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Diversity & Inclusion

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Making the business case for diversity and inclusion

Moderator: Tommy M. Shi, Director of Diversity, Day Pitney

Panelists: Marianne Monte, Chief People Officer, Shawmut Design and Construction
Ingrid C. Schroffner, Associate General Counsel, Massachusetts Executive Office of Health and Human Services
Raquel Webster, Senior Counsel, National Grid

Q: What are your perspectives as to the business case of diversity and inclusion for your respective organizations?

Marianne Monte, Shawmut Design and Construction: Post-recession, so many people left the industry because it was devastated by the lack of growth that went on in '08, '09 and certainly into '10.



Marianne Monte

As we started to build our workforce again, finding talented workers who could go out and build became incredibly hard. So we had to think differently about how we were going to attract talent.

We're also a very unique builder. We're not the kind of firm that builds a square building in an office park somewhere. We are highly engaged in academic and educational work. What we realized is across the

table from us our clients were women, people of color, transgendered people. We had to do something to mirror our clients.

Ingrid C. Schroffner, Massachusetts Executive Office of Health and Human Services: Whether you're in the public sector or the private sector, different perspectives from different places, different ethnicities, different backgrounds, make us better professionals, whether we're social workers, attorneys or business people. I work at Health and Human Services, and we're in the service industry. We have people we are providing benefits to, and from the perspective of the people we serve, if there is no diversity then there is less of a connection even before any communication occurs.

Raquel Webster, National Grid: National Grid serves five service territories — New York state, upstate New York, downstate New York, Rhode Island. Over half of the customers we serve are diverse. That is why it is critical for National Grid to ensure that its employees reflect our customers and our constituents. We have a large elderly customer base. We have a large population of customers [where] English is not their first language. [We have] programs that we have to implement in order to meet the Governor's goals for clean energy by 2050. There's no way that you will have a diverse perspective on these very innovative and very important energy policies and

initiatives, if you do not have a diverse range of people working on those matters.

Tommy M. Shi, Day Pitney: From the law firm perspective, we're all getting these requests for proposals from existing or prospective clients that ask for specific information as to what law firms are doing from a diversity context, down to who your diversity attorneys are [and] what the diversity of the team is. Virtually all of our clients are asking for that information throughout the entire engagement.

“Unconscious bias is about snap judgments. When we make snap judgments, we're not thinking. We're reacting.”

— Ingrid C. Schroffner, Massachusetts Executive Office of Health and Human Services

Q: What are you seeing are the best practices for getting engagement from senior management as far as supporting diversity and inclusion?

Monte: I know I have worked at organizations where someone says, “We should do diversity,” and they put something on their website and nothing actually comes of it. About five years ago we were at our quarterly board meeting, and the board wanted to talk about talent, and we started with this topic and it took two full days. They took the initiative as the board to say, “We can't just have this meeting. We need to now hold our leaders accountable and we need to make sure this is something that we're constantly checking in on.”

We created a diversity leadership council. It included a few things.

One was going around the country and explaining the business case to all employees, including our superintendents who were at job sites. We hired a firm called Mind Gym to go out and do unconscious bias training for us. Every employee went through it. [We have] an executive sponsorship program. Everyone in executive leadership and our board is responsible for at least two diverse employees. It's more than just mentorship. Our goal is to get more women and people of color into that senior level management role and executive level management.



Tommy M. Shi

Shi: Ideally diversity and inclusion is more than just an HR issue. Where I was previously at Mercedes Benz I reported directly to the

CEO because diversity and inclusion is relevant to HR but it's much broader than that. If you limit it solely to HR or it's seen as an HR issue, it really diminishes the potential. It's really about the culture. How do you change the culture so that it's one that values diversity and inclusion? Because you can have all the diversity in the world in an organization or a team, but if you don't have an inclusive environment, then you have nothing.

Webster: National Grid realized that metrics were not working. We had managers say, "We have 'x' number of women, 'x' number of

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— Tommy M. Shi, Day Pitney

ethnically diverse employees so we're doing our jobs." That was the diversity piece. They checked the box. But then those numbers fell off. We had problems with retention. So what National Grid did to address that was they hit the bottom line because we all know money talks. When you start tying these objectives to compensation, all of a sudden, it becomes important. Some may argue that should not be what drives you to do the right thing, but it's a starting point.

What National Grid has done is hold leaders accountable. It is no longer enough to say my team is diverse. You have to now say: Who have I promoted? Who did I send to the company's accelerated leadership development program? Who did I send to this conference which leads to career opportunities? The company is seeing a shift in the culture because now folks are not just focusing on getting people in, they're focusing on inclusion. Diversity is inviting everyone to the party. Inclusion is actually inviting folks to dance. You go to a party and you see people dancing, and then you see folks just standing around. I think what they recognized at my organization was that there were just too many of us standing around. We were in the room, but weren't being seen, we weren't being heard, and the folks who held the tools to make the decisions weren't really getting it because it was enough for us to be at the party. That's no longer going to cut it.

Q: What are some best practices to combat unconscious bias?

Schroffner: At the baseline, thinking about unconscious bias is about thinking about respect. It's about thinking about humility and thinking about us all being on the human team, not the different demographic team, not divided up because of some group that we belong to. Unconscious bias is about snap judgments. When we make snap judgments, we're not thinking. We're reacting. So really what unconscious bias is about is stopping the jumping to conclusions.



Ingrid C. Schroffner

What we need to do is acknowledge bias. We all make snap judgments, and so the point really is to acknowledge that we all do this and it's not bad. The fact that you make a snap judgment or that you have unconscious bias doesn't make you a person who grew up in a racist family. It doesn't make you somebody who is not sophisticated. We all do it, and as soon as we acknowledge that it takes away any gradations of morality.

So stop and think before making decisions. Set clear criteria related to performance. Embrace differences because different perspectives make us better and cause innovation. Think about and encourage those who do not agree with you. Deliberative processing — these days it's called mindfulness — is another thing we should think about. Not just pausing, but evaluating internally before doing something externally.

There [are] questions to limit the effects of hidden bias in the workplace: Do I typically hire the same person, same abilities, gender, race, ethnic background? What do I mean when I say that the candidate is not the right fit? To whom do I like to assign work and leadership roles? Is it a certain demographic every time? Do I have the same go-to people most of the time? Who do I encourage to lead or speak out at meetings? Am I creating opportunities for those less extroverted to demonstrate their capabilities? How do I identify candidates for promotion? It's being thoughtful and mindful about criteria.

Q: How do you recruit and retain diverse talent?

Webster: We reach out to the affinity groups. We attend their conferences. We attend their events. We encourage students to take our business cards and actually follow up when they take those business cards.

In terms of retaining, what National Grid has done is really targeting leadership, because once you get folks at the top of the organization to show that they care and that they are supportive of every measure we have, it changes everything.

Leadership has gone out of its way to support and sponsor all the employee resource groups. It's not just about race. We have groups for folks with disabilities and veterans, and the fact that leadership supports these organizations through sponsoring conferences or showing up at their 8:00 a.m. "brown bags" to speak makes a difference.

We have a lot of accelerated development programs with different levels. They compress what would be a year-long program into six months, and those have created huge opportunities for growth internally. It's another way to let talent know that not only do we care about keeping you but we care about developing you. You see the people who go through these programs move up the ranks pretty quickly. And fifty percent of the participants in our accelerated development programs are ethnically diverse.



Raquel Webster

Monte: Your employees will stay for two reasons: If they feel like they belong at the table, and if they have a good manager. 60 to 65 percent of the reason people leave their organizations is not money. It's not benefits. It tends to be that person they interact with, or not, every day, and so we have doubled down on great leadership training that has D&I woven through everything that we do.

Shi: Just hiring diverse individuals isn't the end. Very crucial is how do you retain them. I think for law firms particularly that is a challenge. Attrition [and] retention is a major [issue] for law firms today. Another key thing for retention is listening. At our firm we do associate surveys because it's important to listen. And then once you listen, you have to follow through, because one of the worse things to do is to ask people what they want and then not give it to them.

Schroffner: Climate surveys are very important because if you are part of an organization that's doing one, they are taking that first step to say, "We might not like the data, but we're willing to do this." The fact that you do one at all is important.

An industry look at diversity and inclusion

**Panelists: Eugene H. Ho, Verrill
Nadine P. Peters, Verrill**

Eugene H. Ho, Verrill: The studies have shown time and time again that diversity is good business. In 2015, McKinsey did a study of 366 public companies in the U.S., the U.K., Canada, and Latin America. They looked at financial performance and the composition of the top leaders in those organizations and how diverse or not diverse they were. What they found was quite interesting. Companies that were in the top quartile for racial and ethnic diversity were 35 percent more likely to have financial returns above their respective national industry averages. Companies in the top quartile for gender diversity were 15 percent more likely to out-perform their respective competitors. And the reverse was true: companies that were in the bottom quartile for both gender diversity and ethnic diversity were less likely to perform as well as their competitors.



Eugene H. Ho and Nadine P. Peters

show is that when companies commit themselves to having more diverse leadership, they're going to be more successful. Employees are better able to collaborate with one another. [There's] more diverse views, more dissent, better problem solving.

In the U.S., the study found that there's a true lineal relationship between racial and ethnic diversity and better financial performance. So, for every 10 percent increase in racial and ethnic diversity on leadership teams, the company's financial performance rose a certain percentage.

While correlation doesn't necessarily make causation, I think what this does

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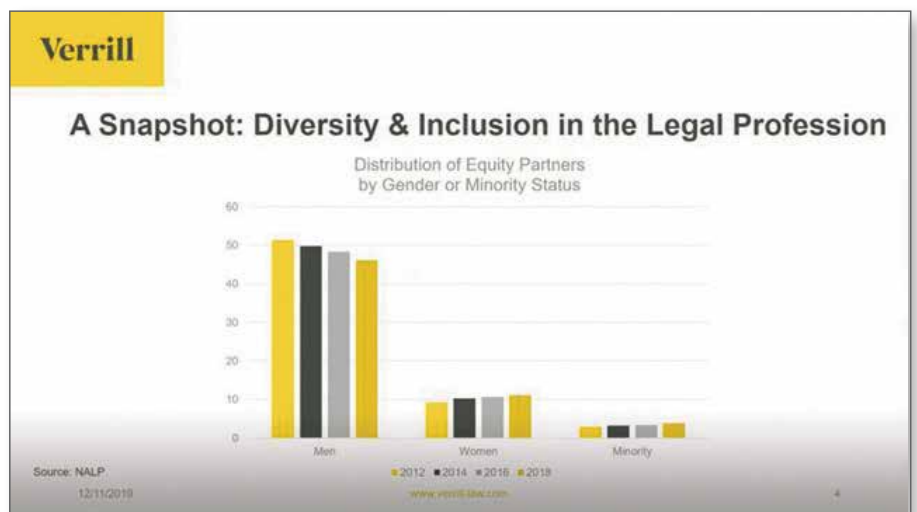
— Nadine P. Peters, Verrill

From a law firm perspective, we've been receiving a lot of pressure from clients to staff teams with diverse numbers. [There] was an open letter from about a hundred and seventy companies earlier this year with GC's from some pretty big names, from Google Fiber, Etsy,

Heineken, Chobani, Lyft, etc. They wrote an open letter to private law firms and said, “We're going to direct our spend to those firms that manifest results with respect to diversity and inclusion.”

One thing that we've also noticed from our clients is they care about how many diverse folks in your firm are doing the work with respect to that client. Some clients we have before they will pay their bill will make you fill out a survey that shows the hours and the team members that worked on that project. That's another pressure point that we're feeling from our clients.

But despite the business case and pressure from clients, the legal profession remains one of the least diverse professions. Earlier this year NALP published some new numbers about equity partners that are telling.



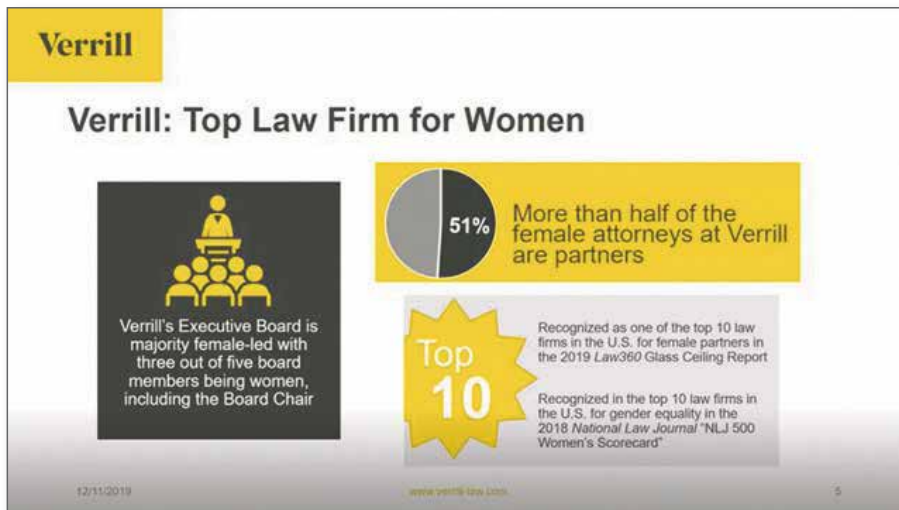
From 2012 to 2018, 51.4 percent of partners that were male were equity partners, and that fell to 46.2 percent. For women, it rose from 9.3 percent to 11.2 percent. And then for minority equity partners, it went from 2.9 percent to 3.8 percent.

So, what does this show? It shows movement, but only tiny increments. Equity partners in multi-tier law firms continue to be disproportionately white and disproportionately male. Overall just one in five equity partners were women, and 6.6 percent were racial ethnic minorities. Among nine non-equity partners, the numbers are better: 59.5 percent of non-equity partners are male, 30.5 percent are women, and 10.7 percent are racial and ethnic diversities.

I think it probably comes as no surprise to most folks that there's still much to do. But anecdotally, at least among the bar that I'm most affiliated with, the Asian American bar, we have noticed within the last one or two years a distinct improvement in terms of partners, mostly on the non-equity side.

Nadine P. Peters, Verrill: Verrill is a Portland, Maine-based firm with about 130 lawyers. I don't want to make it sound like we've solved all the issues, but I think it's important to focus on where you can make progress and achieve readily available targets and objectives.

Verrill took deliberate steps towards a gender diverse professional workforce starting in the mid-1970s, and as a result has had a strong record of attracting women. It elected its first female managing partner in 1992, a woman named Judy Coburn. She had previously served as department chair and a member of the firm's executive board after being hired in 1980. And I think that has shaped the culture at Verrill.



You'll see from these statistics [that] about forty percent of the attorneys at the firm are women. And more than half of the female attorneys at Verrill are partners. I think even more important is that three-quarters of female partners at Verrill are equity partners, so there's a lot of representation at the executive and leadership levels at the firm.

The other statistic that's really important here is that our executive board is majority female led, with three out of five board members being women, including the board chair.

The high representation of women in these important leadership roles really does shape the culture at the firm. It gives other women a very visible pathway to how you can be successful and have a long-term career at the firm, and that really does help with both attracting women and retaining women.

But notwithstanding that success, the firm is always striving to continue to be a leader. In 2012, the firm named a diversity task force, and that task force surveyed looking back ten years, particularly at women attorneys who had left the firm, to identify the reasons they left. We're trying to do some assessment as to what may be barriers to retention.

That's the first initiative that the task force undertook. It continues to look at the firm's various programs around hiring, mentoring, associate development, compensation, associate review and just day-to-day practices to identify and try to address other barriers to a diverse and inclusive workforce.

"Encouraging younger attorneys in particular to participate in bar associations is sort of an under-appreciated way that firms can support diversity in the legal profession."

— Eugene H. Ho, Verrill

Verrill does not have a chair or chief diversity officer at this point. We're a smaller firm, so we have a diversity and inclusion committee and committee chair. Again, there's no one way to do this. But I think the task force has been effective in addressing some of the early issues that were identified.

Ho: Encouraging younger attorneys in particular to participate in bar associations is sort of an under-appreciated way that firms can support diversity in the legal profession.

There was a study done in 2017 by Yale Law School, looking at Asian Americans in the legal profession and how they were doing.

And one of the things that it found that was a big impediment for career advancement was mentorship. These affinity bars are another source of folks for you to meet in order to get mentors, because that's the big piece of how a young attorney develops their career.

And these affinity bars give you a lot of opportunities to sit on committees and sit on boards and lead an organization and see how to deal with different perspectives. That's something it's important for firms to support.

Peters: The Leadership Council on Legal Diversity is a private organization that's a group of managing partners from law firms and general counsel of large corporations, with an emphasis on identifying future leaders among diverse lawyers at their organizations. The goal of it is to create relationships and match early career law firm partners with in-house counsel who are going to be looking to hire outside counsel. The goal isn't to just get business. It's to establish these relationships so that as you each grow in your respective careers you have made those connections early. It's a really dynamic organization with people doing a lot of great things.

The barrier to getting from non-equity to equity partner in a law firm is really about your business development. [If you're] a superb

Verrill

Takeaways

- Diversity and inclusion is imperative for both businesses and law firms to succeed
- Progress is being made, but there's more work to be done
- Understand where you are and set achievable goals
- Awareness and self-evaluation are critical to achieve buy-in
- There may not be a "one size fits all" solution
- Monitor rigorously

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associate and you become partner, then what? You can't rely on the same skill set that got you there, because you can't just put your head down and do your work really well. You really have to figure out how to build your practice and distinguish yourself from other partners. Continuing to support those diverse attorneys who you've invested in and continuing to think about how to support their business development is an important thing for firms to think about. Groups like affinity bar associations can be important factors.

Here are some takeaways:

1. Understand where you are and set achievable goals. Use where you have strengths to expand on your program.
2. Self-evaluation is critical to achieve buy-in. It's important to shape your programming by the voices from the population you're targeting. So, to the extent you have diverse attorneys in your ranks, listen to them, whether it's through formal surveys or small focused groups. Really tapping into the folks who are most affected by this programming is important.
3. Monitor rigorously. You have to constantly be creating metrics, measuring success, and holding firm leadership accountable. Every firm has to figure out how they can implement that, so that the folks who are the target of your programming feel that you're listening and that you're putting into action what you're learning.