

SRA Management Response to the Interim Review Report on Human Resources and Development progress in the SRA submitted by Lord Herman Ouseley in October 2011

Context

1. Lord Herman Ouseley's review into disproportionate regulatory outcomes for black and minority ethnic (BME) solicitors was published in August [2008](#). A key finding of the review was the need for the SRA to have in place sound human resource and development (HRD) policies and processes that would enable it to recruit the best diverse talent and to establish an inclusive culture.
2. Lord Ouseley has been retained by the SRA to chair its External Implementation Group and review progress periodically. He undertook an interim general review of the SRA in early 2009 to assess the steps the SRA had put in place to implement his recommendations and the progress it had made in achieving its strategic equality and diversity objectives. Lord Ouseley published his interim findings in mid-2009 and recognised the significant achievements the SRA had made in progressing the equality and diversity agenda within a short period.
3. In 2011 Lord Ouseley said that he would like to review the progress we had made on the human resource and development recommendation he had made in his report in 2008. At the time of this review we were in the middle of transformation.
4. We were conscious of the challenges in maintaining our equality and diversity focus in the face of transformation which involved changing our regulatory approach from being rule based to being outcome focussed. The amount of change the SRA was undergoing at time was massive and involved both structural and a cultural change to the way we would be working going forward.
5. We worked with our HRD colleagues to provide Lord Ouseley with as much data and information he had requested so that he was able to undertake the review. As we were in the middle of a transformation programme, there were areas where we were not able to provide up to date information. Some of the initiatives we were putting in place were under development at the time such as the talent management programme. For the purpose of this review, Lord Ouseley looked at the data for the period January 2011 - June 2011 and the findings from the 2010 staff survey.
6. We welcome his report and have taken on board his findings and observations as we have moved through the change agenda. Now we largely have the structure in place and are together on one site we are taking stock of where we are and reflecting on our progress.

Introduction

7. The SRA welcomes the review report submitted by Lord Ouseley. We were encouraged to note that he has recognised that the SRA has continued to progress its equality and diversity vision and taken some significant steps to work towards becoming an inclusive employer that recruits and retains a talented diverse workforce. We are also pleased that Lord Ouseley has recognised the efforts of our HRD function in integrating equality and diversity into its policy and practice, and the number of initiatives in place to support the SRA in achieving a diverse workforce and an inclusive culture.

8. Since 2010, the SRA, with support from the Human Resources and Development (HRD) function, has been transforming itself as an employer and regulator. The SRA aims to be an employer of choice and has been taking steps to ensure it has a highly motivated, flexible diverse workforce which has the necessary skills, behaviours and competencies to help the organisation to be and be seen as an accessible, inclusive, fair and proportionate regulator of choice.
9. We made equality and diversity a key strategic objective supported by our Board and have published quarterly reports to show the progress we have made. In 2010 we published our first annual report on the progress we had made on equality and diversity.
10. We have continued to pursue our equality and diversity objectives during the transformation phase, not least in ensuring that equality and diversity was embedded into the policies and rules being developed to support the introduction of outcomes-focused regulation in October 2011. We recognise however that we could have done more to make the integration of equality and diversity explicit in our transformation programme. We accept that the absence of measures of progress and comprehensive workforce data has meant that identifying and measuring the impact of the changes we have made has proved difficult.
11. HRD is a central shared service function of the Law Society group. It is responsible for advising the SRA on recruitment, development and retention of staff and works closely with the SRA to ensure that it attracts the widest pool of talent. HRD advises managers on the best and fairest methods for recruitment and selection of employees. We recognise that although recruitment advertising has been diversified and has resulted in more applications, it is disappointing that these have not resulted in improvements in the workforce profile. The HRD team will be addressing this and exploring other actions to achieve an improved outcome.
12. The SRA Board and its Senior Management Team (SMT) set the strategic direction for the organisation and the HRD function provide support and advice to help deliver the organisation's objectives relating to workforce profile and learning and development.
13. This review was timely as it provided an assessment of our position as of June 2011 and Lord Ouseley posed some fundamental questions about the sustainability of equality and diversity within the transformation agenda.
14. In this management response we have set out the work we have done with support from our HRD function to recruit and retain a diverse workforce and the steps we are taking in continuing to embed equality and diversity within the culture of the organisation. Our response also provides information about how we are addressing equality and diversity within the transformation programme and the actions we will be taking to address some of the key challenges and questions raised by Lord Ouseley.
15. Our management response is set out using the following headings:
 - Leadership and culture - setting out how we have addressed the concerns raised by the 2010 staff attitude survey.
 - Workforce profile and diversity – what we have done to improve the diversity profile of our Board, Committees and workforce.
 - Equality Impact Assessments - what we have done to assess the impact of our HRD policies on diverse groups, structure changes and transformation.

- Diversity monitoring – what data we publish and how we use data to help us address under-representation, issues relating to employee relations, career progression and retention of employees from diverse groups.
- Transformation – we have provided information on how we are addressing and progressing equality and diversity through our transformation agenda.

Leadership and culture

16. The [SRA Board](#) and the Senior Management Team (headed by the CEO) lead the equality and diversity agenda in the SRA. This leadership has been demonstrated by the Board continuing to support the achievement and promotion of equality and diversity as a key element to the organisation's success as an employer and regulator. At its July 2011 meeting, the SRA Board approved the SRA's Equality Framework which set out the continuing strategic commitment to the promotion of equality and diversity as well as how it intended to meet its obligation under the Equality Act 2010. At this meeting, our CEO made a public statement on behalf of the Board that the SRA remained committed to the promotion and progression of equality and diversity.
17. In 2009, the Board established the [E&D Board Group](#) to oversee the progression of the equality and diversity agenda and the strategy. The E&D Board Group meets quarterly to discuss equality and diversity issues impacting on the SRA's work and to assess progress against its equality and diversity strategy. It reports directly to the SRA Board.
18. The E&D Board Group's effectiveness can be demonstrated through its leadership and involvement in the commissioning and delivery of the [disproportionality research](#) by Pearn Kandola that has assisted the SRA to better understand the reasons for disproportionality, and in the recruitment of adjudicators in 2010 which resulted in a marked improvement in the diversity profile of adjudicators.
19. The E&D Board Group meets periodically with the internal staff Diversity Working Group (DWG) to discuss equality and diversity issues and hear first hand from staff about issues and the progress being made on equality and diversity. Workforce matters are part of the agenda and input is provided by members of the HRD team who attend regularly.
20. The DWG was chaired by the CEO during 2009 and 2010. The responsibility for chairing these meetings is now shared by all members of the Senior Management Team. The DWG initially comprised of representatives from each of the business units. In the summer of 2011, the Diversity and Inclusion team established an Inclusion Champions Group who also became members of the DWG. The group meets to discuss equality and diversity issues, share information and best practice and monitor progress against the strategic objectives. The DWG has played an important role in the quality assurance of equality impact assessments (EIAs) and in delivering a range of diversity events to raise awareness of equality and diversity across the SRA. The role and involvement of SMT members has raised the profile of this group and added to its effectiveness.
21. The CEO has incorporated equality and diversity objectives within the SMT performance management process.
22. An action plan was put in place to address the concerns raised by staff in the 2010 staff attitude survey. We have been running a number of workshops on 'challenging inappropriate behaviour' for staff to help equip them with the tools and confidence to challenge and report such behaviour, and we will be considering the feedback received from these workshops.

23. We have improved the quality of employee engagement with the development of an employee forum, the annual staff attitude surveys and consultation forums with employees to enable us to gather the widest feedback from our employees and to enable them to contribute to policy changes and development.
24. We have also improved how we handle employee relation matters by working towards informal resolution of issues to reduce formalised grievances and engender a positive relationship between employees and managers. Some of this work has involved changes to our family flexible policies, the introduction of a broader flexible working policy and changes to the benefits policies to make them more inclusive.

Workforce profile and diversity

25. Prior to our move to Birmingham in September 2012, we operated from two main sites in Leamington and Redditch and our London office, which opened in April 2010. As an employer we are committed to recruiting and retaining the best diverse talent. We have improved our recruitment campaigns by advertising more widely so that we attract a wider pool of applicants.
26. The attrition rates for the SRA are low and this is the context against which the workforce profile and recruitment needs to be read. Where vacancies have arisen, the SRA has been keen to ensure that it attracts the widest pool of talent.
27. Our approach to recruitment aims to reach all sectors of the community. Demographic information is obtained from advertising agencies before an appropriate advertising platform is selected and specific targeted media is used. We have Two Ticks accreditation which is shown on both the advertisement and as part of the application process. Two Ticks accreditation involves us signing up to five commitments in order to support disabled candidates. One of these is that all disabled candidates that meet minimum criteria at short listing stage are offered an interview.
28. We have recently joined Stonewall's diversity champions network, enabling us to promote the SRA in media targeting the lesbian, gay, bisexual and transsexual (LGBT) community. We are using a variety of media to promote the SRA employer brand – for example, using webinars to brief candidates on job opportunities. HRD also utilise the Guardian Diversity network.
29. The SRA does well in recruiting, promoting and retaining women. One of our biggest achievements is attracting and retaining female employees through our generous, flexible benefits package. We rarely lose a female employee due to not being able to meet their requirements. We have ten policies covering a wide spectrum of special leave and retain an average of 99% maternity returnees.
30. While the representation of BME employees is close to the national average, we are concerned that when the population is broken down by grade, it is at the senior positions, grade J onwards, where we see an under-representation of BME employees. We have had few vacancies at senior level and are currently reviewing our approach to recruitment in this area.
31. We are pleased that the BME representation at grades F to H is good, and it is here that we are now focussing our attention and the positive action measures referred to later in this report.
32. The data also shows that while we are attracting more BME applicants, this is not

reflected in the appointments made, which is also highlighted in Lord Ouseley's report. We will audit some of our recent appointments to assess what the reasons might be for this, and to improve the recruitment process.

33. Although the number of BME employees leaving the SRA is not disproportionate, we recognise that this may be one of the reasons that the BME profile of our workforce has remained static over the last three years. An indicator of an inclusive and diverse organisation is its ability to develop, promote and retain its employees and we are keen to assess why BME employees have left the organisation over the past year.
34. We are also concerned that disabled employees are under-represented in the workforce and we are working with HRD to address this under-representation. It is worrying to note that over the last three years the number of disabled employees has halved.
35. We are aware that we need to do more to improve the diversity profile of the organisation. As part of our Equality Framework, we set out some aspirational and ambitious positive action measures to try and address under-representation of BME individuals and those with a disability. We want to be an employer of choice and one that attracts, recruits and retains a diverse pool of highly talented applicants. The actions we have identified to achieve our ambitions include positive action targets, a talent management programme and a graduate recruitment scheme.
36. We set aspirational targets to increase the applications received from disabled people by 2% in 2011 and 4% in 2012; and increase appointments of BME staff at grades G to L by 2% in 2011 and by 4% in 2012. We recognise that these targets were over ambitious, particularly at a time when the organisation and its people were going through a huge amount of change. We are reviewing these targets with a view to making them more realistic and achievable.
37. The SRA's workforce profile shows that we have very good representation of BME staff at grades G to H. Assessments of our staff undertaken from 2011 suggest that there are highly talented employees across the diversity groups and we need to provide opportunities for development and succession planning. The SRA, supported by HRD, launched a talent management programme in January 2012. The programme has within it an element of positive action around gender and BME staff. It includes additional training, mentoring and coaching and offering secondment opportunities.
38. We are considering introducing a graduate scheme and work experience for disabled people at the SRA. We hope that the combination of these approaches will help to make the SRA more attractive to prospective applicants and also improve our diversity profile.
39. In addition to our staff, we recognise that the SRA's leadership, including its Board and committees needs to be diverse. The SRA has increased the diversity profile of its Board, committees and adjudicators when it has engaged a different and boutique approach.
40. So far as SRA Board recruitment is concerned, in 2011, two of the SRA Board members retired as they had completed their six year term. At the same time, the Legal Services Board required the Board to have a lay majority. The Law Society, who has the responsibility for recruiting to the SRA Board, was advised by the SRA's Director of Inclusion on the recruitment process. We appointed a small regional headhunting agency to assist with recruitment, an agency which had previously

helped the SRA increase the diversity profile of its committee and adjudicators panel.

41. The successful recruitment campaign attracted a high calibre of applicants with over 300 applications received. Ten individuals were shortlisted for the two lay and one solicitor member positions. The SRA successfully appointed to all three positions, and two of these individuals come from a BME background.
42. We will continue to monitor the profile of our committees and Board and it is our intention to work with key diversity groups when vacancies arise so that we can attract individuals from diverse backgrounds to apply for such opportunities.
43. We have also taken steps in relation to adjudicator recruitment. Adjudicators make key regulatory decisions for the SRA, individually and as a panel, such as referrals to the Solicitors Disciplinary Tribunal, imposing practising certificate conditions and approving interventions.
44. Using the agency referred to above we shortlisted and appointed from a diverse pool of talent, including an explicit requirement for applicants to demonstrate their understanding of equality and diversity and how it could impact on the role of adjudicator. From the 400 applicants, we appointed five BME and one white candidate and also achieved a good gender balance.

Equality Impact Assessments

45. Equality impact assessment (EIA) is a useful risk management process which enables an organisation such as ours to assess the impact of its policies and practices on diverse groups of individuals with a view to addressing adverse impacts and to promote equality. We have a strong commitment towards ensuring that we are proactive in considering equality impact and have been publishing EIA's on our regulatory work for the past three years. EIA's have helped us to identify positive impacts and enabled us to address adverse impacts through practical action and changes to our policies and practices.
46. Lord Ouseley's report stated that the EIA's carried out on key HRD policies lacked information, including consultation processes and how feedback was considered where consultations had been carried out. HRD have completed and published eleven EIA's on the policies outlined below, and continue to review and monitor them regularly:-
 - Disciplinary
 - Grievance
 - Benefits
 - Flexible working
 - Recruitment
 - Pay and interim measures
 - Whistle blowing
 - Equality of opportunity policies
 - Agency workers and diversity matters
 - Updated performance management
 - Closure of defined benefit pension scheme
47. The HRD team has been developing their skills and all members of HRD completed EIA training in 2011. More recently, HRD has published impact assessments on the recruitment and selection policy, the move to the single site at the Cube in Birmingham, and the employee benefits policy.

Diversity monitoring

48. The current HRD and payroll system has a limited reporting functionality and together with some under reporting from staff against certain categories, this has impacted on the comprehensiveness of our workforce diversity reporting and limited our ability to analyse and report on trends
49. Our Diversity and Inclusion team carried out an initial trends analysis of our workforce diversity data early this year which showed that the SRA's diversity profile has remained mainly static for the past three years. It also showed that we had considerable under-representation of employees with a disability and from some BME groups. The HRD team are working to improve this under-representation but the positive action targets introduced in 2011 to address this proved to be over ambitious.
50. We have improved the staff diversity data available on our website and now publish [diversity data](#) twice a year for age, disability, ethnicity, gender, religion and sexual orientation across a wide range of employment activities including recruitment, performance, grievance and disciplinary. We will continue to use this information to analyse trends.

Transformation

51. At the time Lord Ouseley carried out his review, some information was not available as most of what we were intending to implement was in the planning phase. In our response, we have set out some of the initiatives we have been developing to address the issues raised by Lord Ouseley.
52. The SRA has not become complacent in this regard and has been finding creative approaches to promote and progress equality and diversity across all parts of its business. There are of course areas where we need to improve and we are already taking action to improve our performance.
53. A key facet to transformation of the SRA is its people and culture. Equality and Diversity is integral to the process of achieving an inclusive culture and a highly talented and diverse workforce. As a starting point, we have integrated and reflected our commitment to diversity and inclusion in our vision and values statement and our standards charter. Our [vision and values](#) sets out the ethical framework within which we will operate going forward, while the standards charter which set out what individuals can expect from us when they get in touch with us and what we expect from them is our first step to realising this vision.
54. The Director of Inclusion chaired the transformation sub-group on People and Culture which had oversight over the transformation agenda on people and culture. Some of the key improvements that have been put in place by the group included:-
 - Implementation of our Vision and Values - diversity and inclusion is embedded in the framework.
 - Implementation of the standards charter which set out what individuals contacting the SRA should expect and what we expect from them.
 - Behaviour competency framework - which is being used to assess staff performance.
 - Transformation and Inclusion Champions Group who have responsibility for promoting equality and diversity, an ethos of inclusive culture.

- Development of communications training to equip staff with the necessary skills to communicate effectively with those we regulate and consumers in a professional manner.
55. In his review report, Lord Ouseley made reference to the outcome of the 2010 staff attitude survey which raised issues around how staff felt about the SMT, their feelings around being valued and also issues around dignity at work.
 56. The 2011 survey showed some improvement and an upward trend with regard to equality and diversity, which is reassuring, although there were a number of areas of concern that we are addressing urgently through the transformation sub-group on people and culture.
 57. The key improvements were:-
 - In 2011, 71.6% of staff said that equality and diversity was integral to the SRA's overall objective compared to 69.6% in 2010.
 - 70.6% recognised that they have a role to play in promoting equality and diversity and being inclusive in their work compared to 68.4% in 2010.
 - 53.5% said they were aware and informed of the progress being made on the Equality Framework compared to 52% in 2010.
 58. The above data shows that there has been an improvement in staff awareness and understanding of the importance of equality and diversity to the organisation and their own responsibilities in delivering this to meet the organisational objectives.
 59. Against these improvements there are other areas of concern such as:-
 - 60.6% of staff felt that the SRA fosters an inclusive culture compared to 63% in 2010.
 - 55.8% of staff said they believed senior managers were committed to equality and diversity and fairness compared to 61% in 2010.
 60. These are concerning perceptions and, in particular, the latter as the key to successfully embedding and delivering on equality and diversity, needs strong committed and visible leadership.
 61. SMT has already discussed these themes and being more visible and transparent in decision making internally is one of the actions that will be implemented to address these concerns.
 62. Another area is dignity at work where the trend over the past two years is a matter of concern. We are tackling this through workshops on challenging inappropriate behaviour which HRD have developed jointly with our Diversity and Inclusion team. The workshops are being delivered by an external provider and the aim is to equip staff with tools to be able to challenge and deal with inappropriate behaviour from internal colleagues and external stakeholders.
 63. We have worked with our HRD team to develop focus groups to get an improved understanding of staff concerns and views on feeling valued, dignity at work, being treated fairly and being better informed. We will use this valuable information and the feedback from the workshops we have already run around dignity at work to target our actions and resources for maximum impact.

64. The HRD function has supported us in delivering a people management development programme focussed on ensuring that our managers have the right skills and competencies to manage people. The development programme was mandatory for all managers in the organisation and included a 2 day programme on fair recruitment, workshops on handling grievances and performance management.
65. As part of our transformation, we have developed and implemented a range of learning and development activities and programmes to make sure that staff have the necessary skills and behaviours to be able to deliver their responsibilities and communicate with a range of stakeholders. Some of the developments we have implemented include:-
- Mandatory e-learning foundation training on equality for all managers and staff. SMT and the Leadership Group also undertook the training, which has had positive feedback.
 - Unconscious bias workshops, which are mandatory for all those with responsibility for decision making. In late 2011, SMT and the Leadership Group attended a session on unconscious bias delivered by Binna Kandola (who is a published author on diversity and founder of the Pearn Kandola company). This training was then rolled out to all SRA decision makers.
 - We have provided a number of targeted workshops to business units on disability awareness, EIA's and Human Rights.
 - With support from our HRD colleagues we developed a Leadership Programme for our Directors and senior managers to equip them with the skills to coach staff as we want to move towards an environment where coaching is a key approach to developing people and managing performance.
 - During 2011 we worked on a project to introduce an Inclusion Champions community. We already have a community of Transformation Champions who have proved enormously helpful in managing the organisational transformation we have been going through. Inclusion and Transformation Champions are now working together as one transformation.

Conclusion

66. The organisation and its people have been going through a huge amount of change since January 2011. The scale of this change cannot be under-estimated and we recognise that this gives us an opportunity to embed equality and diversity into transformation.
67. We are very aware that with the amount of change, there is a risk that equality and diversity could have slipped from our list of priorities. We are pleased to say that this has not been the case at the SRA and our Board's statement at its meeting in July 2011 shows that equality and diversity is a key priority for the organisation.
68. We know we have some way to go to improve the diversity profile of our workforce, which is why we have developed and are considering positive action targets and programmes such as talent management and the graduate recruitment scheme, which we believe will help us to improve the profile of our organisation.
69. The HRD function has a clear aim to work in partnership with the organisation and its Diversity and Inclusion team to achieve the SRA's strategic objectives. The HRD function is developing a People Strategy and Plan which will have equality and diversity embedded within it.

70. The HRD function has appointed an interim equality and diversity specialist with a view to recruiting a permanent equality advisor to help them progress the wider equality and diversity agenda. The function has been further strengthened by the addition of the SRA's people and culture manager who now sits within the HRD team, thus providing further impetus and support for implementing the changes needed to help the SRA become an 'employer of choice'.
71. Although we are disappointed that at the time Lord Ouseley carried out his review, most of the plans we had on improving diversity of our workforce and culture were under development, nonetheless, our response shows that the SRA has not regressed on its equality and diversity ethos, neither has it become complacent, but has continued to explore new and creative approaches to help it become the leading regulator of legal services and an employer of choice.