NOTICED

UK's first Law Firm
Diversity Network with a focus
on Multiculturalism

BEST PRACTICES REPORT 2024

RECRUITMENT, RETENTION AND PROGRESSION

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1 FOREWORD

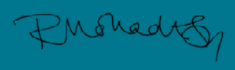
I started Rare in 2005. At that time, ethnic minority people were clearly under-represented at all levels in all City law firms. The good news is: that picture has changed. Trainees and NQs now look much more like the global, diverse city in which they sit. And that is a very good thing.

The bad news, however, is that at senior levels change is much slower in coming. People from ethnic minority backgrounds are less likely to get promoted, and to leave private practice faster, than their white peers.

This report does an excellent job of explaining why that is. Changing graduate recruitment is largely a process change, and only partly a hearts and minds change. But making a work environment inclusive is largely a hearts and mind change. And it's harder to change hearts and minds, people, than it is processes.

That doesn't mean it cannot be done, however. It's a longer and slower process for sure. But there are a number of things, set out in this report, that in conjunction do make a difference: and I wholeheartedly recommend that firms do them.

Raphael Mokades
Founder and Managing Director of Rare



2 NOTE FROM THE CHAIR

It's been five years since the first edition of this Best Practices Report was published and much has changed since then, as you'll read in the following pages.

As the Chair of NOTICED, and the author of this report, I'd like to take this opportunity to celebrate the perseverance and commitment that has enabled this change.

Progress would not have been possible without the dedication and steadfastness with which member law firms have continued in their efforts to become diverse and inclusive employers. This has not been a straightforward journey but, as evidenced by the following pages, member firms have nonetheless been resolute in pursuing strategies, well-tested and novel, to reach this desired end point.

The last five years have also seen NOTICED remain at the core of efforts to bring together the legal sector, to connect and collaborate, and to learn from the successes and challenges of peer firms. As we continue to welcome additional firms to the network, the wealth of knowledge and experience that all member firms can draw from only continues to grow.

The unwavering commitment of the NOTICED Steering Committee deserves a special mention. Outgoing Co-Chairs Siddhartha Shukla and Ramesh Pani, Treasurer Sengova Kailondo and Secretary Olivia Grant have been the driving force of NOTICED and this report would not have been possible without their support.

Like the previous edition, I hope this report proves insightful and becomes a useful part of the legal sector's toolkit for continuing in its journey to become a truly diverse and inclusive space for all those who are a part of it.

Faria Ali
Chair, NOTICED

3 INTRODUCTION

3.1 In 2019, NOTICED hosted a best practice discussion session attended by representatives of its member firms. A short report, setting out various recommendations relating to improving multiculturalism and racial diversity within the legal sector, was published shortly thereafter (the "**2019 Best Practices Report**").

3.2 A number of years have passed since the publication of that report and much more time has passed since the Parker Review on the ethnic diversity of UK boards (2017) and the McGregor-Smith Review on race in the workplace (2018). Other significant events have also occurred since the publication of the 2019 Best Practices Report, including the murder of George Floyd and the subsequent prominence of the Black Lives Matter movement. Each of these has acted as a catalyst for many organisations to reexamine the ways in which they approach issues of race and diversity.

3.3 With the legal sector having had some time to process such events and to implement the recommendations of previous reports with a view to embedding racial diversity within the industry, this is an opportune moment to publish a follow-up to the 2019 Best Practices Report.

3.4 As with the 2019 Best Practices Report, this report has been prepared on the basis of various roundtable discussions led by the NOTICED Steering Committee and attended by a mix of representatives of the NOTICED member firms (the "**Roundtable Discussions**").

3.5 This report is structured in accordance with the recommendations made by the 2019 Best Practices Report and seeks to:

3.5.1 highlight the progress which has been made by member firms since the publication of the 2019 Best Practices Report and to shed light on the challenges which member firms continue to face in relation to improving rates of retention and progression of employees from ethnic minority backgrounds;

3.5.2 document the status quo with a view to providing a benchmark against which to measure progress, or lack thereof, in years to come; and

3.5.3 share the experience of member firms in seeking to address challenges around promoting racial diversity, thereby providing guidance on best practice to peer firms who are at an earlier stage of their journey in this respect.

3.6 Finally, it is noted that any references to "BAME" within this report are historical. Whilst this terminology was used by NOTICED at the time of publication of the 2019 Best Practices Report, this has been replaced by references to "ethnic minorities" in this report.

4 EXECUTIVE SUMMARY

4.1 Significant progress has been made towards implementation of the recommendations of the 2019 Best Practices Report, particularly in relation to gathering data, improving recruitment from a diverse talent pool and adopting aspirational targets. However, with the initial steps having been taken in these areas, new issues are coming to light which are more complex and require a more nuanced approach.

4.2 It has also been observed that making quick progress on the issue of retention and progression of ethnic minority talent is proving to be more challenging than initially anticipated.

4.3 Acknowledging the progress made over recent years, and the changed backdrop against which this report is being published, NOTICED is making five new recommendations which are set out in section 10 below. Each of these is considered critical to the further promotion of ethnic diversity within the legal sector, and member firms have agreed to identify and focus on the most relevant recommendations to their organisation over the next two years.

5 DATA COLLECTION

5.1 Effective data collection underpins all aspects of efforts to promote racial diversity. Specifically, it enables an improved understanding of the current landscape with a view to identifying problem areas and proposing remedial action, and provides a benchmark against which to measure success.

5.2 All practices regulated by the Solicitors Regulation Authority are required to collect, report and publish data on the diversity of their workforce every two years.

5.3 The 2019 Best Practices Report noted that member firms experienced the following key challenges in relation to collecting such data:

5.3.1 obtaining a complete set of responses to questions relating to diversity, in particular ethnic origin; and

5.3.2 gathering data pertaining to more senior employees.

5.4 As such the 2019 Best Practices Report recommended that member firms should "adopt or develop more robust and comprehensive strategies to gather data in relation to BAME employees, in particular at more senior levels".

5.5 Through the Roundtable Discussions, NOTICED sought to better understand the steps taken by member firms to implement this recommendation and to overcome the challenges faced around the time of the 2019 Best Practices Report.

5.6 Overall, it is clear that a concerted effort to collect data in relation to race and ethnicity has been made, and is continuing to be made, with the key touchpoints for data collection continuing to be information collated at the time of onboarding employees and annual audits or surveys.

5.7 On levels of disclosure, a number of the member firms noted that there continued to be some hesitancy amongst employees in relation to disclosing information relating to race and ethnicity. It is thought that such scepticism stems from uncertainty around the purposes for which the data may be used and a wariness that disclosure may inadvertently block access to future opportunities. As such, levels of opt-in disclosure are not as high as member firms would like.

5.8 However, on balance, response rates to questions on race and ethnicity appear to be much improved since the publication of the 2019 Best Practices Report, with most member firms reporting high levels of disclosure on ethnicity-related questions (compared to lower levels of disclosure on questions relating to gender and sexual orientation, for example).

5.9 It was noted by member firms with higher levels of disclosure that the following measures had been employed, with some success, to counter scepticism relating to disclosure:

5.9.1 making a concerted effort to explain the reasons for which data is being collected and to outline the benefits of sharing data, i.e. making clear that data is often used to ascertain the pool for potential opportunities such as sponsorship, mentoring and career development programmes and getting 'buy-in' for the same from senior leadership;

5.9.2 making clear that data will not be used for negative purposes;

5.9.3 working with third parties such as Rare Recruitment, Flair Impact and Delta Alpha Psi to collect data e.g. in relation to conducting research into people's qualitative experience at the firm;

5.9.4 enlisting the support of diversity champions and heads of department;

5.9.5 utilising staff networks; and

5.9.6 linking disclosure to benefits such as booking holidays and donations to charity.

5.10 On gathering data pertaining to more senior employees, the consensus amongst member firms is that the quantity and quality of data available in relation to junior employees continues to be better when compared with more senior employees. This is considered to be a direct result of a recent drive to gather data at the point of entry. Further, this discrepancy is noted to be particularly problematic, given that the challenge in relation to retention of those from ethnic minority backgrounds is more pronounced in relation to partners and employees at a more senior level.

5.11 More generally, the Roundtable Discussions revealed that there continue to be notable variations between member firms in relation to their data-collection efforts:

5.11.1 **Type of data being collected:** a number of member firms are continuing to focus on quantitative data collection. However, increasingly, there is a move towards collection of qualitative data which seeks to better understand the experience of those from ethnic minority backgrounds and provides anecdotal evidence which is often more effective in securing leadership buy-in; and

5.11.2 **Territorial scope of data collection efforts:** whilst some member firms have invited employees globally to complete surveys, others have limited the survey to particular jurisdictions, as there continues to be a challenge around ease of data collection in certain jurisdictions for definitional, legal and cultural reasons.

5.12 Another interesting observation from the Roundtable Discussions is that as member firms have stepped up efforts to collect data, additional challenges have come to light, including the following:

5.12.1 **Limited bandwidth to process data:** a number of member firms lack the bandwidth to meaningfully process and analyse data once it has been collected.

5.12.2 This has been addressed by some member firms hiring data analysts or working with third-party service providers which can help to analyse data (e.g. with deep dives into the experience of specific ethnicities) or otherwise provide helpful insights from pooled data (e.g. what makes a good trainee, by making comparisons to the wider trainee population across the legal sector).

5.12.3 **Accessing data:** accessing, extracting and/or disaggregating data presents a challenge for various member firms that house data across various systems, or otherwise collect data in a way which makes it difficult to access the data and turn it into meaningful or helpful format for analysis.

5.12.4 Member firms who do not struggle with this explained that they:

(A) have built their own bespoke systems which help them to review data in a user-friendly format and to filter it in different ways; and

(B) use third-party service providers, such as Pirical, which take data that has already been collected and use their own data analysis model to process it. This can help with identifying trends, predicting certain numbers and percentages that a firm would achieve in a specified period if it continued with the status quo, and suggesting interventions which may lead to faster improvement. Again, third-party service providers can help with benchmarking as they work across a number of different firms.

5.12.5 **Purposes for which data can be used:** a number of member firms noted that data cannot yet be used to flag targeted opportunities for support, because that is not the purpose for which it was agreed that the data would be captured. As such, some member firms continue to publicise opportunities to everyone and employees are still required to self-select, which is sub-optimal for many retention-related programmes.

5.12.6 It was also noted that whilst data may not have been collected for long enough, or deeply enough, to provide conclusive evidence, it can nonetheless help to identify trends e.g. on pay, awarding of grades or work allocation. This can, in turn, help with establishing if an organisation is trending in the right direction, allowing for policies to be shaped accordingly. Also, this has allowed member firms to identify unhelpful trends more quickly, e.g. in relation to remuneration.

5.12.7 **Size of data sets:** this sometimes presents an issue in firms that have a very limited number of ethnic minority employees in a particular department, meaning the views of ethnic minorities from that team can be easily attributable to specific individuals. Care needs to be taken to ensure that if data relates to a group smaller than a minimum threshold, which may differ for each firm, such data cannot be seen in isolation and instead forms part of the wider firm data, i.e. data that cannot be disaggregated to a micro level that puts employees at risk of identification.

6 RECRUITMENT

6.1 The second recommendation made by the 2019 Best Practices Report was "to continue to evaluate recruitment processes to eliminate any obstacles to recruitment from the widest talent pool".

6.2 The picture is currently a mixed one. Generally:

6.2.1 larger member firms which started out on their diversity and inclusion ("**D&I**") initiatives or programmes some time ago appear to be doing much better on this front;

6.2.2 most member firms are now recruiting from a much wider talent pool at the trainee/NQ recruitment level; and

6.2.3 most member firms are still struggling with recruitment from a wider talent pool at the lateral recruitment level.

6.3 For firms still struggling with recruitment from a diverse pool, there is reason to be encouraged by the recent success of peers. There are also many lessons which can be learnt from such peer firms as are able to offer insights into best practice. A toolkit of suggested steps to make improvements on this front includes:

6.3.1 working with third-party pipeline agencies which provide access to large pools of diverse talent and can also educate potential candidates on the relevant steps an organisation is taking in relation to diversity, especially if such organisation has not yet reached its intended diversity and inclusion targets; and

6.3.2 use of contextual data as part of the recruitment process.

6.4 In relation to the challenges associated with lateral recruitment from a diverse pool, concerns have been expressed that this may be a more difficult issue to address as:

6.4.1 firms seem to be working against the challenge of a more limited pool of lawyers at more senior levels, e.g. partners/senior associates of ethnic minority backgrounds, as evidenced by the 'The 1% Study' from extense, addressing the underrepresentation of Black solicitors at partnership level in UK law firms (2022). The challenge seems to be most pronounced in relation to hiring laterals from a Black or South Asian background; and

6.4.2 lateral recruitment is often done on a departmental basis so it is more difficult to ensure consistency in recruitment practices, when compared to graduate recruitment, which is done centrally and lends itself to a more standardised approach including through better management of biases.

7 RETENTION

7.1 The third recommendation of the 2019 Best Practices Report was to "Develop an action plan to better understand whether retention of employees from a BAME background is an issue."

7.2 Effective data collection and analysis is of critical importance to fully understand whether the retention of employees from ethnic minority backgrounds is an issue. As outlined in section 5 above, there is a mixed picture in relation to this.

7.3 That said, based on the Roundtable Discussions, the consensus seems to be that the retention of employees from ethnic minority backgrounds continues to be an issue for member firms.

7.4 Whilst it was acknowledged that all employees have a unique experience and that there are a number of factors which contribute to high levels of attrition, the following noteworthy observations were made:

7.4.1 initial data suggests that employees from ethnic minority backgrounds leave law firms at a disproportionately high rate. On average, those from ethnic minority backgrounds stayed 18 months less than their counterparts, with the differences in staying times more commonly referred to as the 'stay gap'. The issue is particularly pronounced for lawyers at 2-3 PQE level;

7.4.2 to the extent that certain member firms have not yet collected sufficient data to identify an issue with retention of employees, a number have nonetheless observed that they face perceived issues on this front;

7.4.3 it was reported that there is a disproportionate drop-off in representation as seniority increases, with there being a larger drop-off in representation at the mid and senior associate level;

7.4.4 retention of employees from ethnic minority backgrounds, particularly at the more junior levels, is less of an issue on the business services side; and

7.4.5 retention rates vary across departments within member firms.

7.5 The observations above also seem to hold true in the case of member firms whose efforts to embed racial and ethnic diversity are well progressed, with significant improvements having been made in areas such as graduate recruitment. It was noted by member firms falling into this category at the Roundtable Discussions that retention and progression of employees from ethnic minority backgrounds continues to present a challenge. Developing senior talent and taking that through to the partnership level is a real issue, with a limited pipeline at the mid/senior level, even if there is some success with attracting talent at the junior end.

8 PROGRESSION

8.1 The fourth recommendation made by the 2019 Best Practices Report was to "Develop an action plan to counter the attrition of employees from a BAME background to the extent that this has been identified as an issue".

8.2 It is unclear how widely such action plans were formally adopted but it is apparent from the Roundtable Discussions that most member firms have made a concerted effort, through consultations with employees from ethnic minority backgrounds and often with the assistance of third party agencies, to identify the key issues hindering retention and progression.

8.3 Member firms have reported that the key factors which contribute to higher rates of attrition, and impede progression, of employees from ethnic minority backgrounds include the following:

8.3.1 **Lack of sponsorship/championship:** member firms reported an impression amongst their ethnic minority employee population of not having the same opportunities for development, for example by not being given opportunities to engage with clients, whether through high-profile transactions or in social settings, in the same way as their White counterparts;

8.3.2 **Lack of visible role models:** various member firms reported a dearth of visible role models from ethnic minority backgrounds in senior positions. The related issue of the absence of an internal profile in the case of more junior employees from ethnic minority backgrounds was also noted;

8.3.3 **Lack of wider support:** employees of ethnic minority backgrounds have reported that they do not get the same support or development opportunities as are afforded to White counterparts. As such, even if White colleagues face the same challenges, greater levels of support mean they are better placed to deal with these; and

8.3.4 **Intersectionality:** other contributory factors at play may make it more difficult for those from ethnic minority backgrounds to survive or thrive (e.g. gender, socio-economic background, disability). The importance of these factors is particularly important to shaping outcomes in this area.

8.4 Having identified the above issues, a variety of steps have been taken to tackle these issues and to promote the retention and progression of employees from ethnic minority backgrounds. These initiatives are at varying levels of maturity and are further detailed below.

8.5 **Networks:** most member firms have long-established staff networks, of which there are two key types:

8.5.1 staff affinity networks, which celebrate different cultures, traditions and practices associated with different ethnicities and backgrounds. They also allow senior staff to build meaningful connections with more junior groups, resulting in such networks being a genuine place for support and conversation and allowing senior leaders to demonstrate allyship; and

8.5.2 staff networks which have more activist objectives, focused on driving policy change and creating an environment, throughout the relevant member firm, where ethnic minority talent can thrive.

8.6 A number of member firms also highlighted the benefits of cross collaboration between networks which creates opportunities to learn from the experience of peers (e.g. lessons learned from promoting gender balance).

8.7 **Steps to better understand the issues:** from recognising the limitations of quantitative data collection and acknowledging that exit interviews are not, for various reasons, the ideal point at which to listen to or engage with employee grievances, member firms have adopted various strategies to listen and better understand the reasons for lack of retention of employees from ethnic minority backgrounds. Approaches to understand such reasons have included:

8.7.1 organising stay interviews conducted by the HR department, an ally partner or a third-party agency;

8.7.2 conducting surveys through relevant staff networks to elicit whether members have experienced any issues relating to discrimination or ethnicity that they would like to escalate with management or may be more comfortable discussing with a member of the relevant network;

8.7.3 organising focus groups or conversations with employees from ethnic minority backgrounds to better understand their experiences on various matters, including general experience at the member firm, work allocation and experience of working with clients. This is often done through third-party agencies, with the output being relayed back to management, for whom this can be an important feedback loop in terms of what employees are feeling, whether they are seeing change and what issues are ongoing.

8.8 The objective of such listening exercises is to seek to intervene at a stage when employees are still invested in the organisation and interested in progression and potential opportunities. Through such listening exercises, member firms have sought to create a dialogue to ensure that employees feel supported at every stage of their career and, most importantly, prior to any employee making a firm decision to leave the relevant organisation – attempts to rectify issues once an employee has decided to leave are often unsuccessful.

8.9 **Sponsorship:** through engagement with lawyers from ethnic minority backgrounds it has been established that the absence of effective sponsorship often underlies decisions to leave. As such, many member firms have adopted sponsorship programmes, the key features of which are set out below.

8.9.1 **Who are sponsorship programmes targeted at?** These programmes are typically targeted at talented lawyers from ethnic minority backgrounds. In a number of cases, member firms have expanded the scope of such programmes from senior associates to now include junior and mid-level associates. This change has been made in recognition of the fact that a sole focus on senior positions was not effective in facilitating progression of employees from ethnic minority background. As such, efforts need to be made to nurture talent by offering support from an earlier stage.

8.9.2 **Who are the sponsors?** Often, member firms do not have enough senior personnel from ethnic minority backgrounds to pair with diverse talent at more junior levels. As a result, the current priority is to pair junior employees from ethnic minority backgrounds with senior individuals regardless of their background and, sometimes, practice area. It was also noted that the contribution of White sponsors is valuable for similar reasons to the contribution of male sponsors when promoting gender equality.

8.9.3 **Structure of sponsorship programme:** a number of member firms are seeking to formalise the structural framework around the sponsorship process with a view to improving accountability. For example, a number of member firms require the sponsor to (i) submit a written plan and (ii) periodically report back at management meetings on steps taken to implement such a plan, including details of the types of transactions for which they have recommended their sponsee. Often, documentation filled out by both parties in the sponsorship relationship is regularly monitored so HR is able to maintain visibility. This provides an additional level of accountability.

8.9.4 **Access to the sponsorship programme:** most sponsorship programmes are not competitive. Some member firms reported that, when hired, employees are automatically asked if they would like to join the programme and then assigned a sponsor if they opt in.

8.10 **Mentoring:** various forms of mentoring have been adopted, including the following:

8.10.1 **Broad mentoring:** a number of member firms have reported having firmwide mentoring programmes which ensure that all fee-earning employees, including those from ethnic minority backgrounds, have access to a mentor.

8.10.2 **Reciprocal mentoring:** a number of member firms have introduced a reciprocal/reverse mentoring scheme through which junior members from ethnic minority backgrounds mentor more senior lawyers (in some cases, including individuals at board level). The aim is to build leadership skills which allow senior individuals to feel comfortable supporting a wider pool of junior employees, not only those with whom they share a common background or otherwise know closely.

8.10.3 Generally, this seems to have been successful and there is demand for this to be rolled out further.

8.10.4 The typical structure is that both parties to the mentoring relationship provide a brief profile sharing some personal information. This highlights information that would not usually be disclosed to others, solely for the purpose of fostering relationship building. Individuals are then matched and meet periodically, with each meeting focusing on a specific issue as the key theme.

8.10.5 It was noted by member firms running such mentoring programmes that care needs to be taken to avoid inducing mentor fatigue, as these programmes often rely on a small group of mentors from ethnic minority backgrounds who may feel overwhelmed. Ways to work around this include (i) building in breaks of six to eight months, (ii) exploring the possibility of group mentoring or workshops and (iii) encouraging mentors to have a clear sense of what they are trying to achieve from the programme and to communicate this to their mentors at the start of the mentoring relationship.

8.10.6 **Peer-to-peer mentoring:** there are some examples of member firms running peer-to-peer mentoring programmes in which employees are placed in mentor bubbles across all levels. By way of example, there may be two senior people leading and four to six others who are in the bubble. Such groups connect and discuss any issues which anyone in the group is facing or requires advice on. Usually the people in the group are not from the same practice area, such that the bubble constitutes an independent forum from which guidance and confidential support can be sought.

8.10.7 Business leaders participating within these peer-to-peer mentoring schemes are not always from ethnic minority backgrounds, but members are generally from ethnic minorities.

8.11 **Coaching:** various member firms have adopted different types of coaching programmes to support those from ethnic minority backgrounds. As discussed previously, some member firms reported working with third-party agencies on this.

8.12 It is also notable that there has been a shift in the pool of employees to whom coaching opportunities are offered. As with sponsorship programmes, various member firms have taken steps to offer coaching to more junior employees, including those at the more advanced stages of their training contract, and newly qualified lawyers to help make the transition a smoother one. This forms part of broader efforts to nurture talent from an earlier stage and to demonstrate support at a critical juncture, potentially shaping decisions to stay or leave.

8.13 **Development:** member firms reported adopting different forms of development programmes, including the following:

8.13.1 **Personal development programmes:** some member firms reported having adopted personal development plans for those from ethnic minority backgrounds.

8.13.2 **Acceleration programmes:** some member firms have introduced talent accelerator programmes for mid-level associates. As part of these programmes, line managers attend sessions on topics such as micro aggressions, with a view to fostering a safe space for challenging bias and educating on race and ethnicity in the workplace.

8.13.3 **Future leaders programme:** some member firms have worked with a third-party organisation specifically focused on ethnic diversity and talents across the firm.

8.14 **Boosting visibility:** various member firms have taken steps to make role models more visible to a broader set of people, for example through storytelling campaigns. It was noted that there is a need to tread cautiously on this front, as such initiatives sometimes result in role models feeling pressurised or being left with a sense that they are "rolled out" for such campaigns and events.

8.15 It was also noted at the Roundtable Discussions that employees often choose to leave because they feel that they are not getting appropriate recognition for their efforts. As such, a number of member firms reported making concerted efforts to ensure that employees' contributions are recognised. Various member firms also reported more deliberate efforts being made in relation to publicising the profile and contribution of certain individuals to the firm, both internally and externally. Such steps have been taken with a view to expanding the promotion pipeline, understanding who is on track and, importantly, who is seen to be on track. Specific steps in this regard have included, for example, monitoring who is being mentioned in internal and external communications and taking steps to ensure that teams are fairer about who is being talked about and given credit.

8.16 **D&I chargeable-hours policy:** some member firms have a chargeable-hours policy for time spent on D&I related initiatives to encourage involvement in these and also to send a message about the importance of such initiatives. It was reported that, in some member firms, up to 75 hours of D&I time could contribute to an employee's chargeable-hours target each year.

8.17 **Wider partner buy-in (including middle management):** various member firms reported efforts to get partner buy-in to issues relating to embedding racial diversity into their organisation. By way of example, member firms have introduced measures to ensure that at least one partner or senior leader in each practice group or business service department is a "Race Leader". Responsibilities of a Race Leader include encouraging conversations around race, facilitating such conversations when they do occur, monitoring the access of ethnic minority talent within their groups to sponsors and mentors, and having regular conversations with ethnic minority talent in their group with a view to identifying and resolving any issues relating to career development and progression at an early stage.

8.18 However, it was noted by various member firms that partner buy-in and involvement in initiatives relating to ethnic diversity varied greatly between departments. Naturally, the departments that have more representation of diverse staff and associates tend to have partners who are more invested in such initiatives. In other departments with fewer employees from ethnic minority backgrounds, it is often the case that partners view the attraction, retention and development of ethnic minority talent as a firm-wide issue which they are not directly responsible for fixing. The detrimental impact of this approach and attitude to promoting ethnic diversity within member firms was reiterated and it was noted that wider buy-in and accountability needs to be secured to ensure a more level playing field across departments within firms.

8.19 **Senior allies:** a number of member firms have reported the significant positive impact of having visible allies, at the seniormost levels of management, highlighting the importance of recruiting, retaining and progressing employees of ethnic minority backgrounds.

9 TARGETS

9.1 Recommendation 5 of the 2019 Best Practices Report was to "adopt aspirational targets in relation to the recruitment and retention of employees from a BAME background".

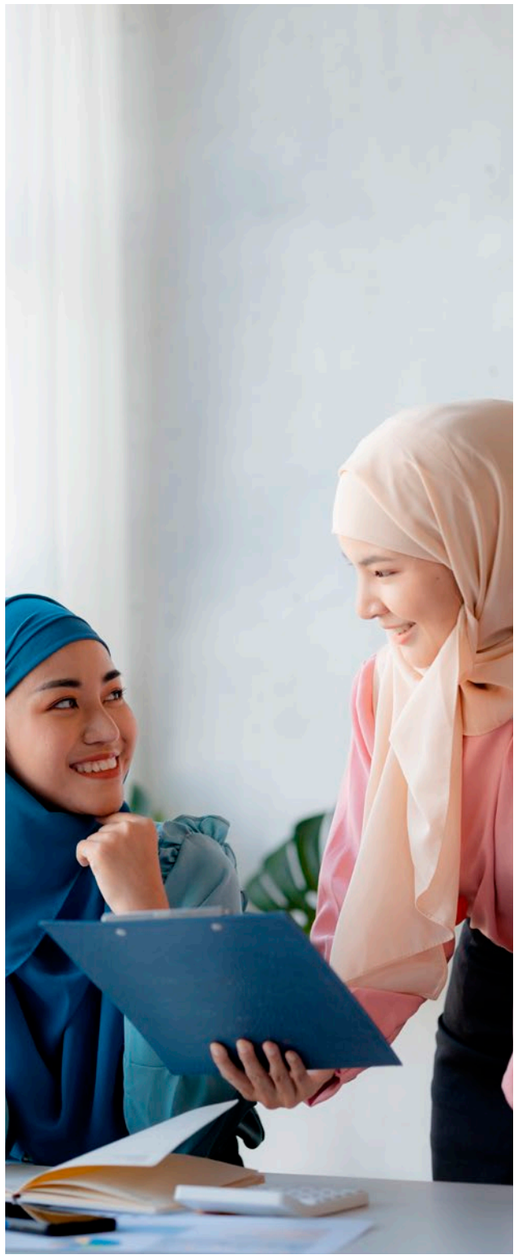
9.2 The majority of member firms have adopted aspirational targets in relation to the recruitment and progression of employees of ethnic minorities to leadership roles. However, there remains a significant majority of firms in the City which have not adopted such targets.

9.3 There were further notable observations emerging from the Roundtable Discussions, including that:

9.3.1 a number of member firms have chosen to split targets by reference to seniority, e.g. x per cent of trainees or partners will be of an ethnic minority background by a specified date. Similarly, a number of member firms have chosen to split these targets by reference to ethnicity, e.g. x percent of the member firm's partners will be Black by a specified date;

9.3.2 a number of member firms have chosen to adopt such targets on a global level, whereas others have adopted targets on a regional or country-by-country basis, with the latter giving a more accurate picture of the member firm's performance; and

9.3.3 adopting targets and making a commitment to publicly report on progress on a periodic basis has served to focus minds, and has also led to positive action, such as partners working closely with HR departments to develop and adopt action plans to achieve the relevant targets and to ramp up data-collection efforts in order to track against these targets.



10 RECOMMENDATIONS

10.1 It is clear from the foregoing that member firms have taken a variety of steps to address the various issues identified in the 2019 Best Practices Report.

10.2 To continue progress, it is recommended that member firms, and other organisations across the legal sector, take the following steps:

10.3 **Recommendation 1:**
Adopt or develop more robust systems for processing and analysing data in relation to ethnic minority employees whilst continuing with efforts to gather data in relation to ethnic minority employees at the more senior levels.

It is imperative that law firms become better at using the data that they collect. Once collected, data should be accessible, be capable of being employed for different purposes, including offering targeted opportunities, and be presentable in an easily digestible format. Accessibility encourages continued conversation on the relevant information identified in the data, which can result in positive outcomes. Effective use of data is important, not only for diagnosis of problems and the identification of trends, but also for presentation of a cogent narrative and benchmark against which to track progress.

10.4 **Recommendation 2:**
Implement earlier interventions to nurture and develop talent through formal programmes of sponsorship and mentorship and wider support through active allyship.

Given that employees of ethnic minorities leave, on average, two years earlier than their White counterparts, and that the issue is particularly pronounced at the 2-3 PQE level, interventions such as sponsorship, mentorship and coaching are critical to career progression and must be made at an earlier stage. Without such support, expecting a significant change at the more senior levels is not realistic.

10.5 **Recommendation 3:**
Instil confidence in employees of ethnic minority backgrounds that they are part of a genuinely inclusive and meritocratic environment.

Creating an environment in which employees of ethnic minorities believe that they can progress to the seniormost positions is critically important. Manifold measures can be taken to achieve this including (i) improving the visibility of role models, (ii) taking steps to support ethnic minority employees in raising their internal profile, and (iii) improving communication on steps being taken and the fact that progression of such ethnic minority talent is a strategic objective of the firm. Improvement in communication can be brought about both through creating fora in which the voices of ethnic minority employees can be heard but also through keeping employees abreast of changes, and proposed changes, with a view to building confidence that steps are being taken to follow through on feedback.

10.6 **Recommendation 4:**
Normalise conversations around race.

Normalising conversations around race such that employees of ethnic minorities feel safe sharing their experiences and can be better understood by their colleagues is of utmost importance to embedding racial diversity within firms and creating inclusive environments.

10.7 **Recommendation 5:**
Embed responsibility and accountability for racial diversity at all levels.

Every partner, senior associate and supervisor should be considered responsible for contributing to a firm's racial-diversity-related targets and commitments. This can be encouraged by making time spent on diversity and inclusion-related initiatives chargeable and by ensuring that failure to engage on these issues is taken into account, and has some consequences, when it comes to performance reviews. This wider engagement and accountability, from all those involved in managing more junior employees, is needed to ensure that efforts in relation to racial diversity are consistent across the firm.

Publication of diversity statistics and progress in relation to meeting other racial diversity-related commitments on an annual basis should become standard practice to ensure that firms can be held, and will hold themselves, accountable.

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