New Faces, New Ideas: Diversity in Law Firms Makes Business Sense

This is the first of a two-part article on diversity in law firms. This first section examines why more law firms are recognizing the value of having a diverse workplace. The second part will provide ideas for recruiting and retaining an inclusive workforce and offer some advice for smaller firms.

These days, law firms are learning an important lesson from the corporate world: Diversity in the workplace is not only the "right" thing to do, but it makes excellent business sense. And as more corporations and clients put pressure on their attorneys to become more inclusive, law firms are recognizing the real advantages to paying attention to diversity.

Recognition is a good first step, but the legal profession has a long way to go. According to the American Bar Association and the 2000 U.S. Census, females make up only 37.3 percent of judges, magistrates, and other judicial workers and comprise less than 29 percent of lawyers. Black and Hispanic lawyers fare even worse. Even though Blacks make up 12.3 percent of the population and Hispanics 12.5 percent, they only make up 3.9 and 3.3 percent of lawyers and just 8.8 and 4.5 percent of judges, magistrates, and other judicial workers, respectively. Other minorities also are underrepresented in the legal profession.

Clients demand more
The push for more diverse legal firms seems to be coming from clients and, in particular, corporations. In 1999, 400 chief legal officers of Fortune 500 companies signed what became known as the Diversity Statement, which was meant to encourage diversity in the workplace, says Virginia Grant, a senior consultant with Altman Weil, Inc., a global legal consultancy. What has happened is that as companies have become more committed to diversity in their own workforces, they have begun to expect more diverse outside counsel.

"Though many law firms have taken this issue seriously, most have not, which is why the legal departments of companies are trying to communicate to their outside firms the business impact of diversity," explains Grant. "Companies know that if they are more diverse, they are better able to withstand the changes in society, especially as more corporations are going global. Law firms that are able to provide diverse lawyers are able to help corporations meet these challenges. As the world becomes more multicultural, it is certainly important that law firms adhere to those demands."

Making the case
Being more diverse provides a law firm with differing perspectives, notes Aasia Mustakeem, a partner in the Atlanta office of Powell and Goldstein, LLP, and also the chair of the Committee on Racial and Ethnic Diversity of the United States Law Firm Group. When you have people from different backgrounds, you get more ideas, new ways of thinking about things, and more opportunities for problems solving.

"I think the smart law firms are beginning to understand that they can have a lot of talent embedded in their organization when they are a diverse workforce," notes Ralph Martin, a partner in the Boston office of Bingham McCutchen, LLP, and chair of the firm's Diversity Task Force. "The more people in your firm who come from different backgrounds, experiences, and educational opportunities, the more heterogeneous the environment and the more dynamic the workforce." He also points out that his firm's commitment to diversity has helped it become a better law firm, one that is better able to serve its clients.

Simply put, says Grant, if you have an inclusive environment and are getting ideas from everyone involved, it offers a better scope of legal advice.

First steps
Obviously, the first step is recognition. Law firms must be aware of the benefits of having a diverse workforce before they will be ready to make any significant changes. Mustakeem says that it sometimes takes just one person in a firm to bring the situation to light and provide not only the business case, but also ways of promoting diversity. "Even if you are not the person who can make the changes, you can have a conversation with someone who can make a difference. It may just be something as simple as saying, 'Hey, we are all really good people here at the firm, but we might be even greater if we brought in some people who offered different outlooks and had new ideas."

Your firm may want to form a diversity committee to examine the business case for creating a more diverse culture. You may even want to appoint a diversity director to oversee the process. Many firms hire diversity
consultants, who can provide excellent reference material; evaluate the needs of the firm; and offer sound advice on recruiting, retaining, and promoting a diverse workforce. "Having an objective, third-party consultant come in can be helpful because sometimes associates may not be comfortable talking to partners about what they see going on with the firm and what recommendations they would make, says Mustakeem. In addition, a consultant can make recommendations and point out things that the person in charge of diversity at the firm may be uncomfortable saying to other partners.

No matter how you decide to proceed, the essential step is creating an environment that supports diversity and respects all members of the firm. Anytime an organization makes significant changes, it is imperative that support for the action comes from the very top of the organization. When Mustakeem was asked to be the chair of Powell and Goldstein's diversity committee, she explained to her fellow partners that while she was glad to take on that responsibility, it could not be a one-person show. "I told them that change comes from the top down, so I was counting on each of them as partners to be inclusive when were thinking about staffing up their deals, deciding who they were going to work with and who they were taking to client meetings—even when it comes to such mundane items of who they asked to lunch. It is imperative that everyone does his or her part to make the change because that is the only way it is going to be successful. It all comes down to if we want the best, we include the best, and it does not matter—background, ethnicity, gender, or sexual orientation. Your partners have to understand this and support it."