Moving the Needle: Accelerating Racial Diversity in Elite Professional Firms

Professional services organizations have unique challenges when it comes to boosting racial diversity, especially at the top levels of their firm. By using a comprehensive framework that's specifically tuned to their needs, these organizations can realize real results.

By Angela Vallot and Mitchell Karp
Introduction

Diversity initiatives are nothing new for corporate America. But it wasn’t until the tragic murder of George Floyd in 2020 that the discourse abruptly changed. The shocking event spurred a racial reckoning for many U.S. businesses and led to some substantial change.

At the top of the Fortune 500, for instance, the proportion of Black board directors rose dramatically between 2020 and 2021, from 10% to 28%.1 By the beginning of 2021, the vast majority of Fortune 500 CEOs in a Deloitte study (94%) said diversity, equity, and inclusion (DEI) were strategic priorities, and nearly three-quarters said they would publicly report their DEI statistics.2

The need to address racial inequities has also been embraced by “elite organizations” — professional services firms that provide legal, advisory, financial, and other knowledge resources (see sidebar, next page); however, the needle hasn’t moved as significantly for these firms as it has for other business sectors. Despite some concerted and well-intentioned actions and resources devoted to bringing more associates of color into the fold and up the organization chart, the average percentage of Black partners with senior-level positions in these firms remains appallingly low: anywhere from 2% to 5%, depending on the sector (see Appendix 1, page 28). That is less than half the percentage of Black employees in the overall U.S. workforce.

We believe real change is achievable, however, especially among elite professional firms that take a holistic approach to making diversity, equity, and inclusion a reality in their workplace. We’ve seen real results among professional services firms that do the hard work of uncovering unintentional bias and recognizing the many hidden barriers and embedded assumptions, such as the “meritocracy myth,” that have historically ruled the mindset and culture within elite firms.

These organizations have also shifted the conversation around diversity from “compliance mindset” to “strategic priority” at the very top level of the organization. In the end, it takes the passion and resolution of senior leaders to embed DEI practices into the core of how elite firms hire and promote professionals of color and continuously monitor for accountability and progress.

---

At VallotKarp, we have developed a framework, called the Diversity Accelerator, that is specifically tuned to the unique needs of professional services organizations when it comes to realizing concrete results in increasing diversity, including at the top levels of the firm. The framework takes a comprehensive approach that includes making the business case and obtaining leaders’ buy-in; conducting a current-state assessment; embedding diversity practices into the firm; creating individual accountability; and tracking progress.

This report discusses the challenges that racial minority professionals frequently face in ascending the leadership ranks at elite organizations, as well as the best practices embedded in our Diversity Accelerator framework for recruiting, developing, mentoring, and promoting professionals of color, based on the authors’ direct experience with these firms.

Many organizations, both in the corporate and non-profit sectors, face similar challenges. While the report focuses primarily on the experience of Black professionals in elite firms, our Diversity Accelerator framework provides strategies and tools to overcome the ingrained mindsets and unconscious biases that often exist within elite firms regarding other underrepresented populations, and that threaten the progress of even the best-intentioned and well-funded attempts to achieve a diverse workforce and an inclusive culture.

Key insights covered include:

1. The dramatic imbalance of racial minority professionals in elite organizations.
2. The intrinsic challenges elite professional firms face and must recognize and overcome.
3. The growing and intensifying movement to close this gap and gain the benefits of increased diversity.
4. Real-world examples of what elite firms have done to achieve real diversity.
5. How our Diversity Accelerator enables elite firms to take a holistic, comprehensive approach to achieving optimal results.

What you will learn

Just as in the rest of corporate America, the future success of elite organizations is intrinsically tied to the diversity of their workforce. By embracing best practices around diversity, equity, and inclusion, leading elite firms are creating work cultures that support the best talent from all races, ethnicities, and genders to perform at the highest level.

In this paper, you’ll learn about the approaches elite firms are using to break from past norms and pull minority leaders forward. We have spoken directly with senior leaders at law firms Akin Gump, Greenberg Traurig, Paul Weiss, Skadden Arps, Dentons, and McGuireWoods on how they are accelerating their DEI journeys.

You’ll also get a detailed look at how our Diversity Accelerator framework helps turn DEI efforts into concrete results.

(Unless otherwise noted, all quotes in this paper were directly obtained through live interviews with senior leaders.)
The lack of racial diversity in elite firms is easily seen, both in the data and in our work with these organizations. In law firms, for example, even as the percent of associates and partners of color has edged up in the last few years, change is slow. Moreover, Black representation is lower than for Asian and Latinx professionals, with Black partners at 2.2%, Black associates at 5.2%, and total Black lawyers at 3.6%, according to the National Association for Law Placement (see Figure 1).

Racial representation is similarly low across other elite sectors. In 2020, only 1% to 2% of professionals on investment deal teams at more than 150 private equity firms in the U.S. were Black, according to McKinsey & Co., and in the global venture capital sector, the percentage ticks up to just 3% for Black investment partners, according to Deloitte.

There’s some improvement in the management consulting industry, especially at Accenture, where 10.1% of its U.S. workforce (of more than 57,000) in 2020 was Black, a big increase from the 7.6% in 2015. (For more data on minority representation in elite organizations, see Appendix 1, page 28.)


---

### FIGURE 1

Racial diversity at law firms

<table>
<thead>
<tr>
<th>Year</th>
<th>Asian</th>
<th>Black/African American</th>
<th>Latinx</th>
<th>Asian</th>
<th>Black/African American</th>
<th>Latinx</th>
<th>Asian</th>
<th>Black/African American</th>
<th>Latinx</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>4.30%</td>
<td>2.22%</td>
<td>2.86%</td>
<td>12.49%</td>
<td>5.22%</td>
<td>6.11%</td>
<td>8.06%</td>
<td>3.63%</td>
<td>4.37%</td>
</tr>
<tr>
<td>2020</td>
<td>4.08%</td>
<td>2.10%</td>
<td>2.80%</td>
<td>12.12%</td>
<td>5.10%</td>
<td>5.64%</td>
<td>7.88%</td>
<td>3.55%</td>
<td>4.17%</td>
</tr>
<tr>
<td>2019</td>
<td>3.89%</td>
<td>1.97%</td>
<td>2.52%</td>
<td>12.17%</td>
<td>4.76%</td>
<td>5.17%</td>
<td>7.71%</td>
<td>3.31%</td>
<td>3.79%</td>
</tr>
<tr>
<td>2018</td>
<td>3.63%</td>
<td>1.83%</td>
<td>2.49%</td>
<td>11.69%</td>
<td>4.48%</td>
<td>4.71%</td>
<td>7.29%</td>
<td>3.09%</td>
<td>3.55%</td>
</tr>
<tr>
<td>2017</td>
<td>3.31%</td>
<td>1.83%</td>
<td>2.40%</td>
<td>11.40%</td>
<td>4.28%</td>
<td>4.57%</td>
<td>6.94%</td>
<td>2.94%</td>
<td>3.42%</td>
</tr>
</tbody>
</table>
Still, the challenge is clear, particularly when it comes to career progression. When assessing the number of promotions at every level of many large professional services organizations, Deloitte found the percentage of Black professionals declines nearly across the board. In contrast, the percentage of white professionals who were promoted (of all employees) grows larger in almost all cases as you ascend the organizational ladder.⁶

At an anecdotal level, we hear from many professionals of color who have experienced racial discrepancies in their careers at elite professional services firms. In some cases, the forces that alienate these professionals are subtle. They may not be invited to lunch or for drinks with colleagues, or no one steps up to be a mentor, which leaves them without the formal or informal coaching and frequent feedback that is crucial to success. White colleagues who are the beneficiaries of such attention often take it for granted, assuming everyone has access to this kind of support.

Associates of color are often undermined in more overt ways, as well. We hear from Black professionals from elite law firms who are often underutilized and get fewer opportunities to work on high-profile projects. They also report having a harder time recovering from early-career missteps than their white colleagues. All report a variation of the same narrative: “No one took me under their wing, helped me navigate the culture, or learn the unwritten rules.”

Black professionals report having a harder time recovering from early-career missteps than their white colleagues.

---

**Economic risk and gain**

We believe the low numbers of racial representation in law, consulting, private equity, venture capital, and other elite sectors will become a major economic issue for these firms. Those with less diversity will run the risk of losing business to clients that, increasingly, demand greater diversity in their professional service providers. They will also face more difficulty in attracting top talent who increasingly want to work in diverse environments.

On the flipside, elite firms with a higher-than-average percentage of underrepresented populations see diversity as a major asset. It’s now clear that diverse teams outperform homogeneous teams, spur new and innovative ideas, and attract more clients and better talent.

Several recent studies, for example, show that companies with above-average diversity on their management teams were more successful innovators and financial outperformers. Boston Consulting Group in 2017 found that firms with higher-than-average diversity on their leadership teams generated greater revenue from innovation than those with below-average management diversity. The companies with greater diversity in their leadership ranks were also more profitable.⁷

---


Organizations with diverse teams are higher performing.

Companies in the top quartile for racial and ethnic diversity are **36% more likely** to have financial returns above their respective national industry medians. Companies in the top quartile for gender diversity are **25% more likely** to have financial returns above their respective national industry medians.


A 2019 McKinsey study, meanwhile, found that companies in the top quartile of racial and ethnic diversity were 36% more likely to have greater financial returns than the median in their national sector.¹ This is a slight increase from the company’s 2014 findings of a 35% greater likelihood of greater financial performance.² According to McKinsey, the most diverse companies are now more likely than ever to outperform less diverse peers on profitability. And as McKinsey has previously found, the likelihood of outperformance continues to be higher for racial and ethnic diversity than for gender.

---


The link between diversity and economic gain can also be seen anecdotally. The last few decades reveal several examples of racial minority professionals who left their positions at elite professional service organizations and started their own — now successful — firms. In some cases, they were unable to get senior leaders to support or endorse their ideas.

Based on not only these anecdotes but also historical precedent itself, we believe another big asset of having a more diverse workforce and leadership team is the ability to spot and serve lucrative new market opportunities that homogenous firms might overlook (see Figure 3). Diverse teams are more likely to contribute new — often overlooked — ideas.

**FIGURE 3**
*From the elite to the entrepreneurial*

<table>
<thead>
<tr>
<th>Decade and sector</th>
<th>Racial minority entrepreneurs</th>
<th>Wealth created</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1960s and ’70s</strong></td>
<td>Skadden Arps and Wachtell Lipton are two law firms with Jewish named partners who pursued practice areas their Anglo Saxon Protestant counterparts would not, including bankruptcy, and hostile corporate takeovers.</td>
<td>Skadden Arps: $2.6 billion in revenue as of 2020. Wachtell Lipton: $1 billion in revenue as of 2020.</td>
</tr>
<tr>
<td>Big Law</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1980s and ’90s</strong></td>
<td>John W. Rogers, a Black stockbroker at William Blair &amp; Co., founded Ariel Investments in 1983. Today, he is chairman and co-CEO with Mellody Hobson, another Black executive.</td>
<td>Year-end 2021 assets under management of $18.3 billion.</td>
</tr>
<tr>
<td>Asset Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2000s and ’10s</strong></td>
<td>Robert F. Smith, a Black investment banker, left Goldman Sachs to launch Vista Equity Partners in 2000, focusing on buyouts of enterprise software firms (a sector largely ignored by most private equity firms at the time). Two Asian-Americans at Big Law firms (Brian Sung Lee, formerly at Skadden, and Brian Liu from Sullivan &amp; Cromwell) and another co-founder (Edward Hartman) started LegalZoom, an online provider of legal services.</td>
<td>Vista Equity Partners: $93 billion in assets under management as of December 31, 2021. LegalZoom: 2021 IPO valued the company at $7 billion.</td>
</tr>
<tr>
<td>Private Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services Consulting</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2020s</strong></td>
<td>MaC Venture Capital, a majority Black VC founded firm, was launched in 2019 via the merger of two other VC firms.</td>
<td>$103 million fund in 2021.</td>
</tr>
<tr>
<td>Venture Capital</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Public sources
As Eric Friedman, executive partner at multinational law firm Skadden, Arps, Slate, Meagher & Flom LLP & Affiliates, told us: “Our firm was founded by three lawyers who were deemed ineligible for partnership [at ‘white-shoe’ firms] due to religious backgrounds and pedigree. In a way, [DEI] is truly ingrained not just in the culture we’ve created but in the founding fabric of the firm.” (For a deeper look at how the rise of Jewish law firms in the 1960s permanently changed the recruiting practices of white law firms, see Appendix 2, page 29.) Indeed, Skadden, the fifth-largest U.S. law firm, is ranked by The American Lawyer among firms with the highest representation of Black attorneys in 2021.10

**Intrinsic challenges among elite organizations**

While we’ve seen — and can attest to — the considerable progress elite firms have made in creating more equitable and inclusive hiring and promotion practices, many of these firms continue to face considerable challenges in reaching their diversity goals.

VallotKarp’s Diversity Accelerator was specifically designed to confront, head-on, some of the most common challenges facing elite professional service firms.

- **Over-reliance on pedigree**
  Elite organizations view intellectual rigor as a core component of their identity. However, they also tend to overvalue pedigree — whether the candidate or associate attended an Ivy League school and shares a similar social status with others in the organization — as the best way to sustain the firm’s image and reputation, and a key way of gauging whether they have what it takes to succeed.

  It’s a sad reality that even when associates of color do hold an Ivy League degree, it’s too often attributed not to their abilities but to Affirmative Action.

  This belief that exclusive credentials are the best way to define excellence needs to be explored. In actuality, there is little correlation between professional success and academic background. In a study of 1,822 recognized leaders at 14 randomly selected law firms from within the 250 largest in the U.S., fewer than half of partners (48%) attended a top-10 law school, and only about one-quarter of partners graduated with

 honors. Even an informal look at the academic backgrounds of elite firms’ most successful partners reveals that not all have “elite” backgrounds.

In short, over-reliance on pedigree can blind leaders to talented people who see opportunities differently, and/or run businesses differently. Increasingly, it’s creative competence and innovation that will separate the most successful professional organizations from their competitors, not the number of Ivy League graduates they employ.

- The meritocracy myth

Leaders at many elite firms consider their organization to be a meritocracy, in which professionals with the greatest talent and drive rise to the top over time. But that belief doesn’t always hold up upon further discussion.

Several years ago, while conducting interviews at a big law firm, a senior partner proudly recounted his successful efforts to help a second-year female associate who was struggling with her writing and organization skills. During the course of the conversation, he mentioned that the associate shared his devout religious identity — and reluctantly acknowledged that he likely would not have sought her out, provided candid feedback, and offered to informally mentor her if she hadn’t. When asked if he still thought his firm was a meritocracy, he retracted his earlier assertion. It wasn’t malevolence on his part, just habit.

Ultimately, it’s not just natural abilities and learned skills and competencies that lead to promotions and career success in elite organizations but also ongoing mentoring, feedback, and coaching. Annual performance reviews aren’t enough, especially for young associates in need of timely information and advice to quickly correct missteps and bolster their image. However, in firms we’ve worked with, we often notice that professionals from racial minorities lack the relationships, sponsors, and advocates necessary for navigating the politics of the organization and understanding the unwritten rules for success.

One contributing factor is that it’s all too easy for white professionals at elite firms to overlook the role informal mentoring and networking played in their own career success because it happens so naturally. And if they believe their achievements can be attributed simply to their own hard work and individual merits, they will likewise overlook the importance of extending mentoring and networking opportunities to racial minority colleagues.

Another obstacle is the general lack of comfort or experience in building authentic relationships across race and even the fear or risk of saying the wrong thing or having their critical feedback be misconstrued as offensive or discriminatory.

Without this constructive criticism, of course, associates of color don’t get the chance to hone skills and develop behaviors that are associated with promotions and can only be learned through experience: when and when not to push back on a superior or client, how to effectively participate in meetings.

Employee resource groups (ERGs) and affinity networks can provide an important place for racial minority professionals to feel a sense of community where they can talk about challenges and strategies to address these obstacles. However, ERGs are no substitute for having a network of committed mentors and high-powered sponsors. The enormously complex political and relationship dynamics can discourage or prevent even the most competent associates of color from being promoted at the pace of similarly competent white colleagues.

- **Unconscious bias**

  Ingrained but unacknowledged biases and racial stereotypes present another obstacle to diversity for elite firms. Affinity bias — the human condition of wanting to be around others who are like us — often leads elite organizations to overlook the talent from outside their narrow lens and even believe that achieving diversity goals will require them to lower their intellectual standards.\(^{12}\)

  Consider this example: In a 2014 study, researchers prepared a fictitious memo embedded with 18 grammatical, technical, and factual errors. The memo was reviewed by 53 law partners from 22 firms who represented diverse races and genders. All were told the memo was written by a third-year associate, who had graduated from New York University Law School named Thomas Meyer. Half of the partners in the study were told the associate was white, and the other half were told he was Black.

  In the study, the partners who believed the associate was Black found twice as many errors as the other group did, despite the memos being exactly the same for both groups. Their evaluations also included more critical comments. “Can’t believe he went to NYU,” wrote one partner.\(^ {13}\)

  When we share this research, most law firm partners insist this wouldn’t happen in their firm. But the only way to overcome unconscious bias is to recognize and acknowledge it, and continuously work to eradicate it.

  DEI workshops play an important role in helping leaders identify their own unconscious biases and how these hidden forces affect their approach to evaluating, developing, and promoting associates of color. However, such training, on its own, is insufficient to bring about meaningful change. Optimally, it should be part of a more comprehensive, systems-based strategic initiative.

---


SECTION 2:

A FIVE-STEP APPROACH TO ACCELERATING RACIAL DIVERSITY AT ELITE FIRMS

Given the entrenched culture and the unconscious biases present in many organizations, it’s best to take a comprehensive approach to increasing racial diversity that’s embraced and driven by top leadership. All too often, we’ve seen organizations invest money and time in mentoring, DEI workshops, affinity programs, and other one-off initiatives that don’t fulfill their goals because they’re not surrounded by a holistic and self-reinforcing structure.

We’ve developed a five-pronged framework for recruiting, developing, mentoring, and promoting underrepresented populations at elite firms called the Diversity Accelerator. The key differentiator of our approach is that it recognizes the need for not just skills, competencies, and hard work for people to succeed at elite firms but also the support and advocacy of senior leaders who passionately believe in the power of diversity and are actively engaged in ensuring diverse professionals are given full opportunity to move into revenue-generating and leadership roles.

Our Diversity Accelerator entails five steps, from making the business case and conducting a current-state assessment, to identifying what needs to be done to embed diversity practices throughout the firm, including creating individual accountability, and tracking progress (see Figure 3).
To lay the groundwork for diversity, senior leaders need to embrace the direct link between racial diversity and their firm’s success. Beyond seeing diversity as a moral imperative or compliance mandate, senior leaders need to embrace it as a strategic priority that is an unassailable factor in growing revenue and attracting and retaining clients and top talent.

We see three ways diversity leads to economic success:

1. **Enhancing and expanding work with current clients.**
   A diverse workforce offers a greater diversity of ideas, thinking styles, and solutions to client problems. It’s no wonder, then, that in the legal sector, a growing number of large clients are demanding greater diversity of the elite firms that serve them.

   Pharma giant Novartis AG is going further, holding back 15% of its legal fees from law firms that don’t meet its diversity goals. We don’t expect such corporate pressures to recede (see sidebar, next page).

2. **Identifying opportunities within emerging or underserved markets.**
   Throughout the last four decades, there have been multiple cases of professionals of color capitalizing on lucrative market opportunities that they’ve identified and successfully pursued.

   Consider Jéan Wilson, co-managing shareholder of the Orlando office at Greenberg Traurig LLP, and chair of the global firm’s Orlando and Atlanta Public Finance practices. Wilson carved out entirely new practice segments in the area of public finance for municipalities, where an increasing number of decision-makers are people of color. At a prior firm, however, he was discouraged from doing so. “I was told this type of work was too sophisticated for Black lawyers,” Wilson told us.

---


15 Ibid.
Firms that fail to increase diversity run the risk of losing revenue. Over the past decade, many large corporations have issued ultimatums to the law firms they use.

Hewlett-Packard Co. informed its outside law firms in 2017 that it would consider withholding up to 10% of invoiced fees for law firms failing to meet diversity goals. That move had a big impact, with compliance rising to nearly 100% by 2020.

At Microsoft, a law firm diversity program was implemented in 2008. Between 2015 and 2021, diversity in the company’s law firm management and executive committees increased from 31% to 46%. Meanwhile, the diversity of law firm attorneys working for Microsoft rose from 50% to 64%. What’s more, law firms that meet Microsoft’s diversity targets can earn up to a 3% bonus on their annual fees.

Small and mid-size companies are making similar demands. In 2019, more than 170 general counsel and corporate legal counsel signed an open letter to major law firms, lamenting how new classes of partners “remain largely male and largely white.” They represented entities including Lyft, Etsy, Heineken USA, and Chobani Global Holdings. And their letter promised that legal spending would be focused on firms committed to diversity and inclusion.

Today, general counsel at many companies actively measure DEI at the law firms they use, including both overall demographics and also hours billed and partner diversity.

We spoke with one partner who recalled hearing from three general counsel in the mid-2010s that his firm’s numbers were not cutting it. Soon after, the firm hired its first DEI officer and has been improving diversity ever since.

Investor Robert F. Smith left Goldman Sachs in 2000 to launch Vista Equity Partners, now one of the world’s most successful private equity firms in the U.S., with $93 billion in assets under management as of Dec. 31, 2021. Smith was among the first to recognize the value of enterprise software as an asset class, and pioneered a sector-specific investment strategy using leveraged buyouts. An engineer by trade, Smith recognized enterprise software’s value as a powerful tool for business productivity and saw opportunities to implement processes to enhance efficiency and create value in this nascent sector. Smith’s success and conviction in this asset class helped to establish enterprise software’s reputation as a differentiated and consistent investment opportunity.20

Another case study can be found in mutual funds, where 40 years ago, John Rogers Jr. founded Ariel Investments, which helped pioneer value-oriented investing and is the first Black-owned mutual fund company in the U.S. His innovation was investing in small, fast-growing but undervalued companies, which was unusual at the time. Today, Ariel manages $17.3 billion in assets, and of its 113 employees, 76% are people of color, and 68% of its leaders are from a minority demographic.21 Rogers’ co-CEO Mellody Hobson, also a Black professional, is a sought-after financial commentator and sits on numerous corporate boards.

Yet another example from the world of finance is Black investor Tracy Maitland, who developed an expertise in convertible bonds over 13 years at Merrill Lynch, becoming the firm’s director of convertible sales in 1987. “Even though we were the most profitable unit in the firm for many years, we were still a sideshow,” Maitland recalled in a recent Forbes interview.22 In 1995, he launched Advent Capital Management, now a $9 billion firm that uses convertibles, among other tools, for client funds built to withstand turbulent markets.

3. **Finding innovative ways to serve existing markets.**

At the turn of the 21st century, two Asian American attorneys working at big law firms (Brian Sung Lee of Skadden and Brian Liu of Sullivan & Cromwell LLP) and a business partner (Edward Hartman) ventured out in 2001 to launch LegalZoom. They formed a low-cost online supplier of legal forms for small businesses and others that didn’t want the high cost of law firms for simple legal documents.

The legal industry and even the venture capital sector ignored them. “No venture capitalist would give us any money. They looked at us as a bunch of lawyers and a techie and doubted that we knew anything about running a business,” Liu recounted in a published interview.23

By 2020, the company’s revenue had soared to $470 million. By 2021, the three founders’ brainchild sold its stock on the public exchanges, with the first day of trading valuing the firm at more than $7 billion.24

---

21 Ariel Investments webpage: https://www.arielinvestments.com/about-ariel/.
The emphasis on revenue growth is critical to establishing and sustaining interest at the top levels of any firm. No longer is your diversity program considered “nice to have;” instead, it becomes “essential.”

Gabrielle Bullock used this very strategy with Perkins & Will, the country’s second largest architecture firm, with 2020 revenue of $595 million. In 2013, Bullock became the firm’s first woman and first Black managing director. Shortly after, she deployed hardcore business metrics promising better design, bigger revenue, and a richer work experience. “I wanted to raise the consciousness of the board about diversity as a business imperative,” Bullock told a publication in 2018. “Because if it’s not a business imperative, it’s a hard sell.” As a result, diversity is a higher priority than ever at Perkins & Will, with Bullock now leading the program full-time.

Another firm that has proved itself a leader in understanding the business case for DEI is Greenberg Traurig. Among its many programs and initiatives, the firm convenes an annual diversity summit, where a cross-section of firm leaders, including members of its DEI team, not only assess progress to date on diversity but also identify ways to leverage and market diversity internally — to increase utilization of the firm’s DEI resources — and externally — to enhance client service and, thus, firm revenue. In addition, participants help set DEI priorities for the coming year.

Greenberg Traurig’s Wilson says he sees DEI becoming more than just a numbers issue for clients. “Many of our major clients are looking for transformational change,” he says. “They want to see diverse lawyers who are engaged in their legal matters at a meaningful level, beyond just bringing them into the room. We’re making the investment in DEI to stay ahead of the curve so that we can have the numbers but also have attorneys who can take on major engagements.”

To that end, the firm keeps a close eye on diverse lawyers’ utilization rates. “We are very proactive and direct when it comes to communicating with office and practice group leaders if we identify attorneys whose talents and time are not being maximized, particularly when it comes to diverse lawyers,” says Ernest Greer, co-president at Greenberg Traurig.

Jonathan Harmon, chairman of McGuireWoods, a major international law firm, agrees. “We want to focus on developing not just numbers, but leaders,” Harmon told us. Toward that effort, Harmon launched a strategic plan at McGuireWoods that includes diversifying the firm’s senior leadership, including its Executive Committee, which is now 50% people of color, and expanding the activities of the Diversity Action Council, which is helping the firm’s top management rethink how to recruit, retain, and promote Black lawyers. (For more on McGuireWoods’ efforts to improve DEI, see Appendix 3, page 29.)

25 Suited webpage: https://www.wellsuited.com/about.
The second piece of our Diversity Accelerator framework involves assessing the organization’s current levels of racial diversity throughout its hierarchy, including its hiring, attrition, and promotion rates, as well as evaluating how its racial minority professionals and staff members actually experience the culture.

Online surveys, focus groups, or one-on-one interviews can be used to inquire about their daily interactions with colleagues. Are they given stretch assignments? Have they been given opportunities to pitch clients on new work? Do they feel supported and challenged in their everyday work? Do they get real-time feedback, coaching, and mentoring? The goal here is to uncover specific obstacles that, whether the firm knows it or not, limit opportunities.

The key is collecting both qualitative and quantitative information. Aim for a 70% response rate with online surveys, targeting 10% to 20% of employees (depending on firm size) to engage in focus groups or interviews. It’s important to keep individual responses confidential and to seek diverse perspectives, including those of senior leaders and people from multiple demographic groups.

Collecting and sharing this information can be sobering for senior leaders. At a law firm client, we worked with firm leaders to collect utilization rates (billing hours) for each practice group, analyzed by race and gender. When the general counsel presented the data at the outset of a DEI workshop, it helped demonstrate that even well-meaning partners and senior attorneys may unconsciously permit their assumptions and impressions about particular associates to influence how they give and manage assignments. Recognizing and clearing away unintended biases can help senior leaders move from jumping to a negative conclusion about an associate’s competence when their work is disappointing, to wondering whether there were missed opportunities to ensure this associate’s success with a new assignment.

In 2020, following George Floyd’s murder, Akin Gump Strauss Hauer & Feld LLP had a renewed sense of urgency for assessing the experience of Black associates at the firm, according to Kim Koopersmith, chairperson at the multinational law firm. Firm leaders embarked on an array of new initiatives, including learning more about the experiences of its Black associates through open forums and conversations with its employee affinity groups, clarifying pathways to success for associates of color, and increasing accountability among firm partners. Such initiatives “sent an important signal that we’re looking at the actual experience of working here, how assignments are handed out, how we’re developing associates, and how we’re viewing partner engagement and commitment to diversity and inclusion,” Koopersmith told us.
Step 3 | Embed DEI into strategy, process, and culture

The third step is to create a DEI action plan that fits the firm’s specific culture and inculcates DEI into the practices of the firm. The elements of this roadmap should include the following:

- **Ensure senior-leadership support.**
  It’s essential for the DEI plan to be led from the top. At partnership firms, managing partners or CEOs should drive the initiative. That way, they can use their authority and influence to get others — including the firm’s rainmakers — onboard. High-level accountability can also be enhanced with the appointment of a chief diversity and inclusion officer (CDIO). “It makes a huge difference that [the CDIO] reports directly to me,” said Akin Gump’s Koopersmith. “And it makes a difference that I’m consistently vocal on issues of DEI. That sends a signal.”

  It’s particularly powerful when the leader expresses a personal passion for and commitment to DEI, as Brad Karp does, managing director and chairman at multinational law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP. “There are societal and business challenges that we need to overcome,” Karp told us. “I hold myself personally responsible for everything that happens at Paul, Weiss.”

- **Convene a diverse group to develop a DEI action plan.**
  To ensure full engagement and a broad range of perspectives, all DEI committees need the close involvement of the managing partner, managing director, or CEO, in addition to employees at all levels of the firm, including associates and professional staff. Working groups from within the committee can be charged with creating the DEI plan itself.

  This will help with setting realistic goals, programs, and timelines. It also ensures that a diverse group of people are champions of the initiative.

  At McGuireWoods, the Diversity Action Council is led by the firm’s managing partner, who is white. This is critical, Harmon says. “If D&I leadership only involves diverse lawyers, it tends to become a ‘them’ issue rather than an ‘us’ issue.”

  At Paul, Weiss, firm leaders created an Inclusion Task Force comprising people from across the firm. Partners, counsel, associates, and professional operational leadership evaluated data on recruitment, attrition, and promotions, reviewed existing processes, and used focus group data to assess how different demographic groups experienced all aspects of the firm’s culture. Using these insights, the task force developed a multi-pronged strategy to promote DEI throughout the firm.

  In 2020, in the wake of George Floyd’s murder, Skadden’s Friedman and three other firm leaders created a working group focused on recruiting, supporting, and developing Black talent. The group included senior management and practice leaders, as well as associates and counsel from the firm’s Black lawyers affinity group. All parties quickly settled on common objectives, which pivoted around improving the everyday work environment, as well as fostering both attorneys’ and staffs’ development and advancement. The committee settled on short-, mid-, and long-term goals to measure its progress.
Akin Gump has embarked on an array of initiatives, including clarifying pathways to success for associates of color, and increasing accountability among firm partners. Such initiatives “sent an important signal that we’re looking at the actual experience of working here, how assignments are handed out, how we’re developing associates, and how we’re viewing partner commitment to diversity and inclusion.”
– Kim Koopersmith, Chairperson, Akin Gump

Importantly, Skadden attorneys receive billable hour equivalent credit for time spent on DEI initiatives. “That was a big step for us,” Friedman told us. Over the past 10 years, Skadden has doubled the number of attorneys of color that made partner, according to Friedman.

What if partners and other leaders at the firm aren’t accustomed to including associates in decision making? You might try building parallel DEI committees, and look for opportunities down the road for interaction and collaboration. In our experience, the relationships will eventually deepen as committee members work toward shared goals. Sometimes, working together on a DEI plan leads to deeper collaboration on client-serving projects and more informal mentoring. Over time, a new comfort level with cross-organizational relationship-building will emerge, which can foster a greater commitment to building a culture of inclusion and belonging.

This has been the experience at Skadden, where partners and associates serve on diversity committees alongside professional staff. “Those are important cohorts for a firm that believes the client experience matters greatly,” Friedman told us. “All of our colleagues provide important elements of that client experience and enable us to give great legal advice.”

• **Set measurable goals and institute processes that enable you to meet them.**
  Once committees are in place, focus on setting ambitious goals for substantial and rapid improvements at all levels. These goals should be actionable and measurable. For example, it would be difficult to measure against a goal stated as, “We will recruit far more extensively at HBCUs.” Far better results would be attained with concrete plans that include percentage increases in candidate pools, offers made and accepted, promotions, and other metrics that enable progress to be objectively measured.

  When establishing these goals, pinpoint key moments in the talent management cycle when the careers of associates of color often get derailed, and then determine a set of actions, stretching over two or three years, to provide guardrails to prevent this from happening.

  One area of focus is making lawyers of color central to high-profile billable projects, especially ones generating large dollar amounts. There should also be a plan for making sure these professionals are included on pitch teams and in other conversations with new and existing clients.
The DEI plan should direct partners and senior associates to report on who they select for work assignments, tracking for both race and gender, as well as what responsibilities are assigned to each person. The key here is frequent monitoring. Reviewing utilization rates every month or every quarter will determine how much work is assigned to attorneys of color and — more importantly — what kinds of projects they get. Are they projects that help them grow and develop legal skills? With findings in hand, DEI professionals can consult with practice group leaders and partners to make adjustments as needed.

Professional service firms also need written policies that mandate and monitor who gets to do the work itself — as well who gets credit for landing the work in the first place. In the legal profession especially, attorneys of color are too often brought into pitches to shore up the firm’s diversity image. We have heard this many times from people of color over the years, and have even experienced it ourselves prior to co-founding our firm.

• **Foster a culture of inclusion and belonging.**
  Relationships matter. Taking the time to get to know people — understanding who they are and their personal and professional journeys — lays the foundation for inclusion and belonging. Creating psychological safety is also critical. That means making it safe for people to ask questions, be vulnerable, offer ideas and suggestions, and push back against the status quo without fear of ostracism or retribution.

  Those in senior roles know the importance of taking the time to build trusting relationships with current and potential clients. However, these same leaders sometimes are so focused on servicing their clients’ needs that they don’t take the time to establish that same rapport internally with the people who work for them and manage their projects. Many dismiss this as “coddling” and overlook its importance and link to engagement and retention.

  These challenges are much more common when interacting across differences — particularly race. Concerns about saying the wrong thing, being accused of bias, and/or lack of experience interacting cross-racially too often result in abbreviated interactions, less eye contact, and awkwardness. Being open and curious are the building blocks for fostering inclusion.

  Making people feel welcomed and letting them know you are committed to their success and interested in getting to know them are not one-time events. Firms that foster a culture of inclusion and belonging create opportunities for one-to-one, small-group, and firm-wide social interactions that encourage people to connect across race, tenure, and level. We have had more than one white male partner at a law firm report that serving on their firm’s DEI committee helped them get to know junior associates of color and led to their working together and developing an informal mentoring relationship.

  “There’s a great commitment by everyone involved to step up because we know our DEI programs can deliver, and we have high-level buy-in, starting with the executive chairman.”
  – Jéan Wilson, Co-managing Shareholder, Greenberg Traurig
Create targeted mentorship and sponsorship.
For racial minority professionals to succeed, firms need to recreate the kind of support that was historically focused on white men. This involves appointing mentors and sponsors who are committed to helping these associates succeed. It’s critical that these assignments are made for the long term.

VallotKarp has worked with some of our client firms to design and launch mentorship and sponsorship programs focused on helping attorneys from underrepresented groups build the relationships essential for accelerating their professional development.

Greenberg Traurig encourages its rainmakers to share how they have achieved success. “There’s a great commitment by everyone involved to step up because we know our DEI programs can deliver, and we have high-level buy-in, starting with the executive chairman,” Greenberg Traurig’s Jéan Wilson said. “We know that these programs work and that we’re going to be judged by the results we drive.”

Too often, even when firms are rigorous about creating a mentoring program, it can fall short when the mentors aren’t evaluated on their effectiveness. Are they making sure diverse associates are getting challenging work — from entry level to senior leadership? Is the mentor-mentee relationship deeply engaging and highly authentic or perfunctory and “check the box”? Many assigned mentors are not held accountable for being effective. There’s often no reward for doing it well, and no penalties for doing it poorly.

Take Skadden’s Friedman, who believes law firms need to help diverse new hires envision themselves as future partners and key stakeholders. Their career growth is a matter of making sure they are on “exciting projects, developing professionally” and have high engagement, Friedman told us.

This requires steady mentoring and sponsorship across the years leading to partnership promotion. “We have to find ways to create these relationships with attorneys from underrepresented backgrounds, champion them, and solidify their feeling of belonging,” Friedman said. “Overlay that with the fact that in the fourth and fifth year, they are incredibly attractive candidates for other positions within the legal profession.”

Another example comes from Dentons, the world’s largest law firm by number of employees. Dentons launched an “allyship” program in 2020, in which all colleagues meet monthly in virtual “pods” of up to 10 people from different U.S. offices to tackle topics including privilege, oppression, and marginalization. One recent session focused on the topic of “covering,” or downplaying one’s identity to fit in, with associates invited to share their own experiences. As a rule, articles and other written materials are distributed in advance to help guide the dialog.

You need to have people in leadership positions who are focused on advancing diverse attorneys, making sure they get considered for pitch teams, making sure they get introduced to clients, making sure that when they have success that it is promoted within the firm.”
– Sonia Martin, CEO, Dentons US
Doing so keeps DEI on everybody’s radar while fostering empathy and understanding. “Listening is powerful, and sharing your experience is powerful,” Dentons’ U.S. CEO Sonia Martin told us. “I personally participated in an ally pod and am proud that these pods are helping us grow our culture of inclusion.”

• **Rethink traditional recruitment and promotion approaches.**

As firms embed DEI into the culture, they need to jettison many of the routine ways of hiring, supporting, and promoting talent. At Paul, Weiss, for example, leaders now venture beyond their old recruitment stops. “You have to go to law schools outside the mainstream and broaden your horizons,” Paul, Weiss’s Karp said. “There’s a wealth of diverse talent. I’m a big believer that students at the top of their law school class will be successful. They’ve proved that they can succeed in a competitive environment.”

Start assessing how promotions work at your firm and act deliberately to create equitable opportunities for all demographic groups. Before she became chairperson at Akin Gump, Koopersmith chaired the partner admission committee for several years and has worked to “reverse-engineer” the promotion path for diverse talent.

“Who were the people that stood out, and why did they stand out?” she said. “The answer was that they worked with partners who provided significant opportunities, and they were given opportunities to get in front of clients, which enabled clients to actually know who they were, and to want to work with them on the next matter,” Koopersmith explained. What’s more, expectations were clear for leaders of practice groups — they were expected to develop a diverse group of associates on their way to partnership.

---

**AI: a potential bias fighter**

To boost racial and ethnic diversity, elite organizations must continuously work to reduce hidden biases in hiring.

Artificial intelligence can be a powerful tool for rooting out biases in the recruiting process. For example, Suited, founded by data scientists from the investment banking industry, is one technology company that offers this type of tool. Its CEO, Matt Spencer, was previously the top HR executive at the Los Angeles-based investment banking firm Houlihan Lokey.

Suited offers an assessment tool that gives recruiters a more objective understanding of the applicant’s suitability. In the case of big law firms, the company’s software reaches beyond GPA and law school reputation, empowering job candidates with other ways to show off their potential.

In fact, Suited worked with six law firms in 2021 and gave its assessment to thousands of staff lawyers. Their evaluations revealed that GPA and law school rank were not highly correlated with job performance.26 (Full disclosure: co-author Angela Vallot serves on the Suited board.)

---

26 Suited webpage: [https://www.wellsuited.com/about](https://www.wellsuited.com/about).
In 2020, Dentons’ U.S. unit implemented two aggressive DEI programs: the Emerge Sponsorship Program and the Executive Mentoring Program. Emerge is designed to advance diverse and women lawyers into partnership and leadership, and pairs sponsors and protégés to work together in pursuing opportunities for business development and professional growth. The Executive Mentoring Program pairs Dentons’ U.S. Board members with diverse associates. This two-way mentoring program is designed to increase awareness of differences and foster the exchange of ideas to support the career development of associates. With strong support from leadership, the programs quickly gained traction, Dentons’ Martin told us. Already, two-thirds of participants of the Emerge program have been promoted to equity partners.

“You need to have people in leadership positions who have this top of mind,” Martin said. “You need to have leaders who are focused on advancing diverse attorneys, making sure they get considered for pitch teams, making sure they get introduced to clients, making sure that when they have success that it is promoted within the firm.”

“There is no secret sauce to any of this,” Martin told us. “It’s the investment you make in the individual that makes the impact.”

• **Increase the number of underrepresented groups in leadership.**
  This is also the time to strengthen the professional profile of the firm’s racial minority associates. The firm’s marketing department, along with partners and practice group leaders, should be closely involved with crafting marketing plans and raising these professionals’ visibility.

In addition to presenting at client pitches, these professionals should be involved with speaking engagements, article and white paper writing, and client briefings that position the person as a “thought leader.” The same goes for serving on boards of high-profile nonprofits and bar association committees/panels. Always, the goal is to give Black professionals equitable opportunities to enhance their visibility and generate more revenue.
Behavior change will happen only when the most powerful people in the organization are held accountable, including being rewarded for achieving or exceeding DEI expectations and penalized for falling short.

- **Measure leaders’ efforts.**

At Vista Equity Partners, the compensation of the firm’s executives is tied to their performance on DEI goals. The private equity firm accelerates the vesting of compensation for senior leaders who demonstrate progress and engagement across several DEI KPIs. This plan was developed by Khalida Ali, hired in 2019 as Vista’s Director of Diversity & Inclusion, and has already seen strong results, as the firm reached gender parity earlier this year.

Vista has also developed a Conscious Inclusion program, which educates employees on bias and ties their adoption of inclusive practices to their performance. Every employee is rated by peers and direct reports on the extent to which they contribute to and foster a culture of inclusion where diversity is embraced and leveraged to achieve the vision and mission of the organization. Those who receive low scores are provided additional training and/or individualized coaching to help them advance in this competency.

Within its portfolio, Vista also includes quantitative and qualitative DEI metrics with each quarterly board meeting agenda for review and discussion. “This has elevated the conversation of DEI, increased accountability, and [improved understanding] of efforts in place, and where the challenges are,” Ali said. “That dialog with portfolio company leaders is critical to putting action behind the words.” Additionally, Vista promotes diversity within its portfolio companies, with a focus on diversity.

The use of metrics is consistent across every firm we’ve seen make meaningful change on DEI. “You have to have accountability,” said Paul, Weiss’s Karp. “You have to have data and follow-ups. And you have to be willing to break glass.”

Get started by collecting exhaustive data and making leaders across the organization responsible for acting upon findings. For example, Akin Gump uses extensive data analytics to understand where the law firm is doing well — and where it needs to redouble diversity efforts. “We look at our data from a firm-wide perspective, an office perspective, and a practice group perspective, including how we’re doing relative to their marketplace,” said Koopersmith.

“Ever since Paul, Weiss made partners accountable for helping the firm reach its DEI goals, “we’ve seen measurable improvement across the metrics that we care about. And we call out partners whose teams are not as diverse as others. It’s one of the ways in which we try to impose real-time accountability.”

– Brad Karp, Managing Director and Chairman, Paul Weiss

---


Each Akin Gump practice is expected to develop its own diversity and inclusion action plan, Koopersmith added. “That way, they can be very focused and accountable to the management committee about what they’re going to do to address the gaps we’re seeing.”

Ever since Paul, Weiss made partners explicitly accountable for helping the firm reach its DEI goals, “we’ve seen measurable improvement across the metrics that we care about,” according to Paul, Weiss’s Karp. For starters, partners can track the diversity of teams for every assignment they’re managing.

“You push a button and you see the diversity composition of your team on this big deal, on this big litigation,” Karp continued. “It’s right in front of you. And we call out partners whose teams are not as diverse as others. It’s one of the ways in which we try to impose real-time accountability.”

- **Ask leaders to report on individual DEI efforts.**

Other essential tactics involve directly asking partners what they’re doing to enhance opportunities for associates of color and sharing this information with peers.

Consider using scorecards that leaders fill out to reveal how their time is spent and what they are doing to develop associates of color. This inspires some clear-eyed consideration of which relationships get priority: Who are they mentoring, sponsoring, and inviting to pitch meetings? Who are they assigning high-profile projects to? Scorecards can be used in performance reviews to gauge the leader’s performance on actions that represent a strong commitment to DEI.

As part of its performance review process, Akin Gump added a question to the year-end self-evaluation survey it sends to partners: What are you doing to contribute to diversity? “I was gratified at the degree of thought that went into people’s answers,” Koopersmith said. “They really thought about who they have mentored, and how intentional they have been.”

Once transparency is achieved, it’s crucial to reward leaders with strong diversity metrics. “Partners who do a particularly good job on DEI will be recognized,” Paul, Weiss’s Karp said. The firm hasn’t set penalties for partners who lapse on DEI initiatives, he added. Rather, bonuses are tied to positive results.

Time on DEI work and recruiting now figures into bonuses at Skadden. Note that this new arrangement weights diversity activities equally with *pro bono* projects and billable hours. In addition, partners must report their DEI activities annually as part of Skadden’s compensation process. Said Friedman: “We’re asking partners to be very specific and brief — not to pontificate and lose the thread” about their DEI activities. “We need every partner to participate and not shift the burden.”

We can’t stress the importance of accountability and transparency enough. Edith Cooper, first Black woman to make partner at Goldman Sachs, applied similar logic as the firm’s global head of human capital management. (She left the firm in 2016.) “At the end of the day, you can have all the chit chats you want — diversity dinners, mentoring, sponsors,” she said. But if you don’t hold yourself accountable, it’s not going to make a difference.”  

---


The final step is continuing to track progress on your diversity goals and aiming to improve on them. Borrowing from the old adage, you can only improve what you continuously measure.

Areas to continually track include recruitment, attrition, promotion, and utilization rates, as well as revenue contributed and maintained, and the number of racial minority professionals at all levels of the firm. Satisfaction surveys should continually assess the experience that people of color have in your firm and track progress on areas that need to be improved.

Continuous tracking also ensures that the goals of racial diversity continue to be top-of-mind at the leadership level. Paul, Weiss’s Karp added a new section three years ago to the annual accountability review that partners send to the full partnership. It specifically asks what each partner has done over the past 12 months to promote DEI, with responses shared among partners firm-wide. “[The review] is something they think about every day as they do their jobs because they know at the end of the year they’re going to have to justify and report to the firm what they have accomplished on the DEI front,” he told us. “It’s had an enormous impact. Partners who ordinarily would not deliberately think about these issues are now thinking about them actively, in part because they know they have to report out at the end of the year. And it has to be accurate because they’re sharing it with their partners.”

Keeping an ongoing record on hiring and promotion data is especially important. Leadership should report annually on the racial makeup of talent pools considered for new partners and other leadership positions (such as practice group leaders, heads of offices, and committee chairs). We find that decision-making is influenced for the better when leaders know in advance that personnel decisions must be justified. In our approach, the CDIO is empowered to investigate when persons of color are not selected or promoted, especially in the case of Black candidates.

Some of the law firm clients we’ve worked with have adopted the practice of compiling utilization rates by race and gender, and then meeting periodically with practice group leaders to monitor progress.

High-level meetings offer yet another way to chart progress. At Greenberg Traurig’s annual diversity summit, some 20 top leaders — including the CEO, executive chairman, co-presidents, and chief diversity officer — gather to hear presentations on diversity accomplishments and goals. The law firm also tracks the impact of diversity initiatives throughout the organization, particularly as these relate to responses to client requests, initiatives, and collaborations, as well as talent. The firm is Mansfield Rule 4.0 Certified Plus by The Diversity Lab.

Accenture has been impressively open about its progress on diversity. In 2016, the consultancy claimed to be the first professional services firm to publish detailed information about the composition of U.S. employees. It also has a webpage to show progress in its U.S. workforce.31

At McGuireWoods, the Diversity Action Council is led by the firm’s managing partner, who is white. “If D&I leadership only involves diverse lawyers, it tends to become a ‘them’ issue rather than an ‘us’ issue.”

– Jonathan Harmon, Chairman, McGuireWoods

Mentoring newcomers

Here’s an example of how mentors can support their mentees. Notice the frequency of interactions and micro level of detail.

Imagine walking into your mentor’s office. They greet you and say: “I am so glad you are here. I am committed to your success and want to ensure you feel welcome and have a successful career at this firm.” How would that make you feel? What, exactly, would that mentor do to enact such support? And how would that support “show up” in your first weeks or months?

Here are just a few conversations and action steps that would reflect an intentional level of commitment:

• The mentor lists the 10 people you should get to know at the firm in your first six to 12 months. The mentor adds: “Let’s develop a timetable for how we accomplish that. I will set up some lunches and get-to-know-you meetings to facilitate that process.”

• “Your first assignment will set the tone for your entire career here. I will talk you through each stage of the assignment. Don’t view it as monitoring; view it as coaching and support. Show me an outline before you begin writing, and I will review your draft before you submit it. Once you establish your reputation as a competent ‘go-to’ team member, this will become unnecessary.”

• “Let’s set up monthly check-in meetings to discuss how you’re adapting to firm culture. Learning the unwritten rules is critical. You must pay attention not only to the quality of your work product, but also how you present yourself at meetings and events. I will make sure to monitor both the quantity and quality of work assignments you receive. You’ll certainly do your share of ‘drudge work,’ but I will make sure it’s not too much. Your success, at least in part, will be linked to not ‘hiding out’ in your office. Attending meetings and informal social events is key to building the relationships you’ll need as you progress within the firm. If that’s not happening, let me know, and we’ll find ways to quickly remedy the situation.”

• “Nobody is born into excellence — it is developed and nurtured over time. Therefore, feedback is essential. We’ll discuss ways you can elicit more feedback and respond effectively when it is received. Missteps and mistakes are inevitable. I commit to helping you strategize on how to recover from gaffes and turn them into learning/growth opportunities.”

• “Success is linked to raising your professional profile both internally and externally.” The mentor commits to helping you do that in some or all of the following ways:
  » Serving on panels at conferences
  » Writing briefing papers and/or sending noteworthy articles to clients
  » Looking for leadership opportunities on high-profile projects
  » Assisting on writing “thought leadership” articles
  » Ensuring your inclusion on client pitches and that you get to work on those projects and get credit for business development
  » Sponsoring and advocating for your elevation into leadership roles
Moving forward

We are encouraged by the number of senior leaders at elite organizations that are recognizing the link between diversity and enhanced business performance. We won’t pretend the work ahead is easy. But we also won’t downplay the urgency for change.

“DEI is not going to go away,” said Paul, Weiss’s Karp. “Every day, the papers report on companies that are conducting racial equity audits. The focus on DEI is here to stay, and that is a good development. We all have a lot of catching up to do, and room for improvement.”

Our Diversity Accelerator can help everyone catch up. Our approach offers elite firms a highly effective way to hire, develop, monitor, and promote professionals from any underrepresented demographic within elite firms. It finds top talent far beyond the Ivy League. It challenges the meritocracy myth by replicating the support system that has historically provided white professionals with their career development.

At its core, though, our plan is about business success. We are encouraged by the number of senior leaders at elite organizations that are recognizing the link between diversity and business performance: that improving diversity leads to greater opportunities for all — not just those from underrepresented populations — in the form of new ideas, new market growth, and client and talent retention.

Simply put, the performance gap between racially homogenous businesses and diverse ones will only grow over time. Forward-thinking senior leaders are putting the foundational pieces in place now to leverage diversity, equity, and inclusion as a competitive advantage.
Many large, established law firms have for years promoted only a small number of Black partners. Cravath, Swaine & Moore, a 500-person law firm, had only one Black partner in its 100 years until 2020, when it promoted two Black women to partnership. But the diversity records of other elite sectors aren’t much better — and some are worse. Take the private equity (PE) industry, where sector-wide statistics on diversity are difficult to come by. Only 1% to 2% of PE professionals on investment deal teams at more than 150 U.S. PE firms were Black in 2020, according to McKinsey & Co. And only about one in six PE firms with assets of less than $2.5 billion have targets for ethnic diversity in their ranks, according to EY. The picture is better for larger PE firms. Some 62% of those with assets of more than $15 billion have such targets, while 48% of those between $2.5 billion and $15 billion have targets, according to EY.

The $1.8 trillion global venture capital sector fares a little better. Roughly, 3% of its investment partners are Black, according to Deloitte. In the management consulting industry, the Big Four have made big investments in increasing diversity. Some are going to great lengths to report their progress. For example, PricewaterhouseCoopers said 5% of its U.S. workforce was Black in 2020, but the percentage hadn’t budged since 2018; in 2020, 2% of PwC’s partners or principals were Black. The company’s goal by 2026 is to increase its Black and Latino workforce by 50%. Accenture has reported detailed statistics since 2016. Some 10.1% of its U.S. workforce (of more than 57,000) in 2020 was Black, a big increase from the 7.6% in 2015. At FTI Consulting, a $2.8 billion firm, 6% of its U.S. employees at the end of 2020 were Black. Said a Black partner at AlixPartners, a large consulting firm: “Until the [consulting] industry gets to a point where there are many visible Black consultants in leadership positions, students and other professionals that didn’t have the exposure I had may often not know that this field or career is possible to pursue.”

Banking is also struggling to open its upper ranks to Black professionals. Only about 3% of leaders are Black at investment banking powerhouse Goldman Sachs. And only 5% of Bank of America’s U.S. executive and senior-level officers and managers in 2019 were Black, although that represented a percentage point increase from 2015. Elite non-profits aren’t much better on the Black diversity front. Blacks were 8% of MBA students in the U.S. in 2019, up from 6% in 2015. However, their number at elite programs such as Harvard Business School is only 5%. And 4.6% of executives and other senior managers of 316 U.S. museums, historical sites and similar institutions in 2018 were Black.

APPENDIX 1
Deeper dive into diversity data

45 Data from U.S. Equal Employment Opportunity Commission.
APPENDIX 2
Origins of religious diversity in law firms

Sixty years ago, large U.S. corporate law firms (primarily based in New York City) were divided along religious and cultural lines: white Anglo-Saxon Protestant (WASP) and Jewish, according to a paper by University of Denver law professor Eli Wald in the Stanford Law Review. (While Catholic firms also existed, there were far fewer of these firms.)

In 1950, however, NYC was devoid of big Jewish law firms. (At that time, a “large” law firm was at least 50 lawyers.) But by the mid-1960s, several Jewish law firms emerged and grew into large organizations.

Over the next 15 years, their revenue increased an average of 200%, double the rate of the WASP law firms. By 1980, four of the 10 biggest New York City law firms were Jewish owned, according to Wald. Law firms with Jewish founders — Skadden Arps and Wachtell, and Lipton, Rosen & Katz among them — pursued practice areas that, at that time, were viewed as “unbefitting” of their WASP competitors. They included litigation, bankruptcy, and hostile corporate takeovers, Ward says.

All this forced the hands of the WASP New York law firms to adopt more diverse recruiting and partner track policies. “The continued growth of corporate clients’ demand for legal services and the corresponding growth in the size and number of large law firms led to an immense increase in the recruitment needs of the large firms,” Wald wrote in his Stanford Law Review article. “The old WASP firms simply could not afford to recruit exclusively from a WASP candidate pool, nor could they afford to be perceived as doing so for fear of incurring the reputation costs that attend discriminatory practices.”

APPENDIX 3
McGuireWoods: Making a difference, incrementally

As the first Black chairman in McGuireWoods’ 187-year history, Jonathan Harmon takes seriously his responsibility to even the playing field for underrepresented people at the 933-person firm, which serves corporate, individual, and nonprofit organizations worldwide.

Harmon’s view: Although media and individual attention on DEI ebbs and flows (as was the case in the immediate aftermath of George Floyd’s tragic death in 2020), as chairman, he must continuously reinforce and extend diversity and inclusion up and down the management ranks and into the firm’s core values. By taking this approach, Harmon is building a more welcoming and inclusive workplace that rewards individual accomplishments and props team performance across the entire organization, while meeting clients’ growing expectation that they will be working with a diverse array of firm attorneys and associates.

To Harmon, DEI is a business imperative. “Everybody is living it and seeing it in client RFPs,” he told us. “If we don’t do [DEI] well, it is going to harm our business, and it’s going to harm associates’ pocketbooks, significantly.”

Turning of the tide
In 2019, Harmon launched a strategic plan that contained five pillars, one of which was Diversity & Inclusion. In his keynote address, Harmon noted that McGuireWoods’ “focus would be on leadership, not just numbers, [(by) identifying and grooming future leaders now to foster greater diversity and an inclusive future.”

Overall, under Harmon’s leadership and strategic plan, the firm has:

- **Encouraged transparency and conversation around D&I.** Contrary to the advice of some respected D&I professionals, Harmon decided to moderate live Town Hall discussions on race, inclusion, and diversity. Everyone at the firm, lawyers and professional staff, were invited, and in-person and virtual attendance was remarkable. He formed a Racial Justice Task Force to help bring about “positive long-lasting change” in Virginia and North Carolina.

- **Diversified leadership.** Black legal professionals typically encounter a glass ceiling. After pulling up two department chairs of color to the Executive Committee (five of the eight people on the Executive Committee are people of color or are women), the firm then focused on building a pipeline of Black professionals, using mentorship and other training tools to further diversify its leadership ranks.

The result: Of the firm’s 400 partners, 5% are Black — which is higher than the industry average reported by the NALP (2.2%). “It really matters when people see leaders that look like them,” Harmon said.

• **Expanded the Diversity Action Council (DAC).** The firm’s DAC, launched in 2013, holds leadership accountable for the promotion and development of diverse attorneys by ensuring all human resources are effectively deployed to further career advancement. Members of the DAC meet monthly to assess whether and how they are achieving the firm’s diversity goals.

In addition to providing an accounting of their diversity demographics, each department head must highlight their partner promotion pipeline. Such data is highly scrutinized; in fact, pipeline data is taken into consideration in each department head’s performance review. Members of the DAC ask tough questions, and partners want to have good answers to those questions.

• **Managed people through a DEI lens.** At the end of the day, progress made in recruiting and retaining people of color is a critical indication of the firm’s DEI success. Decisions made on compensation, promotions, and strategic direction are, therefore, pivotal, which the aforementioned initiatives have made possible.

Harmon is proud of the firm’s DEI accomplishment despite headwinds created by the “Great Resignation” of the post-pandemic era. From a modest starting point a few years ago, the firm now counts 21 Black partners, two Black counsel, and over 30 Black associates. Through 2021, the firm’s partner ranks stayed roughly the same. In addition, the firm’s Black associate headcount has steadily increased year after year.

**Picking up the baton**

Harmon believes DEI can’t be accomplished through executive fiat — it takes sponsorship and intentional action up and down the organizational chain. As such, he credits his success to the partners and leaders who came before him at the firm. He points to Jacquelyn (“Jackie”) Stone, a Black partner (and the firm’s first Black woman on its board of partners), who formed McGuireWoods’ first D&I committee (which she chaired until 2017), and George Martin, a Black lawyer, who ran the Richmond office through 2018, as his DEI sherpa. Both recruited Harmon to the firm in 1995.

“It would be foolish of me to make it seem like all the things we’ve done have been because of me,” Harmon noted. “We have some fantastic people — people who’ve been at this for a long time.”
Angela Vallot

Angela Vallot, a co-founder and partner of VallotKarp Consulting, works nationally and internationally on behalf of global law firms and corporations.

Angela began her legal career in Washington D.C., where she worked as an attorney for 17 years with the law firms of Jones Day and Arent Fox, representing Fortune 500 corporations, municipalities, financial institutions, and non-profit entities on a broad range of legal issues, from government relations to real estate and international business transactions.

In 1997, Angela was recruited by the CEO of Texaco to become the first Chief Diversity Officer, where she led the company’s diversity efforts following the settlement of a landmark $176 million racial discrimination lawsuit. During her tenure at Texaco, she created and managed the Office of Corporate Diversity Initiatives, chaired the Corporate Diversity Council, managed the work of six regional Diversity Councils, and worked closely with the court-appointed Task Force on Equality and Fairness to develop HR policies and practices designed to ensure equal opportunity for all employees. Under her leadership, Texaco became a model for corporate diversity.

In 2001, Angela was recruited by the CEO of Colgate Palmolive to serve as the company’s Global Chief Diversity Officer where she worked in the company’s affiliates in Brazil and South Africa.

She is the co-chair of the board of directors of the NAACP Legal Defense and Educational Fund and is a trustee of Xavier University of Louisiana. She is also on the board of Suited, a recruiting platform that uses artificial intelligence to equitably identify top diverse talent for investment banks and law firms.

Angela graduated from Mills College and Georgetown University Law Center. She can be reached at avallot@vallotkarp.com.

Mitchell Karp

Mitchell Karp has more than 25 years’ experience as an organizational development consultant, with a special focus on diversity, equity, and inclusion (DEI) issues. A co-founder and partner of VallotKarp Consulting, Mitchell draws on his prior experience as a human rights attorney to help clients better understand how insider/outside power dynamics, day-to-day interactions, and unconscious bias can impact organizational culture.

Mitchell works with law firms, global corporations, financial institutions, and other organizations, helping them develop appropriate strategies to improve workplace dynamics and develop inclusive cultures, high-performing teams, and effective leaders. As an executive coach, Mitchell works with partners in law firms and senior-level executives in a variety of organizations, helping clients acquire tools and techniques for improving their interpersonal and leadership skills, conflict resolution strategies, and team-building.

Mitchell holds a B.S. in Industrial and Labor Relations from Cornell University, a J.D. from Rutgers Law School, and a Masters of Organization Development from American University. He founded the New York City Commission on Human Rights Training Institutes, and for over 20 years was an adjunct instructor at Cornell’s NYSSILR Management Development Program.

Mitchell can be reached at mkarp@vallotkarp.com.

About VallotKarp

VallotKarp is a boutique management consulting firm based in New York City that focuses on creating inclusive environments where people can work together more effectively. The firm provides a broad range of services to corporations, law firms, cultural institutions, museums, and other organizations on issues relating to diversity, equity, inclusion, unconscious bias, inclusive leadership, mentoring, anti-racism, and allyship.

Learn more at www.vallotkarp.com.