. and Mullainathan, S.

National Bureau of Economic Research, Working Paper No. 9873, 2003; A Test for Racial Discrimination in Recruitment Practice in British Cities

[https://www.academia.edu/1610717/A_test_for_racial_discrimination_in_recruitment_practice_in_British_cities]

, Department for Work and Pensions, 2009

42. Levelling the playing field in police recruitment: Evidence from a field experiment on test performance

[<https://doi.org/10.1111/padm.12344>], Linos E, Reinhard J, and Ruda S., Public Admin. 95:943–956, 2017; How government can recruit innovative talent

[<https://www.nesta.org.uk/blog/how-government-can-recruit-innovative-talent>], Nesta, May 2016; Helping to remove recruitment bias: We invest in Applied

[<https://www.nesta.org.uk/blog/helping-remove-recruitment-bias-we-invest-applied>], Nesta, November 2017; Would you hire on the toss of a coin? [<https://www.bi.team/>], The Behavioural Insights Team, 2016

43. EY's 'blind CV' policy for all trainee applications has inspired surge in workforce diversity

[<http://www.independent.co.uk/news/business/news/ey-blind-cv-policy-diversity-workforce-ernst-and-young-trainee-job-applications-academic-education-a7558696.html>], Independent, February 2017

44. Government lawyers discriminated against autistic student with training contract test, EAT rules

[<http://www.legalfutures.co.uk/latest-news/government-lawyers-discriminated-autistic-student-training-contract-test>], Legal Futures, May 2017

45. Why Diversity Programs Fail: And what works better

[<https://hbr.org/2016/07/why-diversity-programs-fail>], Dobbin, F. and Kalev, A., Harvard Business Review, July-August 2016

46. See for example, Why Diversity Programs Fail: And what works better

[<https://hbr.org/2016/07/why-diversity-programs-fail>], Dobbin, F. and Kalev, A., Harvard Business Review, July-

August 2016; How can law firms 'raise the floor' for diversity, equality and inclusion?, Simons, L., 2017

47. The PwC diversity journey: Creating impact, achieving results [<https://www.pwc.com/gx/en/diversity-inclusion/best-practices/assets/the-pwc-diversity-journey.pdf>] , PwC, 2016
48. Prime Minister announces new drive to end the gender pay gap [<https://www.gov.uk/government/news/prime-minister-announces-new-drive-to-end-the-gender-pay-gap>] , Gov.uk, 2017; For research about advertising jobs as flexible, see: How flexible working can improve gender equality in the workplace [<https://www.bi.team/>] , The Behavioural Insights Team, 2017
49. Prime Minister announces new drive to end the gender pay gap [<https://www.gov.uk/government/news/prime-minister-announces-new-drive-to-end-the-gender-pay-gap>] , Gov.uk, 2017
50. The PwC diversity journey: Creating impact, achieving results [<https://www.pwc.com/gx/en/diversity-inclusion/best-practices/assets/the-pwc-diversity-journey.pdf>] , PwC, 2016
51. Introduction of the Solicitors Qualifying Examination: Monitoring and Maximising Diversity [<https://www.sra.org.uk/globalassets/documents/sra/research/monitoring-maximising-diversity.pdf?version=4a1ace>] , Bridge Group, 2017