

Unleashing the Power of Diversity Through Inclusive Leadership

Executive Summary



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The legal profession has long been focused on hiring and promoting diverse talent -- yet progress has been slow. Although people of color (including those who identify as Asian, Black or African American, Hispanic, or Latinx) comprise a growing number of law firm associates, they remain significantly under-represented at higher levels. Many factors contribute to this situation, but one is indisputable: attrition rates for attorneys who are people of color have been increasing in lock-step with hiring rates.¹ To truly accelerate diversity in their ranks, it's clear that lawyers need new strategies.

To better understand how attorneys feel about their organizations' diversity and inclusion (D&I) efforts, the Minority Corporate Counsel Association (MCCA) partnered with Russell Reynolds Associates (RRA) in 2018 to launch an Inclusion Index survey. More than 600 respondents from both law firms and corporate legal departments, and across all demographic categories responded to the survey, yielding a robust set of insights.

Our central finding: Despite longstanding efforts to create genuine diversity, attorneys who come from diverse backgrounds consistently rate their employers lower than others on key inclusion

metrics. These ratings translate into low belonging scores, meaning that many people of color feel they have to adapt their behaviors in order to succeed. They are particularly likely to feel excluded from career development opportunities, and ultimately, the possibility of promotion to top leadership levels.

THE PATH FORWARD

To make progress, leaders in the legal profession should focus their efforts on promoting inclusive leadership as well as diversity itself. More than 90 percent of those working for an inclusive leader feel they can be successful as their authentic self, compared with only 25 percent of others, according to RRA's 2018 D&I Pulse data. Inclusive leaders are also associated with more creative and higher-performing teams.

Our research shows inclusive leaders excel in four areas. They bring **awareness and clarity** to problem areas, they practice **courageous accountability** to help resolve those problems, they **empower others**, and they foster **innovative collaboration** to unlock the unique contributions of each person in a group.

| Intrapersonal Dimensions | Inclusive Leadership Competencies | Interpersonal Dimensions |
|--|---|-------------------------------|
| Reading Situations and Challenges |  Innovative Collaboration | Leveraging Differences to Win |
| Reflecting with Empathy |  Empowering Others | Developing with Feedback |
| Holding Self Accountable |  Courageous Accountability | Holding Others Accountable |
| Identifying Motivation, Privilege & Acumen |  Awareness & Clarity | Fostering Open Dialogue |

¹ 2018 Vault/MCCA Law Firm Diversity Report, <https://www.mcca.com/wp-content/uploads/2018/11/2018-Vault-MCCA-Law-Firm-Diversity-Survey-Report.pdf>

HOW DO THESE CATEGORIES TRANSLATE INTO ACTION?

Awareness and Clarity:

Core actions associated with this competency include gathering information about D&I pain points from the organization, creating safe spaces for dialogue on differences, and proactively soliciting input from diverse viewpoints.

“[Dialogue around diversity and inclusion] won’t get comfortable without practice. They need to keep fostering situations that may be uncomfortable but are friendly and respectful and engaging.”

– Hispanic male attorney; MCCA/RRA Inclusion Index respondent

Courageous Accountability:

Core actions associated with this competency include leaders setting goals to address the D&I pain points that dialogues have surfaced and making visible personal commitments to stick with them. This process may involve creating new policies, setting new goals, or hiring new talent to oversee D&I.

“To foster an inclusive culture, the organization would need to make that a goal. There are no goals of diversity, written or voiced. Then, when the goal is made, they can make strides to hire and include people of diverse backgrounds...”

– Black female attorney; MCCA/RRA Inclusion Index respondent

Empowering Others:

Core actions include leaders taking time to understand each direct report’s strengths, weaknesses, and career goals and connecting them to resources that can help them achieve those goals. These resources can take the form of mentorship or sponsorship within the firm, or connection to external training or education.

“Leadership could actively participate more in D&I events. They do a good job of encouraging these efforts, but they don’t all participate or actually engage with the department in these events.”

– Female, in-house counsel; MCCA/RRA inclusion Index respondent

Innovative Collaboration:

With a better understanding of each team member’s potential, leaders leverage complementary strengths and styles to maximize team outcomes. Specific steps might include intentionally building diverse or cross-functional teams or adjusting meeting styles to ensure full participation.

“[It would be great to have] more encouragement of senior attorneys (particularly rainmakers and those in leadership positions) to adapt styles/communications to diverse associate pools. For example, actively soliciting input from associates who, culturally, are accustomed to “speaking only when spoken to” when it comes to interacting with authority figures.”

– Southeast Asian male, law firm; MCCA/RRA Inclusion Index respondent

Background and methodology: The MCCA/RRA Inclusion Index survey measured eight factors related to culture, including how people felt about leadership, policies, and peer interactions. It was completed by 661 respondents between May and August 2018. Responses were reported on a scale ranging from 1 to 5. Averages were calculated for each of the 8 inclusion index factors and the following human capital outcomes: Belonging, Employee Engagement, Intent to Remain, and Firm Reputation. Based on the demographic information provided by 209 respondents: 54% were female, 44% were male, 2% preferred not to share/62% identify as a person of color (Asian, Black or African American, Hispanic, or Latinx)/38% identify as white, 85% identify as heterosexual, 12% identify as lesbian, gay or bisexual, 3% prefer not to share./ 51% work for in-house counsel, 38% work for a law firm, 11% work for other employers.

| | | |
|--|---|---|
| <p>Working Across Differences</p> <p>A measurement of how an organization facilitates respectful, collaborative, and productive interactions and understanding between employees of all backgrounds</p> | <p>Leveraging of Different Perspectives</p> <p>The extent to which different viewpoints and backgrounds are welcomed and strategically leveraged within the organization to gain a competitive advantage</p> | <p>Workplace Respect</p> <p>The extent to which employees from all backgrounds experience a respectful workplace free of implicit and explicit offenses</p> |
| <p>Leadership Commitment</p> <p>The extent to which leadership within the organization supports and advances the efforts of diversity and inclusion</p> |  <p>Inclusion Index</p> | <p>Voice & Influence</p> <p>The extent to which employees of all backgrounds are given a voice, as well as influential representation in leadership</p> |
| <p>Organizational Fairness</p> <p>The extent to which organizational systems such as performance appraisal, promotions, and employee policies are applied fairly across all employees</p> | <p>Accommodating Differences</p> <p>The extent to which accommodations are made for employees when needed, and without retribution</p> | <p>Employee Recruitment, Development & Retention</p> <p>A measure of an organization's efforts to recruit, retain and develop employees from all backgrounds</p> |

Key Employee Outcomes:

- **Employee Belonging**
In this organization, I can be successful as my authentic self.
- **Employee Engagement**
I am highly engaged in my job.
- **Employee Intent to Remain**
I intend on remaining with my organization for the foreseeable future.
- **Perceived Firm Reputation**
This organization has a reputation for supporting diversity and inclusion.

■ Climate ■ Leadership ■ Structure

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The preeminent voice on diversity and inclusion issues in the legal profession, MCCA is committed to advancing the hiring, retention and promotion of diverse lawyers in law departments and law firms by providing research, best practices, professional development and training, and pipeline initiatives. MCCA's groundbreaking research and innovative training and professional development programs highlight best practices and identify the most significant diversity and inclusion challenges facing the legal community. MCCA takes an inclusive approach to the definition of "diversity" including race and ethnicity, gender, sexual orientation, disability status and generational differences. Since MCCA's founding 20 years ago, it has been recognized and honored by the Association of Corporate Counsel, the National LGBT Bar Association, the National Minority Business Council, Inc. and the U.S. Equal Employment Opportunity Commission, among others. MCCA's vision, "To make the next generation of legal leaders as diverse as the world we live in," is what drives the organization and our passionate and committed partners.

For more information, visit www.mcca.com.

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