

A Data-Driven Look at DEI in Legal Departments



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This ACC Foundation report explores the current landscape of diversity, equity, and inclusion (DEI) within legal departments. We analyze data from hundreds of legal departments globally, revealing both progress made and areas for improvement.

The data underscores a critical trend: few departments track diversity metrics and even fewer have formal strategies in place to cultivate diverse teams internally and promote diversity within their outside counsel.

To empower legal departments on their DEI journey, this report also highlights The ACC Foundation's <u>DEI Maturity Model</u> which can help departments benchmark against DEI best practices and help develop a roadmap for progress.

All data cited is sourced from ACC's <u>2024 Law</u> Department Management Benchmarking Survey.





LEGAL DEPARTMENT METRICS



Data Gap: Most Legal Teams Do Not Measure Their Own Diversity

Percentage of legal departments that maintain internal diversity metrics

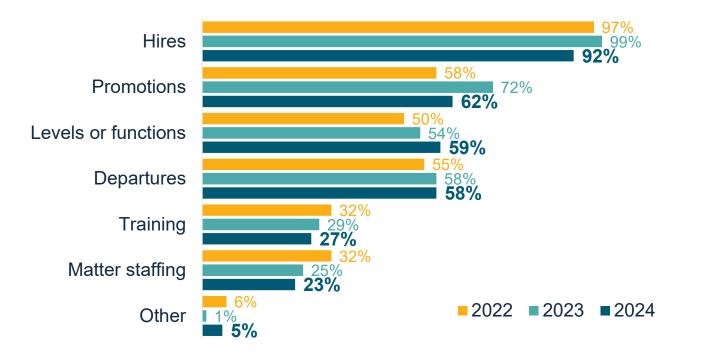


- While 32 percent of legal teams track internal diversity data, this number jumps to 79 percent for large companies (over \$20 billion) with significantly larger legal teams.
- This disparity suggests a potential resource gap where smaller departments may lack the capacity or sufficient personnel to track or measure diversity data.



Measuring Diversity of New Hires is the Most Common Metric

Percentage of departments that evaluate the diversity of their own internal composition across categories



- Among the 32 percent of legal teams tracking internal diversity metrics, a focus on new hires dominates, with 92 percent tracking diversity in this area.
- Tracking promotions, levels/functions, and departures is far less frequent. This highlights a potential gap in tracking diversity throughout career progression within legal teams.



Fewer Legal Teams Are Implementing Formal DEI Strategies with Accountability Mechanisms

Percentage of legal departments with a formal strategy to improve departmental diversity with tangible consequences for success or failure



- Despite tracking internal diversity metrics, the percentage of legal teams with formal strategies to improve diversity declined over the past three years.
- While some departments might be gathering information, few are taking actions for improvement.





PROMOTING DEI WITHIN LEGAL DEPARTMENTS



Recruitment and Hiring

Broaden your talent pool: Advertise in diverse publications and on job boards frequented by underrepresented groups.

Diverse interview panels: Include lawyers from different backgrounds on interview panels to ensure a wider range of perspectives are considered.

Standardized interview questions: Develop a standardized set of interview questions to avoid unconscious bias during the interview process.

Mentorship and Sponsorship

Mentorship programs: Create mentorship programs that pair junior lawyers from underrepresented groups with senior lawyers who can provide guidance and support.

Sponsorship programs: Identify high-potential lawyers from diverse backgrounds and actively sponsor them for career advancement opportunities.

Workplace Culture

Inclusive work environment: Create a work environment that is inclusive of all lawyers and staff, regardless of their background. This includes having clear policies against discrimination and harassment.

Employee Resource Groups (ERGs): Support the formation of ERGs for lawyers and staff from underrepresented groups.

Work-life balance: Offer flexible work arrangements that can help lawyers and staff maintain a healthy work-life balance. This can be especially helpful for lawyers from diverse backgrounds who may have additional challenges outside of work.

Metrics and Accountability

Track diversity data: Track diversity data throughout career progression to identify areas where improvement is needed.

Set diversity goals: Set clear diversity goals for the legal team and hold leadership accountable for achieving them.

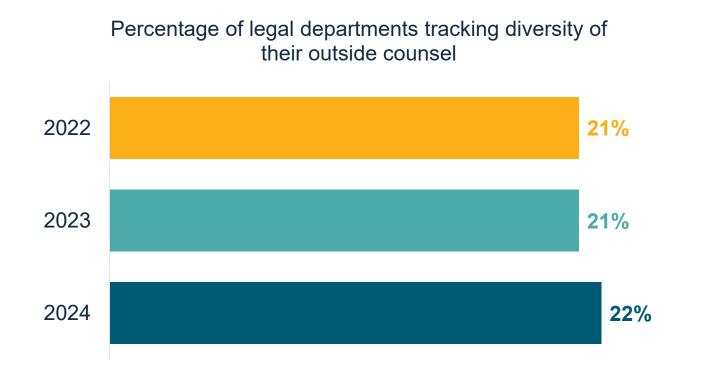
Regular review process: Regularly review your progress on promoting diversity and inclusion and make adjustments to your strategies as needed.



OUTSIDE COUNSEL METRICS



78 Percent of Legal Teams Do Not Track Outside Counsel Diversity



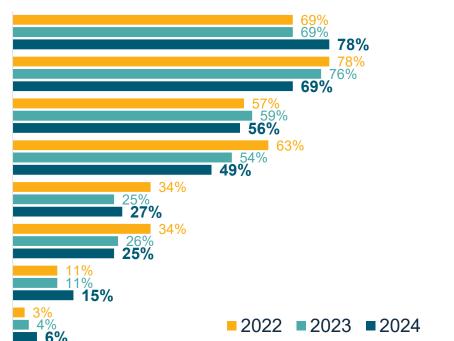
- Just 22 percent of legal teams track the diversity of their outside counsel, remaining consistent over the past three years.
- This number jumps to 67 percent for large companies (over \$20 billion), who work with dozens of law firms.



Evaluating the Diversity of All Firm Lawyers is the Most Common Metric

Percentage of legal departments that track outside counsel diversity across categories

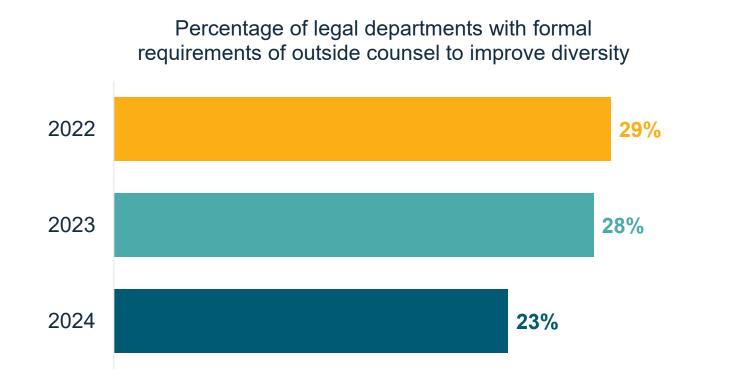




- Among the 22 percent of legal teams that track their outside counsel diversity, they prioritize overall firm demographics (78 percent) and matter team diversity (69 percent).
- There is limited focus on diversity in leadership and junior associate levels.



Fewer Legal Teams Are Implementing Formal OC Diversity Requirements with Accountability Mechanisms



- Even among the 22 percent of legal teams that track diversity metrics for outside counsel, only 23 percent have a formal strategy with tangible consequences.
- This represents a decline down from 29 percent in the past three years.





PROMOTING DEI WITH OUTSIDE COUNSEL



Communication and Expectations

Formalize your commitment: Develop and communicate a formal policy outlining your company's commitment to DEI with outside counsel.

Inclusion in Request for Proposals (RFPs): Include diversity and inclusion as a factor in your RFPs for legal services.

Regular conversations: Regularly discuss diversity and inclusion efforts with your outside counsel and express your expectations.

Collaboration and Knowledge Sharing

Diversity & inclusion events: Host or attend DEIfocused events co-sponsored by your company and outside counsel firms.

Secondment programs: Develop secondment programs where diverse lawyers from outside firms can work in your legal department and vice versa.

Knowledge sharing initiatives: Partner with outside counsel on knowledge sharing initiatives focused on DEI best practices.

Selection and Evaluation

Diverse pitch teams: Encourage law firms to present diverse pitch teams when responding to RFPs.

Track record on diversity: Consider the firm's track record on DEI in your selection process.

Utilization of diverse lawyers: Track the utilization of diverse lawyers on your matters and hold outside counsel accountable for including diverse team members.

Performance reviews: Include DEI as a factor in your performance reviews of outside counsel.

Additional Considerations

Support minority-owned firms: Consider allocating budget to hire lawyers from minority-owned law firms.

Diversity certifications: Look for law firms that have been certified by organizations like the Diversity Lab's Mansfield Rule, which promotes diversity in law firm leadership.



ACC FOUNDATION DEI MATURITY MODEL



ACC Foundation DEI Maturity Model

The <u>ACC Foundation DEI Maturity Model</u> is a qualitative resource designed for legal departments globally to assess the maturity of their DEI efforts across a range of functional areas proven to optimize of DEI impact and results. The model outlines clear descriptions for three levels of maturity for each DEI function – early, intermediate, advanced – providing leaders with a critical snapshot of their department's maturity and offering a roadmap of how to achieve next level goals.

STRATEGY

- □ Strategic Planning
- Governance & Resourcing
- Operating Model/Workstreams

INTERNAL

- **Recruitment**
- Onboarding
- Career Development
- □ Professional Development
- Advancement
- □ Retention
- Succession Planning

EXTERNAL

- Measurement
- □ Goal Setting/Communications
- □ Incentives & Consequences
- Community Engagement & Pipeline



acc.com/diversity-equity-inclusion



The ACC Foundation DEI Maturity Model has been designed for use by legal departments around the world to benchmark maturity of their efforts regarding diversity, equity, and inclusion (DEI) across a wide range of functional areas that have been proven relevant for optimization of DEI impact and results. This first iteration of the DEI Maturity Model outlines clear descriptions for three levels of maturity for each DEI function – early, intermediate, and advanced – providing leaders with a critical snapshot of where their department compares against the maturity continuum, and offering a roadmap of how to achieve next-level goals. The DEI Maturity Model was jointly developed by ACC and the ACC Foundation, in consultation with an advisory committee of DEI leaders from the legal and usiness communities who are responsible for advancing DEI results at their organizations. While we are pleased to offer this tool in response to the need ssed by in-house counsel for practical, accessible approaches, we intend for this model to continue to be refined and improved upon based on the valuable ack from those who use it.

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	Goal Setting / Communications
	Incentives & Consequences

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DEFINITIONS

Diversity is the variety ways and circumstances, both visible and invisible, that groups of people differ from each other.¹

Easily is the guarantee of fair treatment, access, opportunity, and advancement for all while striving to identify and eliminate barriers shar have prevented the fair eliminate barriers in a groups. The principle or equity acknowledges mat there are historically under served and groups. The principle of equity acknowledges that there are historically under-served and under-represented populations and that fairness regarding these unbalanced conditions, is needed to assist equality in the provision of effective opportunities to all groups.2

Inclusion is an environment that makes the Inclusion is an environment that makes the most of diversity. Everyone feels welcome and like they belong. They have opportunities to contribute and are accepted. Governing Body is the entity that takes

responsibility for coordination and oversight of the DEI strategy, including decision-making about goals, metrics, resource allocation, and more. It delegates extensively to local or Cook Ross

functional groups, while also holding them accountable for results.

Hes are measurements that are used to bees progress, and ultimately, results of company's DEI program.

Spensor is a serior executive who uses the position and power to advance a more junior persons erby "opening doors" to opportunities for visibility, exposure, stretch assignment, a sponsor is an advocate who takes action.

Mentor is a senior person who provides coaching to support the mentee's performance inclusion, and professional development. A mentor is an advisor who may or may not

Employee Resource Group (Affinity Group) is a group of coworkers who share characteristics or life

ABOUT THE ACC FOUNDATION

The ACC Foundation, a 501(c)(3) nonprofit organization, supports the Association of Corporate Counsel and serves in-house counsel needs and their organizations by driving diversity, equity, and inclusion and pro bono initiatives by providing research, resources, leadership, and professional development opportunities. The ACC Foundation partners with corporations, law firms, legal service providers and bar associations to assist in the furtherance of these goals.

The <u>ACC Foundation</u> fosters a more inclusive legal profession through a comprehensive approach:

Financial Support: We provide grants and donations to create pathways for underrepresented talent.

Educational Opportunities: We offer workshops, conferences, and online resources to equip legal professionals with the skills to promote inclusion within their teams.

Strategic Partnerships: We collaborate with corporations, law firms, legal service providers, and bar associations to drive systemic change.

Networking Opportunities: We connect in-house counsel with peers and experts to create a supportive and collaborative environment.

Practical Resources: We develop tools and guides to help legal departments implement effective inclusion and pro bono programs.





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