Minority Corporate Counsel Association (MCCA)
9th Annual Creating Pathways to Diversity Conference
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Measuring Progress against Diversity Objectives: A Quantitative Workshop

Workshop Description

Measuring Progress against Diversity Objectives: A Quantitative Workshop has been developed on a pro bono basis for Minority Corporate Counsel Association's 2008 Annual Creating Pathways to Diversity Conference. The workshop will provide participating law firms with insights on how to quantitatively measure progress against the diversity objectives of recruiting, retaining and advancing diverse attorneys. The session is intended to serve Diversity Committee Chairs who wish to advance diversity within their firms by measuring results over time.

Faculty Members

The following individuals contributed significantly to the development of this workshop:

Name	Title	Firm
Theresa Cropper	Director of Diversity and Professional Development	Perkins Coie LLP
Tina Paikeday	Principal	Talent Advisory Board Inc.
Tania Shah	Director of Corporate Social Responsibility	Pillsbury Winthrop Shaw Pittman LLP
Michelle Wimes	Director of Strategic Diversity Initiatives	Shook, Hardy & Bacon LLP

Summary of Key Findings

Professional diversity management is a relatively new field for law firms. As diversity professionals develop infrastructure, measurement is an important element of managing diversity since it is often said that, "what gets measured gets done." The attached detailed Q&A is based on interviews with law firms which have invested in the development of such infrastructure. It is intended to provide some practical guidance to diversity professionals in the following areas for which summary recommendations have been provided:

1. Defining Diversity Success - Diversity success is defined in a number of ways, and those who are successful in advancing diversity find ways to measure progress against definitions of diversity.
2. Developing Diversity Metrics - The most comprehensive set of Diversity Metrics includes success metrics, comparison data, interim success measures and employee feedback.
3. Designing a Reporting System - In order to affect change in the area of diversity, it is important to report progress on a periodic basis to relevant constituencies.
4. Collecting Diversity Data - In many cases, diversity data is pre-existing within other systems or committees so diversity professionals can typically leverage existing internal and external data sources to create diversity reports.
5. Drawing Diversity Conclusions - Data can be very powerful in drawing conclusions to advance diversity but should be used responsibly.

Answers from Legal Diversity Professionals

1. Defining Diversity Success

Diversity success is defined in a number of ways, and those who are successful in advancing diversity find ways to measure progress against definitions of diversity.

How do you measure diversity success? One definition of diversity success is building a successful community in which every attorney has equal access to advancement, and in which the indicators of success are transparent. Another way to define success is to set an overarching goal for the Diversity Committee to increase the percentage of diverse attorneys over a specified period of time. A third way to define diversity success is to expand the goals to also include pipeline progress and client impact. These more typical definitions of diversity success can be measured in the following ways:

Percentage of Diverse Attorneys
It is typical to measure the percentage of diverse attorneys nationally as a measure of diversity success. This metric is typically broken down further by gender and ethnicity. Some firms are also measuring GLBT and disabled statistics. These metrics are sometimes used to set internal goals. For example, one firm set a goal of increasing diversity by 10% over a five year period.

Pipeline Progress
Pipeline progress is a metric that is typically measured by the percentage of diverse attorneys at levels in the firm: summer associate, junior associate, senior associate, junior partner, equity partner, and leadership positions. The pipeline can be reviewed to determine the impact of diversity recruitment, retention and advancement initiatives and to identify any unusual patterns at certain career levels.

Client Impact
With a renewed commitment to diversity by the *Call to Action* signatories, a large percentage of in-house counsel are taking their business to law firms which are committed to diversity. It is recommended that diversity professionals measure the level of incremental business generated as a result of diversity efforts. However, most systems today are not sophisticated enough to capture this information.

2. Developing Diversity Metrics

The most comprehensive set of Diversity Metrics includes success measures, comparison data, interim success metrics and employee feedback.

What data do you use for purposes of comparing your relative diversity success? In order to track progress, comparison data can be used to track relative diversity success and identify gaps to close. This comparison data can come from a variety of sources:

External
External data can include local, national and competitor level comparisons. It is typical to evaluate diversity success metrics against national rankings. Some view the data as only meaningful in understanding the initiatives used by those firms at the top of the rankings. Instead, competitor comparisons can be evaluated across all business metrics including diversity.

Internal
Internal segments help to assess diversity progress in various practice areas, geographies, etc. For example, the percentage of diverse attorneys is often measured by office because diversity demographics differ by geography. Practice areas are another common area where firms identify internal successes and opportunities. Some suggest internal segment comparisons are more important than external comparisons because every firm has different needs and objectives.

Over Time
Data can be evaluated over time to track improvement. The change over time in metrics is typically tracked for the last three to five years in order to measure actual progress. For example, one firm saw a 15% increase in attorneys over a one-year period. Many times in partnership with other relevant committees such as Professional Development and Search, metrics such as rate-of-retention and rate-of-promotion are measured over time to evaluate trends. Evaluating data over time can help to alleviate the abnormalities in data such as economic events that may have disproportionate impact.

How do you measure interim success? Interim progress towards achieving diversity success metrics can be measured and compared against relevant industry averages. The following areas can be measured to strategically manage diversity:

Recruiting
A variety of metrics can be used to measure recruiting success, and offer-to-hire yield is one typical metric. One firm measures every recruiting stage including the percentage interviewed, the percentage offered for second rounds, the percentage of jobs offered and the percentage of acceptances. Currently, this metric is being used to evaluate recruiting effectiveness against expectations, and qualitative assessments of recruiting events are also being used to complement this data.

Retention
A variety of metrics can be used to measure retention success, and annual turnover is one typical metric. One firm measures retention by evaluating the total number of diverse attorneys and the number of diverse attorneys who leave and stay. Since retention is one of the biggest "pain-points" for law firms, the reasons for turnover are also typically measured. For example, one firm is aggregating and analyzing historical exit interviews to determine the reasons behind attrition rates. Another firm has interviewed departed attorneys for candid answers regarding reasons for departure. A third firm has conducted a retention survey in order to evaluate reasons for turnover.

Advancement
A variety of metrics can be used to measure advancement success, and billable hours for diverse attorneys is one typical metric. Billable hours are typically measured by practice groups and offices since there is significant variability across these groups. When numbers are small, it can be helpful to qualitatively assess the story behind the numbers, e.g., why four of five people are doing well and the person of color is not.

How do you collect feedback from diverse attorneys? In order to determine the optimal recruiting, retention and advancement initiatives to implement, it is important to collect feedback from diverse attorneys.

What type of feedback do you collect?
One firm is measuring satisfaction levels from programs such as mentoring and training which are intended to address retention and advancement for diverse attorneys. Another firm is developing a measure for client contact with associates as an indicator for advancement.

What instruments do you use?
Some are measuring satisfaction levels with surveys and focus groups. Others are visiting offices to meet with diverse attorneys and create a more qualitative understanding.

How often do you measure?
It is recommended that employee feedback be collected on regular intervals, at least annually. It is more typical for firms today to measure on an as-needed basis.

3. Designing a Reporting System
In order to affect change in the area of diversity, it is important to report progress on a periodic basis to relevant constituencies.

What reports do you issue, how often, and to whom?
Reports can be developed and distributed on a periodic basis to both internal and external constituencies. A single report can be used in a variety of ways to meet the firm's needs.

Management Reports
Most diversity committees send diversity reports and measurements, such as percentage of diverse attorneys, to an executive committee on a monthly or quarterly basis. Other more substantive issues such as progress against initiatives are reported quarterly or biannually in person.

Newsletters
Some firms have diversity-specific newsletters that are released quarterly. They are used to educate employees and build diversity awareness. To make them more relevant and meaningful, they can include actual diversity numbers and comparisons.

Annual Report
Some firms have more recently included a diversity section in the firm's annual report, while others have diversity-specific annual reports. These reports can include actual diversity numbers and comparisons. Some annual reports are made available publicly.

Client Reports
Clients are typically provided with relevant diversity data through various surveys and RFP requests.

4. Collecting Diversity Data
In many cases, diversity data is pre-existing within other systems or committees so diversity professionals can typically leverage existing internal and external data sources to create diversity reports.

What tools, systems, and other data sources do you use for reporting? A variety of existing tools, systems and data sources can be leveraged to collect diversity data.

Tools
The tool of choice among firms is currently Microsoft Excel. However, some are in the process of evaluating or implementing proprietary software such as Redwood Analytics which provides a Diversity Module for Business Intelligence. For example, a firm can customize modules of Redwood Analytics to compare billable hours among sub-practice groups. There is typically a transition process from creating a paper-based report, to an Excel-based report, and then to a dedicated relational database system.

Systems
Most firms use an HRIS (Human Resources Information System) for tracking diversity demographics and a billing system for tracking billable hours. Other systems include the Client Management System for reporting diversity of teams to clients. It is also important for the Diversity Committee to have direct access to these systems in order to avoid receiving only anecdotal data from other committees.

Data Sources
A variety of external data sources are used for purposes of comparison. Sources include the following: (1) the newly launched *Vault/MCCA Law Firm Diversity Database* for cross-firm comparisons; (2) the National Association for Law Placement (NALP) Directory for detailed local level comparisons; (3) *The Minority Law Journal* and *Working Mother* for national rankings; (4) Catalyst for data on women, and (5) ALM for various diversity survey results.

5. Drawing Conclusions from Data
Data can be very powerful in drawing conclusions to advance diversity but should be used responsibly.

How do you use data to effectively manage diversity? Diversity data can be beneficial in setting goals and reporting progress in order to advance the change management process. However, numbers can be manipulated, so they do not always provide the complete picture. Therefore, it is important to complement quantitative data with qualitative information. Additionally, one cannot take all data at face value because the tests may be inherently biased. For example, advancement results may indicate that diverse attorneys are not qualified, but the litmus test may be biased in some ways. Finally, it is important to align management, employees and clients with a philosophy on data transparency both internally and externally. In all cases, it is important to use data responsibly when managing diversity.