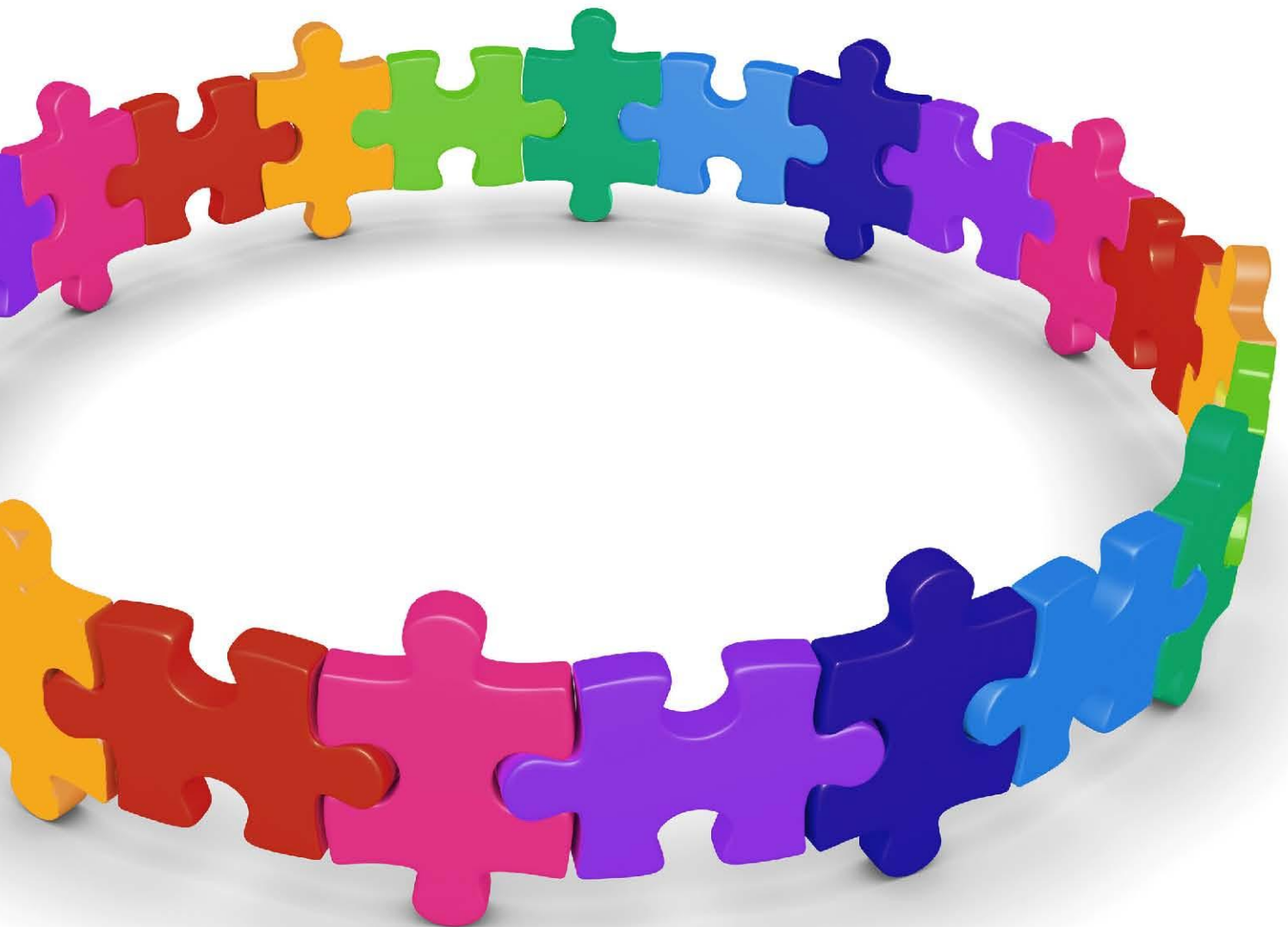




The Law Society

**Diversity and inclusion
in law firms**
The business case



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Executive summary

Why should you bother about diversity and inclusion?

1. It's the law: legislation and regulation

- Law firms have duties as service providers and employers under the Equality Act 2010.
- Firms are also subject to the SRA requirements on equality and diversity contained in Principle Nine and chapter two of the SRA handbook.

2. The client base is changing

With the demographics of the UK changing rapidly, diversity is essential for law firms wanting to attract the best people and meet clients' needs:

- The ethnic minority population of England and Wales has almost doubled in a decade, from 8.7% in 2001 to 14% in 2011¹.
- An increasing number of women are in work – a net increase of 1.5 million since the last recession in the 1990s².
- More than 1 in 20 people in the workforce today are Lesbian, Gay or Bisexual (LGB)³.
- There are 11.5 million disabled people in the UK and 5.4 million are adults of working age⁴.

These changes have a significant effect on both law firms' client base and their current and potential workforce:

- LGB consumer power is worth an estimated £70-81bn⁵.
- Women own 48% of the nation's personal wealth – expected to rise to 60% by 2026 – and make up 47% of the labour market⁶.
- £ 80 billion is the spending power of the UK disabled⁷.
- 19% of all small/medium businesses are owned by ethnic minorities and 1 in 10 of London's 250,000 businesses is Asian-owned⁸.

Corporate clients are increasingly looking to ensure that their panel law firms match their values and commitment to diversity and inclusion.

¹ [2011 Census: KS201UK Ethnic group, local authorities in the United Kingdom ONS](#),

² www.ons.gov.uk/ons/rel/lmac/women-in-the-labour-market/2013/rpt--women-in-the-labour-market.html

³ Estimating the size and composition of the lesbian, gay and bisexual population in Britain, Peter J Aspinall, Equality and Human Rights Commission, 2009

⁴ <http://odi.dwp.gov.uk/docs/fulfilling-potential/building-understanding-main-report.pdf>

⁵ Stonewall workplace guide Marketing: Consumers (2010) How to Market to Gay Consumers (2010)

⁶ www.theguardian.com/business/2005/apr/22/money.genderissues and Carter, Women's Financial Advisory Group, 2006

⁷ <http://businessdisabilityforum.org.uk/customer-experience/the-evidence>

⁸ <http://www.bwmb.org/business-publications/research/bme-people-and-small-businesse.aspx>

3. The diversity profile of the legal profession is changing⁹

- 47.4% of the profession is female - 60% at trainee level.
- 12.6% of solicitors with Practising Certificates (PCs) are from ethnic minority backgrounds.
- Almost two thirds (64.9%) of PC holders are between 26 and 45 years of age, 7.1 % are of state pension age.

Further work needs to be done to ensure that diverse talent is well represented in the partnership of law firms:

- While women make up almost half of all solicitors across the profession, they represent less than one third of partners.
- Although nearly 12% of solicitors in the profession are from a Black, Asian or Minority Ethnic (BAME) background, they make up only 6% of partners.

4. Benefits of good diversity and inclusion policies

Good diversity and inclusion policies can mean:

- a) Meeting your legal and regulatory equality duties:** being an organisation that meets its statutory equality duties helps you to avoid costly and unnecessary discrimination claims and regulatory action against you.
- b) Access to a wider recruitment pool:** by being an employer who can attract a diverse range of applicants, firms will have the widest possible pool of candidates to select from.
- c) Retention of staff:** if your staff feel valued, they are more likely to stay in your employment and the firm will benefit from their experience and investment in training.
- d) A flexible and responsive workforce:** the ability to work flexibly is becoming increasingly important for lawyers. Benefits from flexible working include retaining your key talent long term, improving efficiency, return on investment, as well as positive impact on the environment, productivity and the firm's reputation.

5. What you can do

There are a number of things every manager or leader in every law firm can personally do to help develop a diverse and inclusive work environment:

Your next steps:

1. Take time to build relationships with your team, colleagues and clients, and to understand those who may be different from yourself.
2. Consider the extent to which your team reflects diverse backgrounds and how you leverage this to avoid 'group-think'.
3. Build awareness of any unconscious bias you have and what you can do to minimise its impact.
4. Mentor or sponsor someone with high potential from a group under-represented in your firm's leadership.

⁹ Data for those holding practising certificates - Law Society Annual Statistical Review 2012

There are also five actions every law firm, large or small, can take to ensure it gets on track with the changes needed to respond to the challenge and opportunity of diversity.

Your firm's next steps:

1. Make sure that, as a leadership team, you are clear how diversity and inclusion can help your business, and that you communicate its role and importance to everyone in your firm. Don't make this a 'nice to have' issue but a 'must have' one, which underpins business success.
2. Be clear about the diversity and inclusion improvements you want to achieve as a firm, and create an action plan to achieve them and a set of performance indicators to help you track progress. Make this part of your core business planning and reviewing process.
3. Identify and develop the capabilities you need in your firm to create a diverse and inclusive work environment.
4. Make diversity and inclusion everyone's responsibility, not just those who are involved with HR. Only recruit and promote people who demonstrate the values and behaviours you need to achieve the diversity and inclusion improvements you are seeking.
5. Have fair and transparent recruitment processes (both those used internally by the firm and those that are outsourced to recruitment agencies) which use inclusive language. Support these processes with a formal and transparent process on promotion and progression within the firm.

6. This document

This document helps set out the business case for diversity and equality within the legal profession.

Part 1 : Why diversity matters

With the demographics of the UK changing rapidly, diversity is essential for law firms who want to attract clients and meet their needs and to recruit and retain the best people.

The success of any law firm is based on both having highly skilled lawyers and understanding and meeting the needs of its clients, therefore the challenge of diversity is very clear, especially for law firms looking to grow, particularly in emerging economies.

1.1 The profile of people in the UK is changing

- The ethnic minority population of England and Wales has almost doubled in a decade, from 8.7% in 2001 to 14% in 2011 and it's estimated that this population will double again within the next 50 years¹⁰.
- More women than ever are in work – a net increase of 1.5 million since the last recession in the 1990s¹¹.
- More than 1 in 20 people in the workforce today are Lesbian, Gay or Bisexual (LGB)¹².
- There are 11.5 million disabled people in the UK and 5.4 million are adults of working age¹³.

These changes have a significant effect on both law firms' client base and their current and potential workforce.

1.2 Clients

- 19% of all small/medium businesses are owned by ethnic minorities and 1 in 10 of London's 250,000 businesses is Asian-owned¹⁴.
- Britain is estimated to have more than 5,000 Muslim millionaires, with liquid assets of more than £3.6 billion¹⁵.
- Consumer spending power of Britain's ethnic minorities is more than £300 billion a year¹⁶.
- LGB consumer power is worth an estimated £70-81bn¹⁷.
- Women own 48% of the nation's personal wealth – expected to rise to 60% by 2026 – make 83% of all high street purchasing decisions – and make up 47% of the labour market¹⁸.
- £ 80 billion is the spending power of the UK disabled¹⁹.

¹⁰ [2011 Census: KS201UK Ethnic group, local authorities in the United Kingdom ONS](#),

¹¹ www.ons.gov.uk/ons/rel/lmac/women-in-the-labour-market/2013/rpt--women-in-the-labour-market.html

¹² Estimating the size and composition of the lesbian, gay and bisexual population in Britain, Peter J Aspinall, Equality and Human Rights Commission, 2009

¹³ <http://odi.dwp.gov.uk/docs/fulfilling-potential/building-understanding-main-report.pdf>

¹⁴ <http://www.bwmb.org/business-publications/research/bme-people-and-small-businesse.aspx>

¹⁵ The Guardian, Feb 1, 2002 - based on a report published by Datamonitor

¹⁶ Multi-Cultural Communications, Weber Shandwick, 2010

¹⁷ Stonewall workplace guide Marketing: Consumers (2010) How to Market to Gay

¹⁸ www.theguardian.com/business/2005/apr/22/money.genderissues and Carter, Women's Financial Advisory Group, 2006

¹⁹ <http://businessdisabilityforum.org.uk/customer-experience/the-evidence>

Corporate clients are also increasingly looking to ensure that their panel law firms match their values and commitment to equality and diversity. Law firms are increasingly being asked by corporate clients to provide details of their workforce diversity statistics and for some clients, an overview of their firm's initiatives to improve diversity on a quarterly basis.

Our procurement protocol²⁰ has been signed by 41 large purchasers of legal services, including FTSE 100 firms such as Barclays, BP, BT, Vodafone, GlaxoSmithKline, HSBC, Land Securities and National Grid. It also includes a range of local authority, NHS and other public sector organisations.

All protocol partner organisations are committed to engaging with law firms which take active steps to follow good practice in embedding equality and diversity within their business.

Our research in 2011 on the impact of the procurement protocol told us that purchasers of legal services are increasingly moving towards selection, and de-selection, based on evidence, or lack, of sustained diversity improvements and initiatives within law firms.

1.3 The diversity profile of the profession (Practising Certificate holders)²¹

- 47.4% of the profession is female - 60% at trainee level.
- Since 2002 the number of women solicitors with practising certificates has increased by 77.5% whilst the number of men increased by only 23.9%.
- For the past twenty years, women have accounted for over one-half of new entrants to the profession, so this proportion is set to increase for the foreseeable future.
- Black, Asian and Minority Ethnic (BAME) solicitors are estimated to account for 12.6% of solicitors with Practising Certificates.
- Almost two thirds (64.9%) of Practising Certificate holders are between 26 and 45 years of age and 7.1% are of state pension age.
- 2.7% of Practising Certificate holders are Lesbian Gay or Bisexual (LGB).
- 3% of Practising Certificate holders report having had a long-term illness, health problem or disability. Of these, 63% reported that they were 'limited a little' and 16% said they were 'limited a lot'.
- 54.8% of Practising Certificate holders were Christian, 31.4% had no religion, 1.7% were Hindu, 2.3% were Muslim, 2.6% were Jewish, 0.8% were Sikh and 0.4% were Buddhist.

The diversity of legal talent in law firms is increasing, but there is little diversity at partnership level:

- While women make up almost half of all solicitors across the profession, they represent less than one third of partners.
- Nearly 12% of solicitors in the profession are from an ethnic minority background, but they make up only 6% of partners.

²⁰ www.lawsociety.org.uk/advice/diversity-inclusion/procurement-protocol

²¹ Data for those holding Practising Certificates - Law Society Annual Statistical Review 2012. For more detailed information on the diversity profile of the profession read our report: www.lawsociety.org.uk/advice/articles/diversity-in-the-profession.

Part 2: How diversity can benefit you

2.1 Meeting legal and regulatory equality requirements

The legal framework

If you meet your statutory equality duties you can avoid costly and unnecessary claims of discrimination, both formal and informal.

The legal framework around diversity has grown immensely over recent years. Law firms have duties as service providers and employers under the Equality Act 2010 to ensure equality in employment and prohibit discrimination, harassment and victimisation of employees and others on grounds of age, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation.

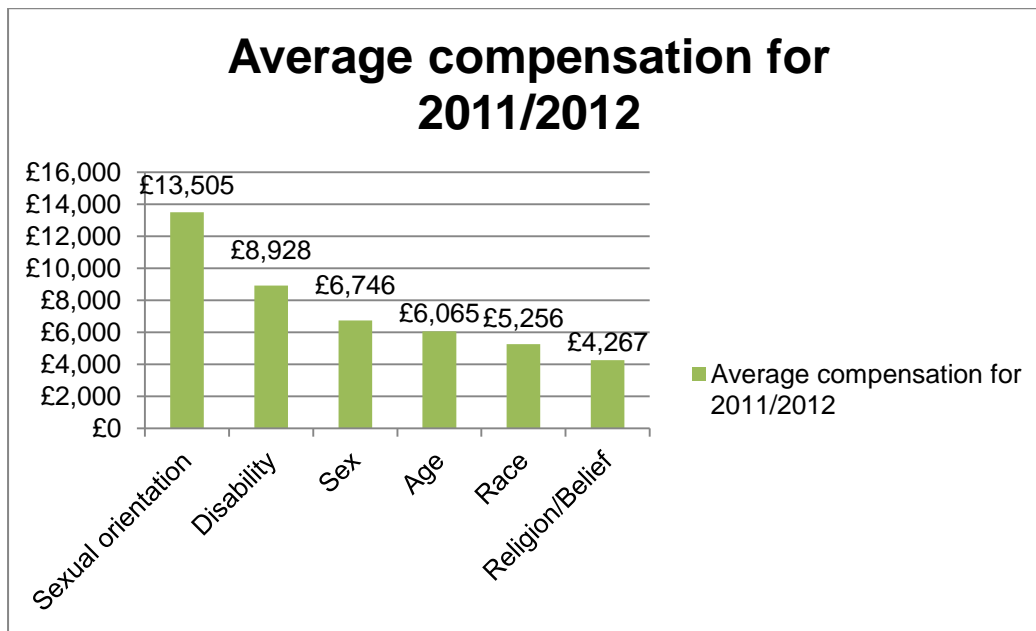
The courts are taking an increasingly bold approach to breaches of equality legislation and there is no limit on the compensation a tribunal can award victims of discrimination.

Annual statistics published by the Ministry of Justice on Employment Tribunals during 2011/12 show²²:

- A total of 186,300 claims made were made in this period.
- Sexual discrimination continues to be the most frequent type of discrimination claim with 10,800 claims being lodged.
- 3,700 claims were lodged against employers relating to age discrimination, although the number of complaints made in respect of age discrimination dropped significantly, down from 6,800 to just 3,700 last year.
- 4,800 racial discrimination complaints were lodged.
- The number of disability discrimination claims rose from 7,200 to 7,700.
- The number of claims for employment tribunal compensation in relation to sexual orientation or religious discrimination remained relatively low – at 610 and 940 claims respectively.
- There have been a number of large compensation payouts awarded including £4,445,023 for a race discrimination claim.

²² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/163466/ts-annual-stats-2011-12.pdf.pdf

Table 1. The median awards for 2011/2012



Although the total number of employment tribunal claims made in 2011/2012 has fallen by approximately a quarter compared to the previous year, the compensation awarded can still be significant especially for a small firm.

Of course the costs involved in such claims extend beyond the award itself. There is also the cost of defending a claim, adverse costs award and staff time required to administer the grievance process and settle claims.

If the discrimination claim leads to required change there can be further costs. For example, where the Royal Bank of Scotland did not allow for disability when dealing with customers (and staff), it led to court-imposed costs of £200,000 to change building layout, damages of £6,500 to a single individual and an award for his associated legal costs.

Even if a claim is determined in a firm's favour, dealing with a discrimination case is time consuming and uses up valuable resources. Even if an employer successfully defends a claim, it is unlikely that the claimant will be required to meet the successful employer's costs.

Of course any publicity about the case itself will almost certainly damage the firm's reputation among existing and prospective staff as well as its clients.

Our practice note on the Equality Act 2010 sets out your duties as a service provider and employer under the Equality Act 2010: www.lawsociety.org.uk/advice/practice-notes/equality-act-2010

Acas provides some good advice for businesses on how to deal with employment issues - www.acas.org.uk/index.aspx?articleid=1363

The regulatory framework

Encouraging 'an independent, strong, diverse and effective legal profession' is a key regulatory objective in the Legal Service Act 2007²³ and is shared by the Legal Services Board²⁴ and the Solicitors Regulation Authority (SRA)²⁵.

The SRA's requirements for firms and individual solicitors on equality and diversity are set out in Principle Nine of the SRA Handbook and its related mandatory outcomes are contained in chapter two of the SRA code of conduct 2011.

- Principle Nine of the [SRA Handbook](#) requires solicitors to "run [their] business or carry out [their] role in the business in a way that encourages equality of opportunity and respect for diversity" and [chapter two of the handbook](#) sets out the expected outcomes for equality and diversity in the profession.

These requirements are in addition to firms' and individual solicitors' obligations to comply with the Equality Act.

Practices regulated by the SRA – including sole practitioners, recognised bodies and alternative business structures – are required to annually collect, report and publish data on the diversity of their workforce.

Our practice note on 'collecting, reporting and publishing diversity data' sets out the rationale for these requirements and highlights the key points for practices and individuals: www.lawsociety.org.uk/advice/practice-notes/sra-equality-monitoring

2.2 Access to a wider recruitment pool

A law firm's biggest asset is its staff. Attracting, retaining and progressing the very best talent is essential.

Research strongly suggests that diversity in the partnership group of a law firm matters, and has the potential to make a positive impact, not only in helping to avoid the risks of 'group-think', but also in improving bottom-line results:

- For two consecutive years (2011 and 2012), Eversheds' board report has shown that companies with more female directors perform better than those without²⁶.
- Research by Credit Suisse has found that companies with one or more women on the board delivered higher average returns on equity²⁷.

If you have a reputation for equality and fairness, you are more likely to be able to attract good calibre candidates from diverse backgrounds when you need to recruit.

²³ www.legislation.gov.uk/ukpga/2007/29/part/1

²⁴ www.legalservicesboard.org.uk/about_us/index.htm

²⁵ www.sra.org.uk/sra/equality-diversity/equality-framework.page

²⁶ www.eversheds.com/global/en/what/publications/board-report2/about-2011-board-report.page?

²⁷ 'Gender Diversity and Corporate Performance', Credit Suisse Research Institute, August 2012

By being an employer who can attract a diverse range of applicants, a law firm has widest pool of candidates to select from and therefore improve its ability to recruit the right person first time, every time.

Having a diverse workforce means staff bring different talents - perspectives, styles and approaches to problem solving, different viewpoints, skills and varied knowledge, to the business. These enhance the ability of a business to innovate.

A diverse workforce in law firms working with international clients may also help to better understand the needs of diverse clients in terms of language, cultural and religious influences.

It is often our natural tendency to recruit in our own image, to make assumptions about a others' career aspirations, to put a team together based on who we know rather than looking more widely for talent, to talk over someone who is less gregarious or outspoken. These are all often unconscious biases and actions, but they significantly contribute to building barriers to women and people from minority backgrounds gaining entry or progressing their careers in the legal sector.

In order for an organisation to become an 'employer of choice' in the current competitive market, it needs, amongst other things, to demonstrate that it has an inclusive workplace, and has robust diversity and equality policies and practices to demonstrate this.

A firm's recruitment and promotion policies and processes play a vital role in achieving this. It is important to have fair and transparent recruitment processes (both those used internally by the firm and those that are outsourced to recruitment agencies) which use inclusive language, supported by a formal and transparent process on promotion and progression within the firm.

2.3 Retention of staff

If staff feel valued, they are more likely to stay in a firm which will benefit from their experience and investment in training.

Employees resign for many different reasons. The Chartered Institute of Personnel and Development (CIPD) state that sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them. On other occasions they are 'pushed' (due to dissatisfaction in their present jobs) to seek alternative employment. It can also be as a result of both 'pull' and 'push' factors.

Research shows:

- Almost two in five of lesbian and gay staff facing discrimination will change careers if the discrimination continues²⁸.
- Women often leave employment because employers are not making available, or not making obvious, a way to combine work with the rest of their lives²⁹.

²⁸ Jude Irwin, Australian Centre for Lesbian and Gay Research, University of Sydney, "The Pink Ceiling is Too Low", 1999

²⁹ Women's Budget Group (<http://www.wbg.org/>)

For disabled staff, the 'push' factor is likely to be greater. Only around 2-3% of disabled people are born with an impairment, most acquire impairments later in life, particularly when they reach the age of 50 or over³⁰. This means employers need to be skilled at making reasonable adjustments in order to retain staff who are disabled.

According to the Department for Work and Pension (DWP) 3.7 million disabled people are currently unemployed or outside the labour market³¹. Every year 300,000 people leave work, of whom nearly half do so without having a period of sick leave first, meaning they have no support to get back into work and no attachment to an employer³².

However, if an organisation is proficient in making reasonable adjustments, the talents of disabled staff do not need to be lost. The most commonly cited measures used by employers in the last 12 months included reduced or different hours (29%), meetings to discuss extra help (28%) and reducing employee workload (25%) and different duties (25%)³³.

Effective support to help a disabled person to stay at work, return to work and remain in work depends on effectively coordinated work focused healthcare and accommodating workplaces - employers play a key role in this process³⁴.

As well as the opportunity cost of losing talented staff, there are the up-front expenses of replacing them. The costs associated with replacing a member of staff include:

- Leaving process – covering exit interviews and administration.
- Temporary staff cover/overtime to cover any vacancy in the post.
- Recruitment of new staff – advertising, administration, interviewing and, for certain posts, occupational testing.
- Training of new staff.

There are various estimates used by organisations to quantify these costs:

- CIPD estimates the average cost of labour turnover at £6,125 per employee³⁵.
- Deloitte estimates the cost of turnover for knowledge workers (including lawyers) ranges from 200 to 500 percent of salary³⁶

³⁰ <http://odi.dwp.gov.uk/docs/fulfilling-potential/building-understanding-main-report.pdf>

³¹ <http://odi.dwp.gov.uk/docs/fulfilling-potential/building-understanding-main-report.pdf>

³² Black and Frost 2011.

³³ Young and Bhaumik 2011

³⁴ Waddell et al. 2009

³⁵ CIPD 2009 Recruitment, Retention and Turnover survey - average cost of labour turnover (Vacancy cover, redundancy costs, recruitment/selection, training and induction costs)

³⁶ Deloitte, The gender dividend: Making the business case for investing in women (2011)

The indirect or 'soft' costs of replacing a member of staff are harder to quantify, but add to the overall cost. These include:

- Lower levels of productivity - both of new staff who may have less knowledge and experience and require training to achieve desired levels of productivity, and existing staff affected by staff turnover, e.g. lower morale.
- There is also the cost involved in possible poorer client service by a new member of staff.

2.4 Reduce absenteeism

If discrimination and unfair treatment can be reduced, that can have a knock on effect on grievances and relations in general within the firm.

This can in turn reduce absenteeism and staff turnover by enhancing employee attachment to, or engagement with the firm and have a positive effect on productivity.

Absenteeism is a significant problem for employers:

- In June 2012 2,267 Practising Certificate (PC) holders were interviewed about different aspects of their working lives, around one-third of these had taken time off from work over the previous twelve months due to ill health and almost all (95%) reported having negative stress in their working lives³⁷.
- Work related stress caused workers in Great Britain to lose 10.4 million working days in 2011/12³⁸.
- The Health and Safety Executive (HSE) states that the major causes of stress at work are the job role and its demands, control, change and being subjected to unacceptable behaviour e.g. bullying at work³⁹. It also identifies causes of stress outside or work eg family, social and personal issues and daily hassles⁴⁰.

Presenteeism is classed as 'the loss in productivity that occurs when employees come to work but function at less than full capacity because of ill health'⁴¹. Costs due to presenteeism can be several times higher than costs due to absenteeism.

- The Law Society's 2012 Practising Certificate(PC) Holders Survey found that 41% of PC holders reported going into work when really they were too sick to do so .
- Excluding law firm owners (equity partners and sole practitioners), the proportion of PC holders reporting going to work when sick (44%) was the same proportion as employees generally (44%)(DWP, 2011)⁴².

³⁷ www.lawsociety.org.uk/representation/research-trends/research-publications/health-and-wellbeing-report-2012

³⁸ www.hse.gov.uk/statistics/causdis/stress/stress.pdf

³⁹ www.hse.gov.uk/stress/furtheradvice/causesofstress.htm

⁴⁰ www.hse.gov.uk/stress/furtheradvice/stressathome.html

⁴¹ The Sainsbury Centre for Mental Health, 2007

⁴² Viv Young, Claire Bhaumik, (2001) *Health and well-being at work: a survey of employees*, Department for Work and Pensions

2.5 A flexible and responsive workforce

A lack of flexible working has been cited as the number one reason for people considering exiting the legal profession between 3-5 years PQE⁴³.

Our research on the career barriers experienced by women solicitors highlighted the resistance to flexible working within legal firms as **'the single most significant obstacle to women reaching senior roles'**⁴⁴.

Benefits from flexible working include:

- Retention of well-trained and experienced staff with good networks and client knowledge.
- Improve return on investment on recruitment and training.
- An ability to acknowledge caring or physical constraints upon individuals and the observance of religious practices.
- Higher rates of efficiency and performance driven by clearer boundaries and increased commitment.
- Environmental benefits from reducing or eliminating commuting time.
- Reduction in overheads such as office space for home workers.

There is a strong body of evidence that relates positive work-life balance with wellbeing and engagement:

- Fathers who have real choice over where and when they can work have significantly higher wellbeing, engagement, and performance than those who do not⁴⁵.
- Stress experienced at work transfers to home and visa versa. The result is reduced relationship quality at home and disengagement and reduced performance at work⁴⁶.
- A culture of trust that enables flexibility and choice drives wellbeing and engagement and therefore performance⁴⁷.

Part 3: What you can do

Achieving change around inclusion and diversity is no different from implementing change in any other area of organisational life. It requires a rationale for the change, clear objectives, an implementation plan, performance indicators so that progress can be tracked, appropriate resources in place, and strong leadership at every level.

Joining the [Law Society's Diversity and Inclusion Charter](#) will provide you with all the tools you need to manage and champion diversity in your firm. The Charter is a high profile commitment by law firms to pursue best practice on all aspects of diversity and inclusion across all areas of their business.

43 Law Society omnibus survey 2010

44 The Law Society, Obstacles and barriers to the career development of woman solicitors
Barriers and Obstacles to Career Development research 2010

45 Fathers and Flexibility, Working Families and Lancaster University Management School 2011

46 Happy Homes and Productive Workplaces, Lottery funded research by Working Families and One Plus One 2012

47 Trust: the key to building wellbeing and performance in the workplace, Working Families and Susanne Jacobs 2013

Since it was launched in July 2009, the Charter has become the flagship diversity initiative of the profession and its signatories already represent more than a third of all solicitors working in private practice.

There is no charge to sign up to the Charter and we offer a range of support to help signatories meet their commitments under the charter, achieve compliance with Principle Nine and chapter two of the SRA Handbook and meet the equality and diversity requirements in Lexcel - our practice management standard.

You can use the [Riliance's Diversity Module](#) to collect and report on your workforce diversity data and meet the SRA's data collection requirement.

3.1 Inclusive leadership

Overcoming barriers to achieving greater diversity in the legal sector and developing inclusive capabilities will require many law firms to introduce change and to do things differently. This may affect how firms recruit, develop and promote staff, as well as how they bid for and undertake client work. The changes needed not only affect processes and procedures, but also have an impact on behaviours at work. All of this needs to be and championed from the very top of the firm, by its partners and other leaders.

Research has shown that leaders with inclusive capabilities are defined by three common characteristics:⁴⁸

- They are adaptable. Inclusive leaders are highly aware of diversity among the people they work with and manage. They are comfortable with using different and flexible approaches to work organisation to get the best results and the most from their team. They are skilled at adapting their style to complement others, shifting cultural perspective in authentic ways.
- They are skilled in building a diverse talent pipeline. Inclusive leaders understand their own role and responsibilities in seeking out and supporting the development of the best talent from a range of backgrounds and play an active part in this process. They are key to ensuring that the business has the range of diverse talent it needs.
- They are innovative. Inclusive leaders are skilled at creating a working environment that fosters innovation, where employees feel safe, valued and empowered to innovate.

⁴⁸ 'Inclusive Leadership – from Pioneer to Mainstream', Dr. Gillian Shapiro, Helen Wells and Rachael Saunders, Opportunity Now in partnership with Shapiro Consulting Ltd., September 2011

One area we have found that firms still struggle to achieve is building of diversity and inclusion into employment and staff development practices. Changes in the diversity of client and talent profiles means that the legal sector must address this weakness in order to sustain competitiveness and growth in the future.

Below are four actions Dr Gillian Shapiro recommends every manager or leader in every law firm can personally do to help develop a diverse and inclusive work environment.

There are also five actions every law firm, large or small, can take to ensure it gets on track with the changes needed to respond to the challenge and opportunity of diversity.

4.2 Your next steps

1. Take time to build relationships with your team, colleagues and clients, and to understand those who may be different from yourself.
2. Consider the extent to which your team reflects diverse backgrounds and how you leverage this to avoid 'group think'.
3. Build awareness of any unconscious bias you have and what you can do to minimise its impact.
4. Mentor or sponsor someone with high potential from a group under-represented in your firm's leadership.

4.3 Your firm's next steps

1. Make sure that, as a leadership team, you are clear how diversity and inclusion can help your business, and that you communicate its role and importance to everyone in your firm. Don't make this a 'nice to have' issue but a 'must have' one, that underpins business success.
2. Be clear about the diversity and inclusion improvements you want to achieve as a firm, and create an action plan to achieve them and a set of performance indicators to help you track progress. Make this part of your core business planning and reviewing process.
3. Identify and develop the capabilities you need in your firm to create a diverse and inclusive work environment.
4. Make diversity and inclusion everyone's responsibility, not just those who are involved with HR. Only recruit and promote people who demonstrate the values and behaviours you need to achieve the diversity and inclusion improvements you are seeking.
5. Have fair and transparent recruitment processes (both those used internally by the firm and those that are outsourced to recruitment agencies) which use inclusive language. Support these processes with a formal and transparent process on promotion and progression within the firm.