

## How diversity can benefit a law firm's business

8 August 2023

### What firms say about the benefits of diversity in the profession

Firms are increasingly thinking more about diversity and how it can benefit their business. Firms which are using their diversity data to promote diversity have said they are better able to:

- identify barriers that prevent the development of all available talent.
- win business by showing their commitment to diversity.
- prevent costly discrimination claims by identifying problems early.
- strengthen their reputation.

In the words of [ENEI](https://www.enei.org.uk/) (the Employers Network for Equality & Inclusion) an employer network covering all aspects of equality and inclusion issues in the workplace:

The 'business case' debate is now well rehearsed and it is generally accepted across the business world that diversity is a strategic enabler, ensuring competitive advance and positioning organisations as employers of choice".

Read our Risk Outlook publication [A business case for diversity, February 2018](https://media.sra.org.uk/archive/risk/risk-resources/risk-business-case-diversity/)

### Reflecting the diversity of society

We have a duty over and above that of many other sectors with regard to diversity, as the legal sector is responsible for the fair administration of justice, and should reflect the population it serves.

In its publication 'Elitist Britain?' (2014), the Social Mobility and Child Poverty Commission states that:

The risks [of a lack of diversity] are 'group think', and a lack of understanding of those of different backgrounds. Certain professions should arguably be representative of the public for reasons of legitimacy."

Members of the public who need to instruct a solicitor may be deterred if the firm does not have diverse staff, including people who they feel will understand them and their particular needs. A diverse and



representative profession means improved choice and a better experience for the public in using legal services.

## **The diversity dividend**

There is evidence that organisations which have a diverse workforce can perform better. [Research from McKinsey about the 'diversity dividend'](http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters) [<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>]. shows that companies in the top quartile for gender or racial and ethnic diversity are more likely to have higher than average financial returns.

## **Recruiting from a diverse talent pool**

Better access to the legal profession for a diverse range of people gives firms a larger talent pool to select the best candidates from. In a speech in the House of Commons in March 2014, Lord Neuberger commented that a diverse pool of candidates for judicial appointments ensures the highest quality of judges. This is equally applicable to solicitors.

Diversity is sometimes said to be the enemy of merit. I do not agree: provided that diversity is properly invoked, it is not merely consistent with merit: it reinforces merit. I have already explained that the more inclusiveness we have the bigger the pool of potential judges, and the bigger that pool the higher the quality of judges"

(Neuberger LJ, Rainbow Lecture 2014 on Diversity, House of Commons, 12 March 2014).

Many law firms have recognised the benefits of widening their approach to recruitment and are undertaking a variety of initiatives to promote a diverse talent pool from which they can access the best candidates. Read about some of these initiatives in the [Guardian article 'Are law firms doing enough to encourage diversity' from 22 August 2014](http://www.theguardian.com/law/2014/aug/22/law-firms-importance-of-diversity) [<http://www.theguardian.com/law/2014/aug/22/law-firms-importance-of-diversity>].

## **A more inclusive workforce is a more productive workforce**

Valuing and supporting the diversity of your staff and introducing an inclusive culture in the workplace is important. There is evidence which shows this can improve engagement and productivity.

Stonewall's publication *Peak performance: Gay people and productivity* illustrates the benefits of a workplace where people can be open about their sexuality.

Firms which do not consider the value of an inclusive culture may be missing out on talent. This is illustrated by the experience of one solicitor, who explains why he left a firm:

"I don't drink alcohol...the culture of socialising and going wining and dining and clubbing afterwards, that kind of thing completely drove me away."

(Taken from 'Ethnic diversity in law firms: understanding the barriers', Law Society, 2010).