

A programmatic approach to diversity and 10 ways to get started

Insight from legal leaders,
including Chief Legal Operations
Officers at Fortune 100 companies

axiom

INTRODUCTION

Diversity has been shown to drive team performance, problem-solving, innovation, transformation, productivity, and resilience. According to a study by McKinsey, diverse teams are **36% more likely to financially outperform non-diverse teams**¹. In the legal industry, diversity is now a business requirement. However, while many companies have made strides in implementing diversity initiatives, the legal industry still lags when it comes to diversity and inclusion. In 2019, only 17% of lawyers at US law firms identified as racial or ethnic minorities, and only 36% were women². By comparison, **29% of Axiom lawyers are racial or ethnic minorities and 52% are women**, more diverse than industry standards.³

Legal leaders have an opportunity, and a responsibility, to move the needle on industry diversity and are well positioned to make an impact. Given the systemic nature of the lack of diversity and inclusion within the legal industry – and the business world in general – legal leaders must be at the forefront of developing and implementing programmatic solutions.

One concrete way to take a programmatic approach to diversity is by insisting on transparent diversity data from law firms, legal service providers, and other vendors.

Based on a roundtable discussion with over a dozen legal leaders, including several Chief Legal Operations Officers at Fortune 100 companies, we developed a list of actions legal leaders can employ as they begin to take a programmatic approach to diversity initiatives.

“Corporate-level diversity data, while informative, does not tell the full story of minority retention and advancement. It doesn’t tell the almost universal story of diversity’s decline up the leadership ladder. To understand that story, to identify the root of those issues, we need to uncover more insightful statistics, like data on seniority, tenure, and pay/equity.”



LAMONTE MCGRAW

Global Head of IT and member of the Executive Leadership Team
Axiom

1. Diversity Wins: How Inclusion Matters, McKinsey & Company, May 19, 2020 <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

2. According to NALP 2019 Report on Diversity in U.S. Law Firms

3. Axiom 2020 Diversity Report <https://www.axiomlaw.com/blog/diversity-by-design-axioms-2020-diversity-report>



STEPS 1 - 4

BEFORE YOU COLLECT DIVERSITY DATA

1.

Identify your diversity challenges



- **Look at diversity holistically across your entire legal team, especially when making hiring or retention decisions, including:**
 - ✓ Internal teams: at all levels
 - ✓ Law firms: from the partner level to the associate level
 - ✓ Vendors and law firms: at the timekeeper and team level
- **Research industry leaders with diversity certifications and diversity best practices, including:**
 - ✓ [Mansfield Rule Certification](#) by [DiversityLab](#)
 - ✓ [National Association of Minority and Women Owned Law Firms \(NAMWOLF\)](#)
 - ✓ [Institute for Diversity Certification](#)
 - ✓ [ABA Diversity Certifications](#)

2.

Set your diversity and inclusion benchmarks for what you want to achieve



- **Align with stakeholders on how you will achieve the benchmarks**
- **Devise a plan to collect the data you need**
- **Articulate a communication strategy for law firms and vendors**
- **Apply standards for the collection of diversity and inclusion data from law firms and vendors, as you would for information security**
 - ➔ If you can require your law firms and vendors to meet a specific level of security to work with you, you can apply a similar process for diversity initiatives

3.

Align with stakeholders on how to keep personal identifying information (PII) safe

When you receive diversity data from your employees and vendors, you are the custodian of sensitive information



- **Ensure employee privacy concerns are a top consideration**
 - ✓ Make certain employees understand the importance of disclosing diversity information, and how the company will use that data, to instill trust
- **Know your diversity data**
 - ✓ Where it is housed
 - ✓ How it is being maintained
 - ✓ Who has access to it
 - ✓ What kind of decisions are being made with it

3.

CONTINUED

- **Understand there is still risk involved when collecting employee data**
 - ➔ When companies collect diversity data at the timekeeper level, employees could argue that the data could be used for discriminatory purposes

4.

Review who owns the approval of law firms and vendors

- **Keep law firm and vendor sourcing internal to legal teams, to avoid slowdowns**
 - ➔ Organizations that rely on procurement teams for law firms and vendors often see delays in diversity and inclusion progress
- **Empower matter managers to push back on law firms and vendors, and request more diversity in options given by law firms**



STEPS 5 - 6 COLLECT DIVERSITY DATA

5.

Collect voluntary data via a survey from your law firms and vendors

- **Request all demographic information already available**
- **Communicate the importance of sharing diversity information to receive the data you need**

6.

Request reporting with a greater level of granularity

- **Understand how diversity, seniority, and career advancement are correlated**
- **Collect data by associate band or matter family if personally identifiable information (PII) creates privacy concerns. For example:**
 - ➔ Your matters were staffed with one partner who is a white woman, two partners who are Black men, and two associates who are Asian women

X% of our billable hours to your company came from diverse partners, Y% from diverse senior associates, Z% from diverse associates

X number of our matters with your company are led by women, Black, Asian, Latinx, etc. equity partners



7.

Review and analyze data



- **Compare the data to your diversity and inclusion targets**
- **Identify problem areas**
- **Mark law firms and vendors who do not provide diversity data “non-diverse” in your tracking system**
- **Go deeper to understand what type of work is being done by diverse timekeepers with associated bands, with correlated hours billed by type of activity**
 - ➔ What type of work are they doing?
 - ➔ At what levels are they being staffed?
 - ➔ What types of matters?
 - ➔ Do they have opportunities to run the relationship?
 - ➔ Are they leading the matter?
- **Combine data to understand diversity by seniority, and whether the firm is meeting diversity standards on your engagements with diverse junior associates, or actively advancing the careers of diverse candidates. For example:**
 - ➔ X% of the spend to this law firm during the quarter went to services provided for X number of partners who are women, X number of partners who are Black, X number of associates who are women, X number of associates who are Asian, etc.

8.

Share your data with law firms and vendors



- **Note lack of diversity information in yearly reviews and scorecards**
- **Show where they fall in comparison to others**
- **Communicate your dissatisfaction if vendors and law firms have failed to provide data**
 - ➔ Consider removing law firms and vendors from your panels if they are resistant

8.

CONTINUED

- Work with your vendors to set improvement targets for the next year
- Ask, when working with new outside counsel teams, “Will this team be led and/or co-led by a woman, underrepresented racial/ethnic lawyer, LGBTQ+ lawyer, and/or lawyer with a disability?”

9.

Consider giving preference to law firms and vendors who comply with your diversity targets and those who have diversity certification, which shows they are leaders in this space

10.

Do not forget about the “inclusion” part of diversity and inclusion



- It’s one thing to hit a diversity benchmark; it’s another thing to ensure inclusion is considered
- Look at the systemic aspect of what you’re trying to achieve, and how to perform in an inclusive manner
- Analyze where are opportunities and successes – who are the leaders?
 - Companies will not be successful just because their diversity numbers are going up

About Axiom:

Axiom, the global leader in high-caliber, on-demand legal talent, is innovating the way legal teams and lawyers work. Axiom enables clients to access over 5,800 talented lawyers through a curated platform and build more dynamic teams to drive better business outcomes. Axiom is deeply committed to diversity and prides itself on having one of the most diverse employee populations in the industry. Axiom works with over half of the Fortune 100 companies, and currently operates in North America, the U.K., Continental Europe, and Asia Pacific.

For more information on our commitment to diversity visit:

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