# 2021 ANNUAL REPORT

# BLACK IN HOUSE COUNSEL The Impact of GREAT GREATSHP

Juliette Pryor's influence can be felt throughout America's legal departments

Courageous GCs Make Diversity Personal

GCs to Law Firms: Change–or Be Fired

Blacks on Boards: 2020 Was a Banner Year

Juliette Pryor's own journey set the stage for her approach to mentoring.





Presents

### LOUNGE: A Safe Place to Explore the Uncomfortable Topics of Bias, Racism and Hate

Agora: A public open space used for assemblies and markets

Join all attorneys, diversity professionals, and allies of corporate diversity for an open and constructive dialogue about key issues impacting the business community. Register at: tinyurl.com/AgoraLounge

### January 21, 2021 | 4:00 pm ET





SHARON BARNER Senic General Counsel Cummins Inc.

CARLOS M. BROWN VANESSA SUTHERLAND al Counsel and Chief Compliance Offi Dominion Energy, Inc. ince Officer

### March 25, 2021 | 4:00 pm ET



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Executive Vice General Counse Tyson May 11, 2021 | 4:00 pm ET



RICARDO ANZALDUA P, General Counsel a Corporate Secretary Freddie Mac



Legal C Macy's



AMY TU

President &

Executive Vice President and Chief Legal Officer Norfolk Southern

JOSE RAMON GONZALEZ EVP and General Counsel CNA

**Diversity in Action:** What are American corporations doing to transition from performative diversity to transformative profitability?

### **Maintaining Momentum:**

What are the critical success factors to ensure that this moment becomes a defining movement for diverse attorneys?

### **A Broader View:**

How are different ethnic and minority groups impacted by the social justice movement?



Moderator: **ARLENE F. ROANE** President & Founder Redhouse Performance Consulting, LLC

### October 5, 2021 | 4:00 pm ET



tor, Global Social Action Ag Simon Wiesenthal Center

ADAM FRANKEL CBAM





Moderator. LIEBE GEFT Director Museum of Tolerance



### Three Keys to Progress: Courage, Commitment, and Data

HE SPAN OF JUST 10 MONTHS has provided a reminder to Black people and a rude, inescapable awakening to almost everyone else that racism in the United States remains systemic, pernicious, and deadly. In March 2020, Breonna Taylor died after being shot by police during a raid on her apartment. Two months later, in May, George Floyd died after nearly nine minutes under a policeman's knee. In August, Jacob Blake was seriously injured after being shot seven times in the back by a police officer. And on January 6, 2021, the nation's capital erupted in insurrection that was not only racially motivated but showed a different level of law enforcement response than did the Black Lives Matter protests that followed Floyd's murder last summer. A key question we are left with: When will corporate America, in particular, do what is necessary to permanently reverse this tide?

In this publication, we focus on the people, numbers, and macroeconomic and societal forces that will drive whatever lasting change occurs. Toward that end, we:

• Take a close look at why "performative diversity" is so often the path of least resistance—and how companies can recast their diversity, equity, and inclusion efforts to achieve "transformative profitability" (page 18).

• Explore the phenomenon of "malicious compliance"—intentional efforts by people in law firms to thwart the success of Black partners and associates (page 97).

• Talk with general counsel at a dozen companies about the ways they have actively put their DEI goals to work not only in their legal departments but throughout their companies (pages 112, 116, 124, and 128).

• Preview the pledges that Leadership Council on Legal Diversity members have been making to demonstrate their personal and professional commitments to



change and to provide metrics that will show that their efforts are taking hold (page 26).

• Count the rapidly increasing numbers of Black attorneys moving into general counsel and board director positions—growth that has increased substantially in just the past year (pages 51, 54, and 92).

The data collected, the experiences recounted, and the ideas shared are only as far-reaching as the courage and commitment shown by you, our readers. If you truly want to be an ally in this quest, we need three things from you: courage (to look inward and see what *you* can do differently), commitment (to follow through), and data (to demonstrate the impact of your commitment). Anything else is performative.

loyd M. Johnson, Jr.

Lloyd M. Johnson Jr. Publisher and Editor-in-Chief BIHC 2021 Annual Report <u>lloydj@chieflegalexec.com</u>



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A roster of the growing number of Black general counsel and chief legal officers at the largest, most successful public and private companies.

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# **Fundamentals and Foundations**

Long dedicated to civil rights and public service, home to powerhouse Black partner-leaders, and committed to sponsoring ambitions inside and outside the firm, Paul, Weiss provides a preeminent platform for career success.



### Theodore V. Wells Jr.

After legendary litigator Arthur Liman's death, Paul, Weiss invited Wells, a nationally acclaimed trial lawyer, to take Liman's place in 2000. "Making me the face of their global litigation practice was a courageous, forward-thinking BigLaw 'first' that helped break the stereotype that only white males can be the go-to trial lawyers in major firms," says Wells. Another precedent-setting moment came in 2004, when Kenneth Frazier, then GC, now CEO of Merck, tapped

Wells to help lead Merck's defense in its bet-the-company Vioxx litigation. "It was a groundbreaking moment for a Black GC to hire a Black litigator to lead in a franchise-threatening matter."



### Jeh Charles Johnson

When Johnson was 19, his father showed him a *New York Times* feature on Paul, Weiss that highlighted the progressive, communityminded nature of the firm and "the frequency with which its partners move in and out of government service." That impressed Johnson: Named the firm's first-ever Black partner in 1993, he has left the firm four times to serve in government, including three presidential appointments. "Paul, Weiss has helped me fulfill my every hope and

dream for a law career," says the litigation partner, who views the present racial reckoning "not as a time for despair but as a time for staying on the continuous march toward a more perfect union."



### Loretta Lynch

With her own trio of presidential appointments, including serving under President Obama as the first Black woman U.S. Attorney General, Lynch had a plethora of reasons for joining Paul, Weiss's litigation team in 2019. "Knowing Ted and Jeh for years, I've always had high regard for the firm's client base, global reach, and team-oriented approach," she says. "The historic commitment to social justice and pro bono work was another deciding factor. Through our Sustainabil-

ity & Environmental, Social and Governance Advisory Practice, we advise clients on succeeding amid the swirl of today's issues, present concerns included. Their receptivity to making positive change is tremendously encouraging-that's the client base you want."



### **Alumnus: Congressman Hakeem Jeffries**

Jeffries chose Paul, Weiss for "a first-class training in the art and science of litigation" and its "embrace of the notion that lawyers have a responsibility to make the world a better place." As a young associate, his first case was a civil rights matter led by A. Leon Higginbotham Jr., the legendary federal judge and activist who devotedly mentored Black lawyers at the firm. "Paul, Weiss provided the foundation for my career journey," says Jeffries. Now the chair

of the House Democratic Caucus, his legislative record includes passage of historic criminal justice reform in 2018 and championing the George Floyd Justice in Policing Act in 2020.



### **Alumnus: Damian Williams**

While clerking for U.S. Supreme Court Justice John Paul Stevens, Williams reached out to Paul, Weiss on reputation alone. "I knew the firm invested in people of color and embraced public service," says Williams. "Sealing the deal was Chairman Brad Karp's enthusiasm for my stated ambition to work in government."

Tutored in trial excellence by Ted Wells and other partners, Williams now heads up the Securities and Commodities Fraud Task

Force at the U.S. Attorney's Office for the Southern District of New York. "The firm's sponsorship was integral to my success," he says, adding that "all firms must commit to developing minority talent."





Here are some of the leading thinkers whose thoughts and insights informed the coverage in this publication.



SHARON BARNER GC, Cummins Transcending her company's pioneering efforts at diversity, Sharon recently took out an ad that offered her perspective as a Black person and a mother. (pages 26, 97, 116)



CARLOS BROWN GC, Dominion Energy By focusing more on talent than tenure, Dominion has increased the percentage of Black executives in upper management to 20 percent (pages 26, 120)



CYNTHIA DOW Consultant, Russell Reynolds Associates From her perspective as a recruiter, Cynthia insists it's a moral imperative to create systems that allow people to advance. (page 60)



LUCY FATO GC, AIG In recent years, Lucy, a longtime proponent of diversity, has expanded her focus from women to racial diversity, often zeroing in on the Rooney Rule. (page 124)



APRIL MILLER BOISE GC, Eaton Having weighed in on the next class of Black GCs, April spearheaded an effort to identify seven ways every general counsel can help Black lawyers advance. (pages 70, 100)



**BURT FEALING GC, Southwire Co.** Joining with four other general counsel on a panel focused on "leadership in times of crisis," Burt showcased legal knowledge that underlies the goals of DEI. (page 102)



JENNIFER GERNEY Consultant, Spencer Stuart Leading diversity outreach for her firm's Legal, Compliance, and Regulatory Practice, Jennifer speaks frequently on the advancement of diverse talent. (page 60)



MARIA GREEN Board Member Maria told the CEO of a company she serves, "If we don't see any movement from where we are today in a year, I'm going to think about resigning from the board." (pages 18, 82, 94)



SELENA LACROIX Vice Chair, Korn Ferry Though Selena points out that many of her firm's clients don't care about diverse candidates, she notes that over the past five years, a quarter of their GC placements have been diverse. (page 60)



JEAN LEE President, MCCA Though Jean believes it makes sense for associations like hers to design their own programs, she stresses that similar groups should work together to benefit and advance all. (page 70)

### **THOUGHT LEADERS**



**DON LIU CLO, Target** As a co-founder of NAPABA, Don feels that it is important that pipeline initiatives narrowly tailor programming to the specific needs of their members. (page 70).



TOM O'NEILL GC, Exelon Focused on committing to diversity "post-Floyd," Tom described "10 specific actions that empower team members" to impact policy by using their legal skills. (page 26)



CHAKA PATTERSON GC, Adtalem Global Education The intentionality through which Adtalem ensures that the law firms it works with are committed to diversity was clear in a recent deal. (page 144)



KIM RIVERA CLO, HP Inc. To increase the numbers of diverse attorneys in leadership positions, Kim advocates for focusing on access to business opportunity and financial influence. (page 26)



JULIETTE PRYOR GC, Albertsons As storied as Juliette's career might be, even more impressive—and instructive is the impact she's had on those attorneys with whom she's worked. (page 32)



**SONYA SOM Partner, Heidrick & Struggles** Sonya lends a keen and overarching perspective as both a lawyer and a recruiter to an examination of the history of Black GCs in the Fortune 500. (page 42)



VICTORIA REESE Managing

Victoria suggests investing

resources to counter the sys-

Partner, Heidrick & Struggles

ELIZA STOKER Executive Director, Major, Lindsey & Africa Some stringent requirements keep qualified Black candidates from being considered, says Eliza, describing the tough conversations her firm has had with clients. (page 60)



ANNA RICHO GC, Cargill

As she "calls out" anti-Black

experiences with discrimina-

tion to look at how the current

movement will impact all forms

of racism. (pages 77, 90, 102)

racism, Anna draws on her own

MERLE VAUGHN Managing Director, Major, Lindsey & Africa As her legal recruiting firm's National Law Firm Diversity Practice leader, Merle has a unique perspective on disparities in pay between Black and white attorneys. (page 140)



SOLOMON B. WATSON IV Retired GC, New York Times Co. Appointed GC at the New York Times Co. in 1989, Sol was only the second Black GC at a Fortune 500 company. His perspective on change since then is illuminating. (page 48)



BARRY WILLIAMS Board Member As a lawyer, consultant, investor, and veteran board member, Barry has researched and charted the progress—and impact—of Black people on boards and in corporations. (pages 28, 86)



Presents

## LEADING WHILE BLACK WEBINAR SERIES

### FEB. 2021 – DEC. 2021 | 2:00pm – 3:00pm ET

For corporate memberships please email: **lloydj@chieflegalexec.com** For individual registration please visit: **tinyurl.com/LeadingWhileBlack** 

### Topic #1 | February 9 MANAGING THE ARC OF YOUR CAREER

Topic #2 | March 10 UNIQUE CHALLENGES FOR BLACK LEADERS



COLETTE HONORABLE Partner Reed Smith



SAVALLE SIMS General Counsel Discovery, Inc



VANESSA SUTHERLAND Chief Legal Officer Norfolk Southern



TERI MCCLURE Public Board Member GMS, JetBlue, Lennar, TRANE Corporation



DESIREE RALLS MORRISON General Counsel Boston Scientific Corporation

Topic #4 | May 12

STRATEGIC MINDSET



DONALD REMY Chief Operating Officer NCAA

### Topic #3 | April 14 CRITICAL COMPETENCIES OVERVIEW



MARIA GREEN Public Board Member Tennant Company, Wisconsin Energy Company



ANGEL SHELTON WILLIS General Counsel Sealed Air Corporation



WANJI WALCOTT General Counsel Discover Financial Services



VERONA DORCH Chief Legal Officer Providence Health



CARLOS M. BROWN General Counsel Dominion Energy, Inc.



**CHONDA NWAMU** General Counsel Ameren Corporation

### The Leading While Black webinar series encompasses the following elements:

- Identifies challenges and counter strategies that are unique to black in house counsel
- Articulate the competencies that are most relevant at various stages in the career of in house counsel
- Provide specific steps to identify and work with mentors, sponsors and advisors
- Explore strategies to overcome career derailers for black in house counsel
- Provide thoughtful commentary on the emotional weight carried by many black in-house counsel

### Topic #5 | June 9 **EXECUTIVE COMMUNICATION**



**CRAIG BEAZER** General Counsel Lincoln Financial Group



MARCUS BROWN General Counsel **Entergy Corporation** 



**BRANDON NELSON** General Counsel JetBlue

### Topic #6 | July 14 **FINANCIAL ACUMEN: 10 THINGS IN-HOUSE COUNSEL MUST KNOW**



**KIMBERLY CHAINEY** General Counsel Aptar







LARRY YOUNG Managing Director AlixPartners

### Topic #7 | September 10 FEEDBACK, UNCONSCIOUS BIAS AND UNIQUE CHALLENGES FOR **BLACK IN-HOUSE COUNSEL**



**MICHELE COLEMAN** MAYES Public Board Member Goao



**LEWIS STEVERSON** General Counsel Corning Incorporated

**KEITH MATTHEWS** General Counsel Bill & Melinda Gates

Foundation

### Topic #8 | October 13 INDIVIDUAL CONTRIBUTOR TO MANAGER TO LEADER



Chief Legal Officer

TĨAA

PHILLIP ROLLOCK PHYLLIS TURNER-BRIM Deputy General Counsel HP

**KEITH WILLIAMSON** Public Board Member **PPL** Corporation

### Topic #9 | November 9 COMPENSATION NEGOTIATION **STRATEGIES**



**DENEEN DONNLEY** General Counsel Consolidated Edison, Inc.



JOHN NIXON Partner Duane Morris



SONYA SOM Partner Heidrick & Struggles

### Topic #10 | December 7 MAKING SMART TRANSITION **CHOICES - KNOWING WHEN IT'S TIME**



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TO STAY STILL. PIVOT OR LEAVE

**DENEEN DONNLEY** General Counsel Consolidated Edison, Inc.



**RHONDA FERGUSON** General Counsel Allstate



DEAN ABATEMARCO has contributed as a creative director and designer to such publications as *LIFE*, *Reader's Digest*, and *People*.



PETER HAAPANIEMI covers business, technology, and the law as a Farmington, Michigan-based freelance journalist.



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Former newspaper reporter **RICHARD SINE** covers business, finance, law, and law firms as a London-based freelance journalist.



Buenos Aires-based illustrator **SOL COTTI** has focused on diversity for such publications as *The New York Times* and *The Wall St Journal*.



Brooklyn-based journalist JEFF HEILMAN covers travel, meetings, business, finance, technology, and legal issues.



A social media specialist, **DONNA MARBURY** covers healthcare, technology, culture, and "smart cities" from Columbus, Ohio.



GARY STERN has covered education, religion, and the structural lack of equity among communities as a New York-based journalist.



After 17 years in house, **ELISA DAVIS**, Adtalem's associate GC, recently—and for the first time—worked on an allfemale, all-Black M&A team.



HEATHER JONES has used graphics to explain complicated statistics for such publications as *Time* and *Best Life Magazine*.



MATTHEW SCOTT, based in Brooklyn, focuses on issues driving corporate boards as a columnist for *Corporate Board Member*.



Longtime business editor MIKE WINKLEMAN runs Leverage Media, a B2B custom publishing and content marketing firm.



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# FINDING OUR PATH NOUR FORWARD

**IT GOES WITHOUT SAYING** that 2020 was the most tumultuous in recent memory. The triple threat posed by the pandemic, the recession, and the inescapable reminder of the lack of social justice still extant in America pushed the country—and its corporations—into a reckoning that is at once fundamental and existential. In the following section, we dig into the root causes, as well as the effects, of the current movement toward social justice. We look closely at some of the statistics that show just how far behind Black people in America remain in terms of healthcare, education, housing, money, and that most important of indicators, longevity. We examine the limited impact that so many companies have when they approach diversity from a "performative" perspective rather than taking a long-term, strategic approach in which achieving true diversity is tantamount to business success and profitability. We describe a program recently launched through which GCs and managing partners have commited to change. And finally, longtime lawyer, business consultant, and board member Barry Williams reflects on how to create truly lasting change, starting in the boardroom.

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**MOVING FORWARD** 

# Numbers Don't Lie

Depending on how you view them, statistics documenting 2020 show either an erosion of or great progress in the quest for racial equity. **By Mike Winkleman** 

N MONDAY, DECEMBER 28, 2020, a white police officer in Columbus, Ohio, was fired for fatally shooting a Black man, 47-year-old Andre Hill, and failing to administer first aid as Hill lay dying. This was the second such killing in Columbus in just over three weeks. On December 4, 23-yearold Casey Goodson Jr. was shot by a Franklin County Sheriff's deputy. The police had just finished an unsuccessful search for a fugitive and saw Goodson driving by, waving an object. The deputy claims it was a gun; Goodson's family says it was a sandwich.

With their deaths, Hill and Goodson join a list of some 80 Black people who have been killed by police officers since the murder of George Floyd last May 25—a murder that set off protests across some 2,000 cities worldwide and brought microscopic attention to the state of racial equity in the United States. That the murder of Floyd—and of Breonna Taylor two months earlier—has been followed by so many more deaths of Black people at the hands of law enforcement raises the question of what sort of consciousness last year's social justice movement has actually raised, and what sorts of behavior have changed as a result.

This publication is filled with numbers. And the stories these numbers tell document both the impact of longrunning systemic racism and the possibility that, this time around, change is coming. Consider the following:

• By almost any metric, Black men and women rank lower than their white counterparts, with less access to healthcare, lower educational achievement, less homeownership,

At left, the names of many of the Black people killed by police officers in 2020. George Floyd died after an officer knelt on his neck for 8 minutes and 46 seconds. Breonna Taylor lay dying for more than 20 minutes before medical attention arrived. less access to funding, and shorter life expectancy (page 14).

• At least 10 general counsel—and an equal number of law firm managing partners—have signed a pledge with LCLD, providing not only personal and organizational commitments to change, but metrics with which to prove the change has occurred (page 26).

• To push performative diversity into the realm of transformative profitability, experts estimate that companies need at least three Black directors on their boards (page 18).

• After nearly 40 years serving on some 16 boards, lawyer and consultant Barry Williams conducted a study of 50 Black board members, finding that most were not, at the time they were surveyed, forecasting much gain for Black director representation (pages 28 and 86).

• On the other hand, the rush to name Black directors in the wake of George Floyd's murder resulted in an unprecedented number of new Black directors appointed in 2020, including 25 Black attorneys(page 92).

• In the same time period, at least 28 Black attorneys took on new general counsel positions in Fortune 1000 and large privately held companies (page 51).

• A recent study of Minneapolis-area law firms shows that while two top firms reported growth in ethnic and racial representation of 9 percent between 2018 and 2019, two firms actually lost 3 percent or more (page 109).

• Since taking over as Cummins's GC in 2012, Sharon Barner has fired six law firms for not complying with her diversity requirements (page 97).

• And minority partners are joining the ranks of non-equity partners at three times the rate of white partners—and making one-third as much money (page 140).

A hopeful picture—or one that still needs a lot of work? Clearly both. The pages that follow provide the beginning of a playbook for change. ■



# From Cradle to Grave: The Impact of Systemic Racism

ACCESS TO	LEADING CAUSES OF DEATH, 2017					
HEALTHCARE		White Women	White Men	Black Women	Black Men	
Less access, less insurance, more disease	Heart Disease	21.9%	24.7%	22.8%	23.7%	
>	Cancer	20.3%	22.4%	21.5%	20.2%	
	Stroke	6.0%	4.1%	6.5%	4.9%	
UNINSURED	Diabetes	2.2%	2.8%	4.5%	4.3%	
RATES FOR NON-ELDERLY, 2018 V Whites 2 7.5% 2 Blacks 0 11.5% A	American adults	American adults with received mental non	ompared 1 <b>18.6%</b> of -Hispanic te adults	<b>6.2%</b> of African American adults received prescription medication for mental health services	compared with <b>15.3%</b> of non-Hispanic white adults	
EDUCATION		BLACKS: 86.00				
At all levels, less achieve		WHITES: 92.99	%	Ŷ		
Earned a graduate or advanced professional degree		BLACKS: 21.4%		Earned at least		
BLACK	WHITE	WHITES: 35.89		a high school diploma		

BLACK WOMEN: 23.8%

BLACK MEN: 18.5% WHITE WOMEN: 35.9%

WHITE MEN: 35.6%



SOURCES: (Healthcare) U.S. Dept. of Health and Human Services, Centers for Disease Control and Prevention. (Education) U.S. Dept. of Health and Human Services/Office of Minority Health, Housing) Joint Center for Housing Studies of Harvard Unix; Redfin; Pew Research Center, (Monoy) U.S. Dept. of Health and Human Services/Office of Minority Health; Small Business Administration. (Longevity) Centers for Disease Control and Prevention.

# **MOVING FORWARD**

**UNMET CREDIT NEEDS** 



### MONEY





# Pathways for Success

By taking a focused, forthright approach to diversity and inclusion, Willkie fosters a culture of mutual respect, support, and comfort that, combined with unlimited opportunity and practice group excellence, creates an exceptional environment for success, advancement, and partnership.



### Kim A. Walker

With Willkie since summering in 1990 and leading diversity efforts since 2003, Walker says a key component in the drive for equal opportunity is listening to clients: "They want insight into who handles their matters, which, as chief diversity and inclusion officer, I find terrific."

In prioritizing retention, the firm asks the same of itself. "In 2016, at the direction of the firm's chairman, we created a task force to scrutinize and guide the development of each associate. This creates clear pathways for

success." Walker, a New York-based partner, is invested in maintaining Willkie's differentiating embrace of inclusion: "From addressing unconscious bias-still the profession's greatest barrier to diversity, equity, and inclusion-to diversifying our leadership, our care for our people produces major dividends."



### **Phillip Isom**

Now a partner in the firm's Asset Management Group, Isom joined Willkie in 2011 specifically for the career opportunity. "At a time when the market was changing, their unique private equity practice squarely fit my ambitions and skills," he says.

Made to measure, too, was the culture of camaraderie and respect. "The firm's diversity and inclusion efforts have only enhanced the comfort of working here, which has been integral to my success,"

he says. "While BigLaw has traditionally focused on the individual, we consistently support each other. I would not have achieved the success I have had at Willkie without our partners' focus on collective growth."



### Solomon Wifa

Attracted by Willkie's rapidly growing European footprint and marketleading private equity capabilities, Wifa joined the firm's integrated asset management team in 2015 confident of "the fantastic platform on which to build out my practice."

Willkie's "collaborative and entrepreneurial" culture was another deciding factor for the London-based partner. "I was impressed at how welcoming, inclusive, and energetic everyone was, and how the

firm strives to value and respect every individual," he says.

His practice has exceeded his expectations. As he puts it: "Engaging on highly technical transactions with skilled teams from different geographies has given me a truly international industry view and, importantly, the opportunity to work alongside leaders in their field."



### **Randall Jackson**

Jackson, a New York-based litigation partner, was irresistibly drawn to the firm's "deep and varied practice area expertise, culture of collegiality and dedication to our clients, and commitment to diversity and pro bono work."

Formerly an Assistant U.S. Attorney for the Southern District of New York, Jackson gained national attention for his prosecutorial prowess in the Times Square Bomber and Bernie Madoff cases. He has

only furthered his reputation at Willkie, including recognition as one of the *National Law Journal*'s 2020 "Winning Litigators" for co-leading the acquittal of shipbuilding executive Jean Boustani in a \$2 billion securities fraud case.



### A. Mark Getachew

Summering at a major corporation as a first-year student at Fordham Law, Getachew impressed the GC, a former Willkie partner, who introduced him to the firm. "The interview process affirmed all the positives he had shared, including getting a sense of comfort from speaking with Black associates," recalls Getachew, who joined the firm as a first-year associate in 2000. Making his own strong impression, he was trusted with smaller M&A and private equity deals before handling his first

billion-dollar M&A transaction at the beginning of just his fourth year. "Willkie recognizes ambition and cultivates talent," says the New York corporate and financial services partner, "which has allowed me the opportunity to build a thriving and rewarding practice."

# YOUR PLATITUDES HURT!

RESULTS NOT WORDS!

PROMOTE US-OR PERISH!

NO MORE PRESS RELEASES! RELEASES!

### BIHC BLACK IN HOUSE COUNSEL MOVING FORWARD

# **Performative Diversity Is Not the Answer**

As a reckoning on racial injustice unfolds across the United States, companies are giving more attention than ever before to diversity and inclusion. So far their efforts have yielded mixed results. **By Matthew Scott** 

**"DIVERSITY" MEANS VERY DIFFERENT THINGS** at different companies, and attempts at "inclusion" of underrepresented groups often fall short. "Most organizations have tactics, programs, and events, which is good, but they don't really move the dial in terms of bringing about fundamental change and more diversity in those organizations," says Effenus Henderson, co-director of the Institute for Sustainable Diversity and Inclusion.

Henderson and other diversity and inclusion experts are concerned that a great deal of the energy and resources aimed at diversity is falling into the category of "performative diversity," defined as "the act of engaging (intentionally or unintentionally) in diversity and inclusion practices that do more to promote an organization's image than they do to influence an organization's diversity and inclusion outcomes."

Henderson, putting it more bluntly, likens performative diversity to "window dressing or vanity diversity, where you're trying to get on the best places to work list." Some of the press releases, participation in community events, donations to charities, and public displays of support for Black Lives Matter protestors seemed to fit that description (see chart on pages 20-21 for a response continuum).

While such corporate actions show much-welcomed support for Black people,



### Anti-Black Racism: A Response



they probably do more to make the company look good than actually accomplishing anything that ensures diversity and inclusion practices will be implemented and embraced within the organization. Experts say that for companies to make a lasting impact on diversity, they must do more than just make press statements, symbolic gestures, and goodwill donations.

Unfortunately, issuing statements like "We intend to do better" and making financial donations to community groups have long been accepted practices when dealing with diversity. When one company takes this approach and survives the criticism, it encourages other companies to follow suit.

Stefanie Johnson, associate professor at the University of Colorado's Leeds School of Business, examined the press releases, web pages, and other communications of the Fortune 500 for more than a year, tracking their responses to calls for greater diversity and, more recently, the Black Lives Matter protests after George Floyd's death last May. The most common response from companies, she found, was a press statement, which experts say is the minimum to show that diversity is at least on the organization's radar. The least common response was for companies to take clear actions that demonstrated a real commitment to improving their actual record on diversity.

"For any other area of your organization, you're going to look at what actually works and what's the return on investment," says Johnson. But when it comes to diversity and inclusion efforts, she notes, "most companies are not going to measure whether what they're doing had any impact on actual diversity outcomes. So it's just a bad

### **Performative Diversity:**

"The act of engaging (intentionally or unintentionally) in diversity and inclusion practices that do more to promote an organization's image than they do to influence an organization's diversity and inclusion outcomes."

### **MOVING FORWARD**

### Continuum

While many companies respond to the drive for diversity with such performative measures as press releases, those that understand the transformative possibilities of a more comprehensive response find that diversity can lead to profitability.



business practice to engage in performative diversity, because it's not having the intended effect, unless the goal is to look good. ... It's a waste of money."

If companies want to improve diversity and inclusion outcomes, diversity advocates suggest they commit to working toward "transformative profitability," which is defined as "the act of intentionally and deliberately engaging in diversity and inclusion practices known to increase an organization's profitability and strategic business outcomes."

"Transformative profitability represents the business value that you derive from what has been argued as the business case for diversity—not in theory but in practice," says Randal Pinkett, chairman and CEO of BCT Partners, a consulting firm. "It's increasing revenues, increasing income, and delivering value to the business," he says. "It hits the bottom line." But just as important, Henderson says, is that transformative profitability seeks to fix the root causes of why there has not yet been sustainable change and a higher level of diversity within the organization.

"Transformative diversity is rolling up your sleeves, building a commitment, and creating a change strategy that is sustainable over time," he says. "It's being very intentional about diversity and inclusion, providing the resources to make sure that there is traction, and measuring how you are doing so that you can hold leaders and employees accountable for results."

Each company has to develop its own unique change strategy that both boosts its financial value and improves its diversity outcomes. Here are some basic measures our experts agree should be part of any sustainable change strategy that hopes to meet its diversity goals.

### **Transformative Profitability:**

"The act of intentionally and deliberately engaging in diversity and inclusion practices known to increase an organization's profitability and strategic business outcomes."



### REWARD DIVERSITY WITH COMPENSATION

Paying financial incentives for meeting goals is an effective and widely accepted practice at many companies. Experts endorse this approach when diversity goals are linked to positive outcomes at the company. As Pinkett puts it, "Align your incentives with your objectives. Much like we set targets for sales, we set targets for diversity, equity, and inclusion, and then we tie compensation and incentives to those goals." But you have to make sure executives buy in, he adds: "If people don't meet those goals, they get fired."

### EMBED DIVERSITY INTO BUSINESS STRATEGY

Johnson says that some organizations are using diversity as part of their growth strategy. For example, if a company has targeted a new market, hiring individuals who have experience and knowledge of that market cam—besides increasing diversity internally—provide valuable insight into that market. She suggests that companies "determine how diversity is going to aid in whatever strategy you are working on, rather than using diversity as a strategy."

If a company wants its workforce to reflect the customers, clients, and communities it serves, it can develop a human capital management strategy that uses diversity to meet that goal and provide a market advantage. Henderson says pursuing such transformative change starts with company leadership clearly communicating its commitment to "understanding how [diversity and inclusion] can fundamentally transform the organization and help it achieve competitive advantage in the marketplace." The entire organization must be clear about the role diversity plays in the business strategy. Then the company must assess the current level of diversity in the organization, determine if there are any gaps that could hamper success, and make filling those gaps a priority. Once those steps are completed, he says, the strategy should lay out the areas of primary focus and detail the actions the company will be taking to drive progress toward the end goals.

### **CREATE AN INCLUSIVE CULTURE**

When the transformative profitability conversation focuses only on doing things that will literally "make the company a profit," the inclusion aspect of diversity gets lost. Stephanie Creary, assistant professor of management at the Wharton School of the University of Pennsylvania, says there must be a broader definition of transformative profitability that includes individuals gaining something—opportunities for promotion, special work assignments, or the acknowledgment and respect of senior leaders—that enhances their relationship with the company. "When the end game argument becomes about making the company more successful without helping the individuals in it feel like they, too, are benefiting, I think we've gone too far," she says.

Creary stresses that companies must have strategies for programs, policies, and initiatives designed to increase diversity, improve inclusion, and cultivate a sense of belonging. Resource groups, task forces, executive training programs, mentoring programs, and town hall conversations can help create a company culture that produces benefits that won't show up on the balance sheet.

### **DEMAND ACCOUNTABILITY**

Accountability is a crucial part of accomplishing any major initiative. One way to hold companies accountable is to get them to go public with their corporate commitments to diversity. There have already been calls for public companies to issue annual reports on diversity. "That puts a spotlight on the individuals in power," says Pinkett. Public pressure from customers, business partners, employees, and shareholders can certainly be effective.

Henderson says diversity and inclusion initiatives must be started by leadership and be "intentional and deliberate." That's really where accountability starts. It requires the CEO and the board of directors to develop a diversity strategy with systems, practices, policies, and processes that can achieve desired outcomes and have actionable consequences that hold everyone involved accountable.

Maria Green, who sits on the board at three companies, was recently asked by the CEO of one of those companies for advice on how to increase the number of Black senior managers there. After suggesting some steps management could take right away, she insisted they create a baseline by measuring the current level of Black senior managers. That way, in a year, they could assess their progress. Then Green told the CEO, "You know, there's got to be some accountability. If we don't see any movement from where we are today in a year, I'm seriously going to think about resigning from the board."

The CEO was shocked that Green would put her board position on the line, but the fact that she did illustrated the level of seriousness and commitment to improving diversity she wanted everyone to bring to the effort. Says Green, "You've got to offer up something that means there are consequences to not meeting the benchmark." ■

### **MOVING FORWARD**

### **Performative to Transformative**



Many of the things organizations do that are very widespread practices don't have a large effect on actual diversity and inclusion outcomes." -Dr. Stefanie Johnson, Univ. of Colorado/Leeds School of Business

Consider this work as adaptive. You have to be constantly vigilant to changing conditions, additional work, the financial sustainability of your organization, and other incidents that occur." -Effenus Henderson, Institute for Sustainable Diversity and Inclusion



PERFORMATIVE DIVERSITY

- WEAK PRESS
- DONATIONS TO **BLACK CAUSES**
- SYMBOLIC GESTURES **OF SUPPORT**

### CHALLENGING, SAFE

- HIRE DIVERSITY OFFICER FOR HR REVIEW
- PAY EQUITY ANALYSIS
- GOALS FOR PARTNERSHIPS WITH BLACK SUPPLIERS
- DONATIONS TO ANTI-RACISM ORGANIZATIONS

### **INCREMENTAL** CHANGE

- 1 BLACK BOARD MEMBER
- LEADERSHIP DEVELOPMENT

### TRANSFORMATIVE PROFITABILITY

- EXECUTIVE COMPENSATION **TIED TO DEI GOALS**
- LEADERSHIP DEVELOCITIE
  STRATEGIC BUSINESS
  STRATEGIC BUSINESS
  STRATEGIC BUSINESS
  OBJECTIVES ALIGNED WITH DEI METRICS



Develop a well-rounded diversity and inclusion strategy that has initiatives designed to increase diversity, improve inclusion, and cultivate a sense of belonging." —Dr. Stephanie Creary, Univ. of Pennsylvania/Wharton School of Business

Having executive compensation tied to diversity goals is the gold standard for transforming what happens within most organizations." —Dr. Randal Pinkett, **BCT** Partners



### **Structured for Success** PRIORITIZING THE CLIENT, COVINGTON & BURLING LEADS AS ONE, WITH OPPORTUNITY FOR ALL.

hen asked what sets Covington apart, partner Catherine Dargan, a past member of the firm's Management Committee and chair of its corporate and M&A practices, explained, "Our primary focus is providing top-tier service and advice to our clients on all fronts. To achieve that, we foster a team culture in which all of our attorneys have the opportunity to engage with clients." Covington has attracted, retained, and cultivated Black leaders across practice groups. In addition to Dargan, it counts among its ranks two former cabinet-level officials; leaders of the firm's white collar and government investigations, private equity, and product liability litigation practice groups; and relationship managers for six



<u>Michael Baxter</u> ABA Business Bankruptcy Committee, Past Chair; D.C. Road Show, Chair



<u>Catherine Dargan</u> Corporate and M&A, Chair; Management Committee, Past Member



<u>Stacey Grigsby</u> Commercial Litigation; Relationship Manager for Uber



**Eric Holder** 82nd Attorney General of the United States



**Broderick Johnson** Public Policy; Senior Obama and Clinton White House roles; My Brother's Keeper, Chair



Jennifer Johnson Communications & Media, Past Co-Chair; IoT, Co-Chair

"UBER COUNTS COVINGTON'S BLACK PARTNERS ACROSS VARIOUS PRACTICE AREAS AMONG OUR MOST TRUSTED ADVISERS. THESE ATTORNEYS ARE RENOWNED IN THEIR RESPECTIVE FIELDS, BUT WHAT DIFFERENTIATES THEM IS THEIR CONSISTENT DEDICATION TO THE DEVELOPMENT AND PROMOTION OF YOUNGER BLACK COLLEAGUES WITHIN THEIR FIRM AND IN THE LEGAL PROFESSION. DIVERSITY AND INCLUSION ARE ESSENTIAL TO US AT UBER, AND WE KNOW COVINGTON STRONGLY SHARES IN THAT COMMITMENT AS WELL." -Tony West, Chief Legal Officer, Uber

Fortune 500 clients. Dargan cites Covington's lack of origination credit as "especially important for diverse lawyers, who at large law firms were historically excluded from firm-held client relationships," because at Covington, "expertise is what counts." This culture benefits clients. Dargan adds, "Our lawyers have a true sense of belonging and ownership. We go above and beyond for our clients-their goals are our goals."



<u>Phyllis Jones</u> Product Liability and Mass Tort, Co-Chair; Management Committee



**Aaron Lewis** White Collar, Vice-Chair; Assignments Partner, Black Lawyer Affinity Group, Co-Chair



**Lisa Peets** Technology/Data Protection; Assignments Partner; Management Committee



<u>Simone Ross</u> White Collar; Life Sciences/Device, Co-Chair; CLC Board Member



**Amy Wollensack** M&A; Private Equity, Co-Chair; Diversity & Inclusion, Co-Chair; Hiring Partner

"WE FOSTER A TEAM CULTURE IN WHICH ALL OF OUR ATTORNEYS HAVE THE OPPORTUNITY TO ENGAGE WITH CLIENTS."

---Catherine Dargan

### COVINGTON



# **'I Will Use My Voice'**

LCLD asks its member GCs and managing partners to make both personal and organizational commitments to measurable and lasting change. **By Mike Winkleman** 

OR A LONG TIME PRIOR to the murder of George Floyd, the leadership of the Leadership Council on Legal Diversity (LCLD) was looking to take the principles it had been espousing since its founding in 2009 and put teeth to them. Its goal was to find a way through which its general counsel and law firm managing partner members could courageously commit not only to talking about increasing options for Black, Hispanic, and Asian attorneys, but to developing concrete plans with measurable results.

As with so many other DEI efforts, LCLD's plans to codify commitments were catalyzed by the social justice movement that moved to the forefront after George Floyd's murder. And in October 2020, at its annual board meeting, LCLD introduced its Leaders at the Front program.

"We do a lot of talking," says Robert Grey, LCLD president, "but at the end of the day, isn't it time that we say what we mean and mean what we say by putting in writing exactly what we're doing, in a transparent and accountable way, to be viewed by colleagues and those we say we're helping."

To do just that, Grey and the LCLD board created Leaders at the Front, with the tagline: "It's not just a moment, it's a movement," and asked members to "create personal action plans, and publicly commit to them, with the goal of building a more perfect union—in our organizations, our communities, and our world."

Each pledge consists of three parts: a personal commit-

ment, an organizational commitment, and the metrics by which success will be determined. This means, Grey notes, that "if you're saying you're creating diverse teams, we understand what that means. If you say you're focused on creating more opportunity to originate business, you can show how that works. If you say you're creating a succession plan, you can show that plan." And this, he says, moves the profession from a simple *call* to action to a solid *plan* for action.

During a panel discussion at the LCLD annual meeting open only to general counsel and managing partner members, the panelists-Cummins GC Sharon Barner, HP chief legal officer Kim Rivera (LCLD's chair-elect), Disney GC Alan Braverman, Crowell & Moring Executive Committee chair Ellen Dwyer, and Skadden Arps executive partner Eric Friedman-called for attendees to develop their pledges and asked them to bring drafts of those pledges to one of three summits that LCLD is holding in early 2021. As the quotes on the opposite page indicate, many general counsel (joined by an equal number of managing partners) have already filed their pledges. But Grey is quick to note that "this is an iterative process. We're looking at a fiveyear window for completion, not a one-year window. We expect our members will discuss, refine, and evolve their pledges as they move forward."

Given the enthusiasm with which the pledges have been accepted, it seems that the likelihood that these plans will produce results—and lasting change—may be greater than it's ever been. ■

# 66

Isn't it time that we say what we mean and mean what we say by putting in writing exactly what we're doing in a transparent and accountable way?" —*Robert Grey* 

## **MOVING FORWARD**

### EXCERPTS FROM GC PLEDGES I personally commit to the following...



### SHARON BARNER General Counsel Cummins Inc.

"To sponsor, mentor, and assist African American and diverse talent to ensure visibility to leaders across the enterprise, development roles, and challenging experiences to ensure personal and professional development/growth."



### ALAN BRAVERMAN General Counsel The Walt Disney Co.

"To be a tireless advocate for the imperative of achieving greater diversity in the legal profession and to underscore its urgency."



CARLOS BROWN General Counsel Dominion Energy Inc. "I will not just take up the seat at the table that has been set aside for diversity, African Americans, or other people of color. I will use my voice, I will say something, I will lead."



### DENEEN DONNLEY General Counsel Con Edison

"To use my voice and influence to publicly advocate for material systemic change to address diversity, equity, and inclusion impediments in the legal community."



### MARIE OH HUBER General Counsel eBay Inc.

"Both individually and in partnership with other CLOs/GCs, law firm partners, and thought leaders in the space—to drive systemic change in the legal industry."



### STEFAN JOHN General Counsel BASF Corp.

"To continue to encourage the advancement of diversity, equity, and inclusion in the legal field. To continue recruitment and retention efforts focused on diversity, equity, and inclusion."



TOM O'NEILL General Counsel Exelon Corp.

"To enable actions developed by in-house Legal DEI Committee post-Floyd: 10 specific actions that empower team members to use their legal skills to impact policy changes."



KIM RIVERA Chief Legal Officer HP Inc.

"Define, promote, and advocate for policies and practices that focus on access to business opportunity and financial influence as a means of increasing the numbers of diverse attorneys in leadership positions, particularly at senior levels."



LAURA STEIN General Counsel, Corporate Affairs The Clorox Co.

"To use my voice to advocate for greater diversity and inclusion. To collaborate and take action to achieve greater diversity and inclusion."



DAVID YAWMAN General Counsel PepsiCo Inc.

"I will use my voice as a leader in my organization and in the profession to advocate for DEI in the legal profession and in my community."



### **Q&A WITH BARRY WILLIAMS**

# **'CEOs need to see the gap between what goes on in the boardroom and what happens in the trenches.'**

Lawyer, businessman, consultant, investor, and veteran board member **Barry** Lawson Williams shares his views, developed over a long and distinguished career, on the impact of diversity and race on corporate leadership. By Matthew Scott

**MATTHEW SCOTT:** You've been an attorney, a management consultant, and a board member for 50 years. What's different now about how companies respond to calls for diversity? **BARRY WILLIAMS:** I got on my first board in the 1980s, but I know there were various mandates for diversity starting in the 1960s. All those efforts, including in the 1980s, were limited to getting one Black plus women on boards. And since most people approached diversity by asking the same people, the same people were multi-boarded.

Around the year 2000, there were changes in how corporations approached diversity. I saw that Blacks were not being replaced by Blacks once they either termed out or retired from service. Then I saw diversity being expanded so that it included gender and ethnic diversity in addition to racial diversity. And finally, diversity efforts expanded to business procurement and philanthropy. All that happened pre-George Floyd and other events. That created a spotlight on the lack of representation of Blacks on boards and in management and suppliers. But the big question is, are we going to do something significant and sustainable? **MS:** Were there times during your career when you helped guide companies in their efforts to not just give lip service to diversity, but to make permanent, transformative changes in their boards, management, and workforces?

### Barry's Board Service

Williams earned MBA and law degrees from Harvard, founded his own private equity consulting firm, and has served on 16 corporate boards (listed at right). He recently published the "Black Corporate Directors Time Capsule Project," groundbreaking research on insights from 50 black corporate directors who collectively represent 274 board seats (see page 86). CH2M Hill Cos. Ltd. Navient Corp. Newhall Land & Farming Co. Simpson Mftg. Co. Inc. Sallie Mae R.H. Donnelley Co. Synavant Inc. Kaiser Permanente American Presidents Co. USA Group Inc. Ameron International Northwestern Mutual Life PG&E Corp. (lead director) CompUSA Lucas Arts Dillon Read

## **MOVING FORWARD**



**BW:** Early in my career as a director, I honestly don't think I pushed hard enough on diversity, and therefore not much got done. Then I realized that neither I nor other Blacks were necessarily going to be replaced by another Black person on the board. I began thinking about what was needed to really get diversity implemented in a corporation, and I realized that you had to have a CEO mandate—and perhaps the CEO and some directors—to get the best effort.

I remember two specific instances where I was able to advance diversity at a company. On one board, I got to be chair of the compensation committee, and I helped that company build diversity into the goals of senior executives and hold people accountable for diversity as one of their performance measures. Then, on another board, I insisted that Black senior executives also make presentations to the board, because that's how the board determined how somebody was doing at the company. Black executives were not the ones making presentations.

**MS:** What role have you, as a Black attorney, consultant, and board member, been able to play in helping companies understand—and act on—changes necessary for diversity?

**BW:** After realizing we're not all unified on the need for diversity, I've gone back to my diversity basics. Number one: Research has shown that diverse thinking leads to better

### **MOVING FORWARD**



### I'm for increasing board size. Though in boards I've seen, size wasn't the defining characteristic. Still, increasing board size will help make room for diversity."

company performance and that diverse thinking is greatly aided by diversity in the boardroom. Second, you'll better understand your markets if you have people representing those markets inside your company. And a diverse board will help you understand diverse markets.

Finally, I asked my sons, "What are the characteristics of a company that you would seek to work for?" And they said younger people aren't going to work for a company unless it has certain characteristics, diversity high among them. So diversity is not just good for attracting Black talent but for getting white talent, because [young people] don't want to work for a company that is not diverse.

Nowadays, I'm trying to tie diversity to the post-COVID era and the new normal regarding business models. I think the best way to have a rigorous discussion about new business models is to bring in people with diversity experience.

I'm also encouraging CEOs to listen to their affinity groups because there's always a gap between what goes on in the boardroom and what happens in the trenches of a company. The people in the affinity groups can best tell us the impediments they've faced in their careers.

**MS:** Given where we are today, what should companies do structurally, compositionally, strategically, even tactically not only to make changes but to make sure they stick?

**BW:** I'm for increasing board size. I've seen boards as small as five people and as large as 16, and each was effective because it had good board governance—size wasn't the de-

fining characteristic. Still, increasing board size will help make room for diversity.

We should also have some sort of term limits. I was on two boards in excess of 26 years. Although I was a highly productive board member because I knew what I was doing, I was also preventing younger people with new ideas from coming in. We've got to get to a point where people understand that while a board member might have been great for a period of time, the issues the company is facing require new skill sets.

To make things stick, we need greater disclosure about diversity—racial, ethnic, and gender disclosure, and by position. We also need to have companies disclose the skill-set criteria for board members and the criteria for their searches. I'm afraid that if business doesn't get its act together and lead, a lot of this will be mandated. And we might not like how it's mandated.

MS: Who is responsible for making those changes?

**BW:** It falls on the shoulders of the board first. I also think that institutional investors are going to step up. They're already asking more questions about diversity for boards and how that affects returns.

MS: How will you know these changes have been made?

**BW:** You'll see the change in the disclosure requirements, and once we get rid of this glass ceiling of one Black and two women on a board. As diversity in business increases, it will destroy that glass ceiling. ■



# CHANGING PATTERNS EADERSALDE

AT THE CORE OF CREATING LASTING change is leadership—solid, committed, capable, and caring—at every level in the organization. And, we've found, that is especially true in the legal department. In this section, we look at how Juliette Pryor's paying-it-forward philosophy has had a critical impact on the expanding careers of those legal leaders who have followed her, and those who have followed them. We examine the not-so-long history of Black general counsel in America's leading corporations and speak with several pioneers about the lessons they've learned. We present a gallery of top Black GCs who are now serving the largest public and privately held companies, demonstrating the impact that Black attorneys are starting to have on the nation's C-suites. And we reflect on the role that both executive search professionals and associations representing minority attorneys play in developing a pipeline of Black, Hispanic, and Asian attorneys—and in moving those attorneys into the leadership positions that have long eluded them. Before becoming the leader's leader, Juliette Pryor went through her own personal journey.

### BIHC BLACK IN HOUSE COUNSEL LEADERSHIP

# School's in Session

How **Juliette Pryor** nurtures in-house talent and leads by example. **By Richard Sine** 



JULIETTE PRYOR WAS A GIFTED 10TH-GRADER at a mostly white high school in upstate New York when her counselor remarked that she was "pretty smart for a Black girl." Thanks to her upbringing and inner character, Pryor has done much more than overcome the racism of people like that counselor, whose job had been to help her reach her potential. She's also helped so many other lawyers reach their own potential, as the unofficial founder and chief instructor of what one mentee calls "the GC school of JP."

"School" is not an exaggeration. At last count, at least eight lawyers who have reported to Pryor have reached the general counsel level; several others are just a rung below. Pryor's many acolytes come from all races and backgrounds, having reached the top of a profession and corporate environment that still leans heavily white and male. But no one puts her on a pedestal, because they've been



by her side as she's shepherded companies through many challenges, including relocations, bankruptcy, an attempted merger, spin-offs, and two IPOs.

Meanwhile, Pryor—now general counsel at Albertsons, the nation's second-largest grocer—has gone through her own personal journey. Her admirers say she excels at maximizing their productivity by helping them bring their "authentic selves" to work. But to help others, she had to first learn this lesson herself.

### **A SENSE OF WORTH**

Pryor is the daughter of a schoolteacher and a Baptist minister, both of whom had been active in the civil rights movement. As the family moved to towns where her father pastored, Pryor often found herself one of the few Black students—and sometimes the only one—in her school. "From my parents I got a sense of self-worth and value that I belong in this space," she says. "A reassurance that I can and should speak up."

At 15, Pryor spent a formative year in Brazil as an exchange student. Then she attended Fisk University, an HBCU, which, she says, "took the race factor out of the conversation in terms of getting to know myself." And she started speaking up: In college she was student body president and led a multi-university protest against South African apartheid. While at Georgetown's law school and school of foreign service, she was the national chair of the National Black Law Students Association.

After law school, she joined IBM, then one of the rare large companies to hire directly out of school. "I loved



### 'Not for the Faint of Heart'

Gail Sharps Myers, SVP and General Counsel, Denny's

ail Sharps Myers was already at US Foods when Pryor joined the company as deputy general counsel and became her first female boss. "She's very direct in what she wants—she doesn't play hide the ball," Myers says of Pryor. "She's tough but fair. She always created opportunities to stretch ourselves and meet more senior people in the company. She made sure you brought your authentic self to work. And she encouraged us to be bold. Because what we do is not for the faint of heart."

Pryor encouraged Myers to "lean into difficult subjects and topics in a way that is productive, collaborative, and gets to the right place." She taught Myers the nuts and bolts of running a department as well as how to manage people with different personalities. "That's where [Pryor's] style, grace, and being able to communicate with anyone comes in," Myers says.

Myers says the multiple dimensions of diversity at US Foods "created a fantastic dialogue. Everything people say diversity brings is what we got." The strong sense of camaraderie at what Myers called "the house that JP built" has inspired Myers to build diverse teams as the head of her own legal departments in the years since. Having served as GC at two prior companies, Myers recently became GC at Denny's, where she's building a team virtually. "What I learned [at US Foods] is how to put that puzzle together," she says.


## 'What Does This Mean for the Company?'

Dorothy Capers, EVP and Global General Counsel, National Express Group

n 2009, Pryor hired Dorothy Capers, then a litigator with the city of Chicago, to work at US Foods. Capers says Pryor used her intellect and deep understanding of the business to convince her executive peers that the legal department deserved a seat at the table for important decisions. She demanded that Capers think strategically as well, which took Capers well beyond her comfort zone in litigation: "She'd ask me, 'What does this mean for the company in five years?' 'How do you engage with other departments and give them the lessons learned?' 'How can we operate differently so we don't have this lawsuit [or other problem] again?'"

When National Express—a major public transport provider offered Capers its GC job in 2015, Pryor did more than let her go: She gave Capers the confidence to accept the job. At National Express, Capers took many cues from Pryor. She built a highly diverse in-house legal team by employing her own extensive network; she threw direct reports into the deep end after she gained confidence in them; and she convinced the executive team to consult the legal department at strategic junctures. Capers's experience with Pryor also encouraged her instinct to give back: She's a former president of Black Women Lawyers of Chicago and sits on two nonprofit boards.

"Juliette builds leaders," Capers says. "She pulled and stretched us in ways we never imagined, but it has definitely changed our lives and our careers."



## 'Now I Get to Be the Full Lauren'

Lauren Lacey, VP, Deputy GC, US Commercial, M&A, and Corporate Governance, The Hershey Co.

ryor hired Lauren Lacey as US Foods was rebuilding its legal team after its attempted merger with food distributor Sysco. Even with 13 new attorneys on board, "No one once said, 'This is how it's done at US Foods, get in line,'" Lacey says. "She didn't want to change who you were. She wanted to tap into your skills and give you the runway to make decisions and discuss them."

Having left The Hershey Co. on a voluntary separation, Lacey encountered a different kind of boss at US Foods. "I'd never had a boss say, 'How can I help you?' and then ask for feedback," she recalls. She noticed that Pryor had a talent for connecting with people all the way from the chief executive to the drivers, and to do so even when delivering bad news. "She has this hearty laugh, and I could hear it down the hallway," Lacey says. "You'd think: Is that something a GC could do? And she would do it with the executive team. To me, that was authenticity—a quick reminder that you're living your best self."

After three years at US Foods, Lacey returned to Hershey, where she is now a deputy GC. As co-leader of the company's African American business resource group, she's watched Hershey make a genuine effort to understand racial bias in the wake of George Floyd's murder. The company's workforce has had hour-long conversations on the topic with their functional leaders. "Now I get to be the full Lauren," Lacey says. "I'm finding a way to excel and to thrive while remaining authentic."



working in house," she says, "because I was at the table with lawyers, engineers, marketing people, and product designers, bringing our collective disciplines to drive toward a strategy and purpose." IBM also had a tradition of rotating lawyers through different parts of the business, an approach Pryor later adopted as general counsel.

From IBM she went to the International Trade Commission and then a telecom startup, e.spire, which she ultimately guided through delisting and bankruptcy. "It taught me about being calm through the storm and bringing the team through difficult spaces," she says.

She was recruited to Skadden to work on restructuring, but later jumped at the chance to go back in house at US Foods. The legal team she joined as deputy GC in 2005 was already remarkably diverse—about half female and 40 percent people of color. Pryor credits then-GC David Eberhardt, a white male whom she describes as highly principled and focused on talents and abilities. She became GC in 2009 after US Foods moved its headquarters from Maryland to Illinois, a move that required Pryor to rebuild the team in its new city.

For Pryor, success as a GC requires understanding the business and aligning around her team's objectives. "I don't want to be a GC who only speaks when there's a legal issue," she says. "I am at the table as a business leader with a particular expertise that informs how I participate. It's about helping us get to the shared goal."

#### **CALM THROUGH THE STORM**

In 2013, US Foods' private equity owners agreed to sell the company to Sysco, a merger that would have combined the country's two largest food distributors. After a judge struck down the merger 18 months later, its owners decided to take US Foods public. Pryor rebuilt the legal team yet again and led it through one of the year's largest IPOs just 11 months later. Observers say she did it with aplomb, nurturing the

## 'It's the New Normal'

Wendy Webb Williams, Chief Legal Officer, Sara Lee Frozen Bakery

Uliette said early on: 'I will back you up if you've done the work,'" says Wendy Webb Williams, who spent eight years at US Foods. "She can be intense—not in a negative or scary way, but whenever you prepare for a meeting or conversation with Juliette, it's never going to be superficial. It's because she genuinely cares, but also because she's pressure-testing how deeply you've thought about this. ... It can be uncomfortable, but for me it's the new normal. That's what I expect of people who work with and for me. I'm going to challenge your expectations."

Williams has a slightly unusual background. In addition to her law degree, she has an MBA and was a flight attendant for a decade out of college. She credits her liberal arts undergraduate degree for her skill at lawyering, but says that her years flying around the world helped her feel comfortable in rooms where she's the only woman or person of color. That, and her time at US Foods. "Coming out of that environment, I lost the ability to shrink myself," she says. "If you want authentic voices and experiences from people with diverse backgrounds and experiences, you have to let them be themselves. Juliette never penalized me for being my honest self. That's incredibly rewarding as a Black woman in a professional environment."



## In Juliette's Words: How a Leader Leads

#### On being an effective general counsel

People inside a company don't want lawyers to speak in Latin. They don't want a lot of words; they want the answer. I help lawyers pivot from talking the way we were taught in law school to talking about the bottom line. —Juliette Pryor

#### **On leadership**

My role as leader is, first, to help in the development of the individual talent; second, to provide the air cover and broader line of sight to enable the work of the folks on my team who are doing the frontline interconnection with different parts of the business; and third, to help them understand and value their collective efforts as part of one inclusive team. —J.P.

#### On why her functional leads meet every week

The ecosystem works most effectively if we understand we are an ecosystem. If there are trends in the litigation space, they likely have implications in the corporate or regulatory space, and sharing those trends enhances the connectivity. -J.P.

#### On developing lawyers

Building on the foundation of legal expertise, my role is to encourage lawyers to be intellectually curious about how the business operates, and I support this by getting lawyers closer to the business, both geographically and through rotation of assignments. I encourage them to bring their authentic selves to their leadership styles and to ensure they invest in developing others.—J.P.

#### On empowering subordinates

She never tries to change people; she tweaks here and there but doesn't ask you to change your view or approach. —*Heidi Eddy-Dorn, a Pryor mentee* 

#### On exposing subordinates to senior executives

She'd call me into her office for a meeting with, say, the CFO and have me sit in, so I'd know what that conversation looks like. I don't know another leader who does that very often. And now I do it, too. —*Luis Avila*, *a Pryor mentee* 

#### On demonstrating authenticity

She can be in a room with five people or 500 people, and people connect with her because she's able to relate her own personal story to, say, a reduction in force or achievement of a professional goal. -L.A. talents of a highly diverse team along the way.

Throughout her leadership roles, she has insisted on weekly team meetings so each attorney can understand how their work affects their colleagues and the entire company. "We weren't a team of rivals, but we were upping each other's game," says Luis Avila, who joined the team during the merger attempt and is currently vice president, Goverance and Compliance.

Pryor also made sure that all her subordinates felt "comfortable in their uniqueness," says Avila, a gay Latino. Two days after attending Avila's wedding, Pryor casually brought it up at a meeting with the company's chief executive. The CEO—white, male, and straight—came up and gave Avila a hug. "I had some nervousness about how he would react to the news, but her energy is so positive and welcoming that he fed off that," Avila says. "When you're no longer spending time on not being your authentic self, it frees you up to focus on the work."

Avila, like others, describes Pryor as authentic and accessible to everyone from the chief executive to the drivers. But Pryor underwent her own journey to authenticity. To new acquaintances she can come off as reserved and formal. "My dad would cook in a suit and tie," she explains. She admits that for a long time she found it hard to connect with executives when she focused on what a "traditional corporate executive" appeared to be. Gail Sharps Myers, a sports fan who worked with Pryor at US Foods, jokes about receiving texts from Pryor asking her for tips so she would have something to talk about in her predominately male executive meetings.

So often the "other" in the room, Pryor at times resented the burden of having to make others feel comfortable around her. But with feedback and empathy, she learned how to "lay down my duality of self" and build deeper relationships at work. One of her protégés, Heidi Eddy-Dorn, is a white woman who went on to become general counsel at Cox Media Group. Pryor did more than mentor Eddy-Dorn as Cox went through some major transitions. She's helped Eddy-Dorn increase her racial awareness, and now Eddy-Dorn feels comfortable going to Pryor with sensitive questions as she builds out a highly diverse team. "[Pryor] developed me to go out there and be conscious and intentioned," Eddy-Dorn says.

Along the way, Pryor has endured countless microaggressions, which she's been known to handle with grace and equanimity. "I am always 'the Black woman,' " she says. "So my humanity comes first. The gift, I guess, of bias is that we must learn to navigate it. It helps us to be more aware of our humanity and our connection to others."

## Perpetually Paying It Forward

Many of the attorneys—Black, white, and Latino—Pryor mentored at US Foods and, before that, at Cox Enterprises, have gone on to higher positions in the legal departments at a wide range of companies. They are now GCs, associate GCs, and heads of ethics. In tribute to Pryor, they continue to mentor other attorneys who will likely go on to higher places as well.



Heidi Eddy-Dorn General Counsel Cox Media Group

COX ENTERPRISES

2016-20

**Amber Hall** Head of Ethics Wells Fargo

Jim Pyle Associate General Counsel Cars.com

> **Claudia Regen** General Counsel Global Tel\*Link



**LEADERSHIP** 

**Dorothy Capers** Global General Counsel National Express Group



VP, Governance and Compliance Cox Enterprises

Luis Avila

Wendy Webb Williams Chief Legal Officer Sara Lee Frozen Bakery



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US FOODS 2005-16

**Lauren Lacey** Deputy General Counsel The Hershey Co.



**Gail Sharps Myers** General Counsel Denny's

# All the Right Moves

Exceptional service is a hallmark of Goodwin, where lawyers are recruited as much for their interpersonal skills as for their legal expertise. Ingrained in firm culture, the commitment to collaboration creates lasting relationships and optimal outcomes.

hrough constant communication and interaction with clients, Goodwin's professionals develop a deep understanding of all facets of their business challenges and priorities. This global enterprise view reaches far beyond legal services to include consultative counseling on strategic planning, project management, technology, and other operational areas. Centered on shared values and objectives, the Goodwin client service model embraces diversity, equity, and inclusion while routinely including pro bono. The firm's unique platform brings together its unparalleled expertise in private equity, technology, life sciences, real estate, and financial services for the benefit of its clients. This one-of-a-kind industry mix positions Goodwin squarely at the intersection of capital and innovation. Forming trusting, familial bonds, the firm is invested in making the right decisions and the right moves as allies in all matters of import to the client. From running high-stakes litigations and high-end deals to offering advice on professional advancement or personal matters, Goodwin is always there to listen and to guide.



Carl Bradshaw



Sabrina M. Rose-Smith



**Tony Alexis** 

**Carl Bradshaw.** "Clients depend on me to keep calm while running through walls to get deals done for them," says the London-based private equity partner, who joined Goodwin in 2019, attracted, in large part, by the rewarding client engagement opportunities. "Fostering deep, long-lasting relationships is essential in my often complex and challenging role of uniting great ideas, people, and capital."

**Sabrina M. Rose-Smith.** Partner, Executive Committee member, and D.C.-based consumer finance litigator Rose-Smith champions her clients with conviction and clear-eyed counsel. "Effective advocacy means blending an understanding and embrace of client goals with straight talk about what's realistic," she says. "I thrive on projecting my confidence in the courtroom and creating authentic, deeply real moments for my clients."

**Tony Alexis.** Coming from the pinnacle of government service, including heading the Office of Enforcement at the Consumer Financial Protection Bureau and DOJ leadership roles, the D.C.-based litigator's unique insight into investigatory and other processes makes him an invaluable client ally. "Goodwin's strategic investment in long-term client relationships is why I came here," says Alexis.

**Caine T. Moss.** After advising early-stage technology companies for 20-plus years, Moss's strategic instincts are akin to a sixth sense. "Many clients are serial entrepreneurs," says the Silicon Valley-based partner and firm Executive Committee member. "With each new venture, they call me first to solve their business challenges. The collaborative effort toward each successful exit is highly rewarding."

Jesse Nevarez. "For innovators and investors, entrepreneurial ventures typically represent a long walk into uncharted territory," says Nevarez, a Technology and Life Sciences partner operating in New York City and Boston. "Clients rely on me to preview their future, cautionary tales included, and guide them to success. Based on shared goals, my relationships are often more like family than business."

**Calvin E. Wingfield.** As a first-year associate, Wingfield saw relationship dynamics in action when a partner involved him directly with clients. "I was inspired by how he personalized the connection," recalls the NYC-based IP partner, who is valued for his technical expertise and oratorical prowess in court. "Deep bonds are bedrock for understanding and serving the client's best interests."



Caine T. Moss



Jesse Nevarez



Calvin E. Wingfield





# The History of Black General Counsel in **The Fortune 500**

It's been a long time coming, but the tide is rising. After a tumultuous year, Black GCs are suddenly in demand. **By Sonya Olds Som** 

**T WAS NOT UNTIL 1977** that corporate America seated the first Black general counsel in the Fortune 500, when Otis Milton Smith (1922–1994), who had been with General Motors since 1967, was named the company's top lawyer. Having grown up economically disadvantaged in Memphis, Smith went on to serve as a journalist attached to the Tuskegee Airmen in World War II. Later, his election as Michigan's auditor general and appointment to the state's Supreme Court were firsts for a Black person since Reconstruction.

As he broke these barriers, Smith had high hopes for Black equality in the law and in society at large, but the ensuing progress was glacial. The next appointment of a Black GC came 12 years later, in 1989, when Solomon Watson IV was named GC at The New York Times Co. (see sidebar, page 48). Another eight years went by before Pamela Carter became the Fortune 500's first Black woman GC, at Cummins Engine (see sidebar, page 49).

The numbers started picking up from the late '90s onward, with increasing gains over the past decade as platforms including the Leadership Council on Legal Diversity (LCLD) have brought more stakeholders, intentionality—and unity—into the fight.

I measure this time period in two distinct waves. The first, sparked by the tech boom, runs from 1997 to 2007 and includes the substantial shift in the GC role following Enron. The second, ignited by the global meltdown, runs from 2008 to 2019. This article looks back and then forward to the next wave. In 2021, despite entrenched systemic and cultural barriers still standing in the way, the tide is clearly rising.

"There are presently 25 Black GCs in the Fortune 500, or one less than 10 years ago, and only 5 percent of the available seats," says Paula Boggs, who was one of very few Black GCs in 2002 when she started her 10-year run as GC at Starbucks. "If it were to be consistent with our percentage of the U.S. population today, that number should be 65."

In my own journey from law school to law firm partner to my present work focused on GC, senior executive, and board searches, as well as diversity and inclusion consulting, I have experienced and witnessed all dimensions of the Black advancement paradigm.

With a frontline, firsthand view of current hiring trends and the ways in which corporations and law are approaching diversity, I share the burning question that we as a nation are asking: Is the present racial and social crucible hot enough to forge genuine and lasting equal opportunity for all talent?

Approaching this from the perspective of history and lessons learned, I spoke with Boggs and two other Black GCs who came up in earlier waves. From their experiences and current view of the landscape, one answer is resoundingly clear: Only change mechanisms and accountability measures with real bite can end the lip service. Here's a look at the experiences of these three GCs, along

# LEADERSHIP



PIONEERS OF THE PROFESSION RECEPTION. NEW YORK, NY, SEPT. 16, 1996. From left to right (bottom row): Robert Gerrard, Sega Channel; Eleanor Applewhaite, WNET/Channel 13; Terri Austin, AIG Claim Services; Paula Chester, Office of the State of New York Comptroller; Eileen Miller, Interstate Sanitation Commission; Michael Harrison, Evian Waters & The Dannon Co. (Second row): Carl Randolph, Neuberger & Berman; Greggory Spence, The New School for Social Research; Carlos Ortiz, Goya Foods; Vincent Napoleon, Lockheed Martin Communications Systems; Carlos Morales, Merrill Lynch & Co./ Corporate Industrial Client Group. (Third row): Walter Braswell, Elizabethtown Water Co.; S. Garrett Gray, Minerals Technologies; Ernest Hart, NYC Department of Personnel; Stephen Cooke, AMBAC Indemnity Corp. (Top row): Lewis Robinson Jr., Personal Lines Insurance Operations; Solomon Watson IV, The New York Times Co.; Peter Sanders, Bristol Myers Squibb Co.





April 1999: Minority Corporate Counsel Association launches first call to action.

August 1999: First magazine cover to feature women general counsel.



November 1999: First magazine cover to feature general counsel of color.



May 2000: First survey of women general counsel in the Fortune 500..

with some key lessons they have taken with them that fit precisely the moment in which we find ourselves today.

#### MICHELE COLEMAN MAYES: BE DELIBERATE, BE DILIGENT, BE VIGILANT

Mayes, a three-time GC, relied on her own moxie to land her first seat at Pitney Bowes, where she led the legal team from 2003 to 2007. "There was nothing like the LCLD when I went through my paces," she says. "I trained on the job."

Her interest in becoming a GC was sparked by a white female mentor at her first in-house job. "She thought I was right for the role," says Mayes, who overcame her initial uncertainty by summoning the courage to ask her boss for his job when he announced that he was leaving for Colgate-Palmolive.

"I forced myself to speak up and articulate my goals. People were flabbergasted. The unmitigated gall! However, he would not have invited me to Colgate had I not spoken up."

Following her boss to Colgate in 1992 on the "explicit understanding" that he would prep her for the GC role, Mayes built her three-point career mantra.

"I was *deliberate*," she says. "Whether articulating your ambitions or calling out injustice, say what you mean and mean what you say. I was *diligent* and put in the work. Nothing is served on a platter. And I was *vigilant*. If not, change will pass you by."

Yet she had to jump through what she calls "ridiculous"

hoops of gender and racial bias to succeed.

"As a Black woman, I had to repeatedly prove myself twice over. That, and having to choose between being respected but not liked or liked but not respected, got me second-guessing. I wanted the job, but unlike the white males who got by on potential, I had to be perfect. It took studying what people did well to realize that I didn't have to be perfect. That got the imposter syndrome out of my head and paved the way for my move to Pitney Bowes."

In 2007, Mayes became GC at Allstate Insurance Co. (where in August 2020, Rhonda Ferguson, who is Black, succeeded Susie Lees, who is white, in Mayes's former role) before assuming her current role as GC at the New York Public Library in 2012. "I also learned how to balance being liked and respected, which has served me well," she says.

#### PAULA BOGGS: NOTHING VENTURED, NOTHING GAINED

Boggs's first major step toward career success was off an airplane—from a high altitude. "Before my first parachute jump, I was afraid of heights," she recalls of her Army Airborne training. "Once I took that leap of faith, I embraced risk-taking, which has defined my career ever since."

Attaining the rank of captain, Boggs spent a decade in the Pentagon and the White House before heading to Seattle to become an assistant U.S. attorney and then a major law firm litigator. Working in largely all-male, allwhite environments, her military service gave her credibility. Respect was lacking, however, as she had to soldier past gender and racial bias at every turn.



February 2005: MCCA's call to action number 2 was launched.

May 2008: MCCA expanded alliances with executive search firms.

November 2011: MCCA honors Vernon Jordan with a Lifetime Achievement Award.

September 2016: MCCA

MCCA

LEADERSHIP

September 2016: MCCA honors Eric Holder with a Lifetime Achievement Award.

"Advancing requires fearlessness," says Boggs. "You must signal a presence that tells people not to mess with you. That remains a systemic challenge for Black women, however. Act stridently, and you are viewed as attitudinal and angry. Act meekly, and you are a victim. My success is tied to learning how to telegraph that message in a way that is felt but not threatening. Yet we are still disproportionately impacted by having to thread these emotional intelligence needles."

Conditions were little different when she went in house at Dell in 1997.

"Being the company's first-ever Black woman executive was isolating at the start," says Boggs, who served as vice president, legal, and senior deputy general counsel. "Compounding that was the cohort of executive wives, along with my neighbors, who took exception to my color."

Her experience turned around as diversity hiring soared during the tech boom.

"The voracious demand for talent attracted skilled Black executives across multiple disciplines," says Boggs. "My kinship with the impressive women and men who arrived after me was uplifting and affirming."

Her move in 2002 to Starbucks, where she spent a de-

cade "well supported and respected" as GC, "would not have happened" without Dell.

"You cannot go it alone as a lawyer, especially as a Black woman, which is why meaningful diversity and inclusion programs are critical for law firms and corporations," she says. "When you have numbers and, more importantly, Black people in positions of power and influence, you have the mentors, sponsors, and champions to lift people up."

#### RODERICK "RICK" PALMORE: COMPROMISED OPPORTUNITIES, SKEWED EXPECTATIONS

Palmore joined Merck & Co.'s Kenneth Frazier, Comerica's George Madison, and DuPont's Stacey Mobley as one of several notable Black GC appointments in the late '90s when he became the top lawyer at the Sara Lee Corp.

"I've wrestled with the issue of inequality since entering the law," says Palmore, who has championed diversity and inclusion throughout his career. Case in point: his first law firm job in the early '80s. "Coming in as an experienced trial lawyer from the U.S. Attorney's Office in the Northern District of Illinois, they threw me a softball first assignment and acted wowed when I knocked it right out

# 66

Advancing requires fearlessness. You must signal a presence that tells people not to mess with you. That's a systemic challenge for Black women." —*Paula Boggs* 

# **The Ties That Bind**

Finance partner Vanessa L. Jackson and Litigation partner James I. McClammy, both based in New York City, talk about Davis Polk's creative paths to partnership, how the firm's team culture creates opportunity for all, and practice area trends during the pandemic.



Vanessa L. Jackson Representing financial institutions and corporate borrowers in a broad range of corporate finance transactions, Jackson, with Davis Polk since 2012, is a member of the firm's all-partner Diversity, Equity & Inclusion Committee.

#### How was your partnership journey?

Vanessa L. Jackson: I interned at Davis Polk the summer prior to starting law school through the Sponsors for Educational Opportunity program. That experience was my first introduction to corporate law, and it was both eye-opening and encouraging. I later returned to Davis Polk as an associate, and during my path to partnership, there were moments when I wondered whether I was cut out for the constant rigor of BigLaw. That apprehension steadily faded away, as my colleagues consistently valued, encouraged, and mentored me and consciously recognized me as an integral part of my deal teams. This allowed me to know that my practice group's partners were invested in my future at the firm, and they became my sponsors as I pursued partnership.

James I. McClammy: Our counsel program provides a versatile vehicle for developing, retaining, and promoting talent. This path gave me the room to evolve as a first-chair litigator trusted by clients to handle cutting-edge matters while also starting a family. Unlike some other firms, where counsel can be a permanent stopping point, at Davis Polk it offers a flexible route to partnership.

#### How would you characterize firm culture?

**VJ:** In short, receptive and empowering. Our cultural fabric allows me to cultivate a dynamic practice while impactfully engaging in diversity and inclusion initiatives. Jim and I are the partner liaisons for Davis Polk's Black Affinity Group and are engaged in meaningful dialogue with the Management Committee and the broader partnership on these issues. The firm has shown remarkable enthusiasm and is making lasting strides to make this a hallmark of our success.

JM: The unparalleled commitment to investing in people is why I stay at Davis Polk. We are not your grandfather's law firm. In all areas, we are not siloed, but integrated and networked, and that includes across-the-board diversity. In these particularly challenging times, our leadership in tackling racial injustice and working to advance social change is more important than ever.

#### How has the pandemic affected your work?

VJ: The pandemic has had and continues to have a significant impact on the entire lending market as well as nearly every aspect of many companies' operations. In recent months, I have focused on clients in the hard-hit airline industry, working to ensure their balance sheets are positioned to navigate unprecedented operational disruptions, revenue reductions, and financing challenges. I am immensely grateful that our clients have put their trust in me to help them grapple with a uniquely complex period.

**JM:** As with the 2008 financial crisis, people turn to Davis Polk in unprecedented times. We are privileged to advise our clients on the many novel business and legal issues they

face in light of COVID-19. Equally, we are committed to supporting our employees and our communities right now. For example, all of our employees have 24/7 access to mental health counselors and back-up caregiver support for working parents and those with eldercare responsibilities. And it is a firm priority to contribute our talent and resources to coronavirus-related pro bono matters.



James I. McClammy Having celebrated his 20th year with Davis Polk in 2020, McClammy is a seasoned litigator concentrating on high-level bankruptcy matters, and is also involved in firmwide diversity and inclusion initiatives.





#### Serving with distinction Solomon Watson IV



oing from Howard University into the Army in 1966, Watson earned the Bronze Star and Army Commendation Medals for his service in Vietnam. Harvard Law was next, followed by three years as the only Black associate at a Boston law firm.

"When out with my colleagues, bar owners routinely barred us because of my presence," he recalls. "I was always aware of how my color set me apart socially and professionally and impacted others."

In 1974, he joined the law department at The New York Times Co., where he was encouraged by the progressive culture of minority recruitment and promotion. "The board then was all-white, but I gained their confidence with a presentation on ERISA. The company supported my advancement. I had a great sponsor who immersed me in the business, which paved the way for my rise to GC in 1989."

His military background was an "exceptional" career advantage. "My managers and fellow corporate officers saw that I had more leadership skills than your average lawyer. That allowed me to bridge gaps that transcended race in building the critical affinity with the power structure."

Watson made a point of inviting each newly minted Black GC to lunch to meet and celebrate their shared "great" achievement of becoming a Fortune 500 GC.

"I always looked for ways to connect with people and support their careers," says Watson, who in 1996 attended the first-ever gathering of Black GCs. "That event was a template for organizing support for developing and sponsoring Black talent, which aligns with the growing recognition that diverse leadership teams enhance corporate performance. Boards should be a primary focus, where Black directors can directly impact Black GC and executive hiring." of the park: 'He can do it!' " he recalls. "But that's how it goes. Intentionally compromised opportunities coupled with skewed expectations are a perpetual play against qualified Black lawyers."

Later building his own lucrative practice as the first Black partner at Chicago's Sonnenschein Nath & Rosenthal, Palmore was approached by Sara Lee in 1996. "While in house then was still seen derisively as the softer 'Mommy track,' the work at Sara Lee was clearly more multifaceted and intriguing," says Palmore, who took the plunge and became the company's GC three years later.

By 2008, when Palmore began his seven-year run as GC at General Mills, the role had been dramatically transformed from corporate mouthpiece to company guardian. General Electric's Ben Heineman Jr. was instrumental in architecting the shift, alongside broadening GC responsibilities and power following Enron and

Numbers are meaningless when you have window dressings or tokens and will only count when we don't need to count anymore." —*Michele Mayes* 

the global meltdown.

Yet even as minority hiring was improving, the movement against inequality remained an afterthought.

#### **ATTEMPTS AT CHANGE**

"Diversity was 'the right thing to do' in the late '90s," Palmore continues. "At that point, the *Harvard Business Review* and other thought leaders started promoting the connection between talent, performance, and shareholder value, which helped to recast diversity as a business imperative."

This seemed to present an opportune moment to strike for systemic change. Spearheaded in 1999 by Charles Morgan, then GC of BellSouth Corp., 'Diversity in the Workplace: A Statement of Principle' offered such promise. In signing the document, the chief legal officers of some 250 major corporations pledged their commit-

# LEADERSHIP

ment—and their expectation of the same from outside counsel—to workplace diversity.

"Nothing happened," says Palmore, who "out of frustration and impatience" authored his own manifesto. Published in 2004, his landmark "A Call to Action: Diversity in the Legal Profession" had more teeth, demanding specific actions and results.

Still, says Palmore, now senior counsel at Dentons, which merged with Sonnenschein, "only 100 corporations signed. People were still unwilling to act."

#### **ANSWERS FOR TODAY'S CHALLENGE**

Sixteen years later, what are the action steps for dismantling the granite wall of inequality that still looms imperiously over the legal landscape?

"To break through, we need a unified commitment to the business of systemic change," states Palmore, who founded the LCLD in 2009 to facilitate "positive collaboration" between corporate chief legal officers and law firm managing partners. "We need to do more to codify our fellowship as Black people working together to share and harvest our knowledge and experiences. That will help to shift progress from random episodes to sustained change." (See page 26 to read about LCLD's new pledge.)

Creating a broad network of mentors and especially sponsors who are invested in Black people's success and can open doors is essential. "People willing to put their capital down for you can go far in bridging the disconnect between talent and opportunity," says Mayes.

"It takes a village of people who have gone before you," adds Boggs, who did her part at Starbucks by hiring and elevating Black lawyers, including Zabrina Jenkins, who is now senior vice president and deputy general counsel. Boggs eschews the "false and incomplete" notion that Black talent needs white saviors. "I mentored white executives who now run international divisions at Starbucks," she says. "That is an unspoken but powerful cultural message to convey."

Paramount, too, is locking down the long elusive effort to hold law firms and companies accountable for how they identify, develop, and promote talent.

"To bring the heat, people must know what you are holding them responsible for," says Mayes, citing GC Kim Rivera's accountability program at Hewlett-Packard as an example. "Measuring 'firsts' is the kiss of death," she notes. "Numbers are meaningless when you have window dressings or tokens and will only count when we don't need to count anymore. What matters is who is in the room with the power and influence to make a difference."

#### THE ART OF THE POSSIBLE Pamela Carter



s a teenager, Pamela Carter joined Dr. Martin Luther King Jr.'s August 1966 march through Chicago's Marquette Park to protest unfair housing practices. Electrifying fear of the KKK members and other hatemongers throwing rocks and bottles gave way to brave resolve as she linked arms with her fellow marchers and sang "We Shall Overcome."

In that emboldening moment, she found the unbreakable courage that would define her pioneering career.

When running for Indiana attorney general in 1992, her opponent smeared her image by focusing on her color. Countering his vitriol by "talking to everyone so that people could measure me as a person," she prevailed to become the first Black woman ever elected to the position.

She made history again in 1997 as the Fortune 500's first-ever Black woman GC, at global power company Cummins Engine. Successive leadership roles led to her appointment in 2007 as the first woman president of Cummins Distribution, where she oversaw 12,000 employees in 190 countries before retiring in 2015. In the process, she was also appointed to seats on a number of corporate boards, including Hewlett Packard Enterprise, CSX Corp., Enbridge Inc., and Bainbridge Financial Solutions.

"Once you are perceived as having power, people want to get close to you," said Carter in the 2011 book *Courageous Counsel*. That's an instructive message for getting more Black people into leadership positions. "Life is the art of the possible," she said of the Transformative Leadership Award created that year in her name. "Think big and leave a big footprint."

## Stuck in the Middle

n any field or functional area, opportunity narrows the higher you aim. There will only ever be 500 GC seats in the Fortune 500, for example.

Yet Black in-house counsel equally if not better equipped to reach this high peak disproportionately languish at lower altitudes compared to their white counterparts.

What or who is impeding their journey? One female senior counsel, one female assistant counsel, and one male associate counsel—two of them working at Fortune 500 companies—anonymously identified three systemic barriers to their ambitions.

#### **DISCOMFORT LEVELS**

While "significantly supported" by white mentors on his way up, the associate counsel has hit an impasse.

"While they were impressed by my acumen and accomplishments," he says, "the decision makers—who are white—have not shown affirmative interest in bringing me along." He believes that this is less the result of overt racism than of unease from a lack of cultural bridge-building.

"The racial closeness required for genuine equality in hiring, development, and advancement is not there yet," he says. "But that's no excuse. The role of a leader is to break down cultural walls and give their people the tools they need to facilitate their success. If they don't invest that capital, then what is leadership for?"

#### SOCIAL EXCLUSION

Even when given the opportunity to build affinity with decision makers, the rules of engagement can be decidedly inequitable. For Black people, code and cultural switching is often a one-way street.

"Putting your head down and doing good work is not enough to advance," said the female senior counsel. "Visibility counts even more, including getting in with management."

Centered around rowdy socializing with clients and outside counsel, team play at her company is a skewed proposition, she notes. "I am conservative by nature, which as a Black woman is something I want to maintain to be successful," she says. "It is unfair to be indirectly excluded this way, but I am not going to compromise my integrity to grow within this company if that is what it takes."

#### THE NUMBERS TRAP

Why is critical mass so important for equal opportunity and advancement? Because when Black people are outnumbered and isolated, their chances of getting backed for succession are virtually nil.

From taking on extracurricular work to attending networking events, the female assistant counsel believes she has been making all the right moves to expand her skill set and get noticed. Critically lacking, though, is advocacy for her advancement. "The head of our otherwise all-white group is disinterested in my success," she says. "He avoids the topic while promoting others at my level for just doing their jobs. Prove it once, prove it again, and still his trust is not there."

Another standard-setting example comes from Universal Music Group, where last summer, CEO Lucian Grainge tasked GC Jeffrey Harleston with heading up a new inclusion and social justice task force within the company.

Grainge is calling on Harleston, who is Black, "to review our current programs, identify gaps and deficiencies, update our plan where it's outdated, propose new initiatives, and ensure that these issues remain at the top of our agenda" in concert with key company executives.

"Real action, not lip service, is the answer," says Boggs. "I personally know that talented Black lawyers are advancing at Amazon, Costco, Microsoft, and other Seattle-area Fortune 500 companies. Their journeys are being guided from the top, which is why we need more platforms for getting Black people into leadership positions. The more GC, executive, and board seats we can fill, the more people we can lift up."

#### THE OUTLOOK AND MEASURES OF SUCCESS

Will this current reckoning be the latest wakeup call or the last?

"Decades of rot have left us cynical and weary," says Mayes. "If we are not willing to expose the ugliness that pervades the entire talent management system, then we will keep churning in these single-digit percentages. Every corporation and law department has to play a role; if everybody brings their best efforts to the table, we can conquer the rot."

Analogizing systemic oppression to the cultivation of flowers in a garden, Palmore sees having the room to fail as the goal. "Each can flourish if given the same sunshine, water, and nutrients, but not when the gardener jealously guards one plot over another," he says. "We all must have the same opportunity to succeed or fail. Once, when one Black failed, the race failed. Now when we fail, our ability

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Intentionally compromised opportunities coupled with skewed expectations are a perpetual play against qualified Black lawyers." —*Rick Palmore* 

to rebound will be seen as success."

This is a singular moment. The internet and social media are powerful mechanisms for separating truth from fiction. There is no hiding now. Client calls for diverse talent have spiked since George Floyd's murder. I am seeing sharper definitions and understanding of diversity for the purpose of a specific search, to specific commitments, for example, to hiring Black or Latino talent for the role.

We have far to go. Seated Black GCs have the power to elevate talent, yet their influence is currently limited by their numbers. Last summer, for example, Bradley Gayton went from Ford to Coca-Cola as GC. However, his replacement at Ford is white, which means no Black gain. That's musical chairs, not progress, even as many readynow Black deputy GCs wait in the wings.

For generations, the ability to read the room and code and culture switch has allowed Black people to survive in America. It's time to thrive. As I tell Black women candidates, Ginger Rogers did everything that Fred Astaire did but backward—and in high heels—and that's what you must do, too, until we change the system. But having to be hungrier, savvier, and twice as good is helping Black men and women rise in corporate legal departments.

One beacon of hope emerging in recent months is the calling upon of high-ranking Black officers to be more of an ethical and moral voice and assume a greater diversity and inclusion role for their companies. I know of several Black GCs and leaders who have responded by prioritizing and pushing forward new policies and procedures. In all of these ongoing platforms, initiatives, solutions, and ideas, individually and collectively, the single greatest objective is to build a critical mass of people and willpower that bias and barriers can neither ignore nor resist.

We are not there yet, and this cannot be just another "moment." As Mayes says, it takes action, not hope—and "never waste a crisis." ■

Sonya Olds Som is a partner at Heidrick & Struggles who concentrates primarily on conducting searches for general counsel, chief legal officers, other senior roles within corporate legal departments and law firms, and board directors. She also consults on matters related to diversity and inclusion.

## New Jobs in 2020

The following is a partial list of the Black GCs and CLOs who were appointed to their positions in 2020.

#### **FORTUNE 500**

Kermitt J. Brooks, Guardian Verona Dorch, Providence Health Rhonda Ferguson, Allstate Bradley M. Gayton, The Coca-Cola Co. Regina Jones, Baker Hughes Natalie Lamarque, New York Life Insurance Co. Gail Sharps Myers, Denny's Halimah DeLaine Prado, Google Juliette Pryor, Albertsons

#### Vanessa Allen Sutherland,

Norfolk Southern Corp. **Kellye Walker**, Eastman Chemical

#### FORTUNE 501 + PRIVATELY HELD

Monica Barber, American Megatrends Eldridge Burns, Mr. Cooper Group Inc. Kimberly Y. Chainey, Aptar Alyssa Harvey Dawson, Gusto J.K. Givens, Qorvo Felice Gray-Kemp, Global GC, Cyient Reggie Hedgebeth, The Capital Group Tanya Holcomb, BAYADA Home Health Care Kevin A. Malcolm, BankUnited Chaka Patterson, Adtalem Cynthia Patton, Verily Rick Sinkfield, Laureate International Universities Deborah H. Telman, Organon & Co Ernie Torain, Huron Consulting Group Alphonse Valbrune, Clearwater Analytics Denelle Waynick, MyoKardia Vanessa Williams, Kelly

# **Global Reach, Global Influence**

With 10,000-plus lawyers in 77 countries and counting, Dentons has an unmatched global legal presence. At this pivotal moment, Dentons is using its singular standing to meet challenges head-on.

s the world's largest law firm, we have a responsibility to be leaders on issues of importance not just to the legal industry, but to society at large," says Thurbert E. Baker, who served as Georgia's first Black attorney general before joining Dentons. "Motivated by urgency, I am proud of how we are answering the call, including our founding role in the Law Firm Antiracism Alliance, our pro bono engagement with Promise of Justice on behalf of unfairly incarcerated individuals, and our certified status under the Diversity Lab's Mansfield Rule. These efforts truly make a difference."

Looking inward is another forefront focus. "Unconscious bias is a persistent industry hurdle," says Karen M. Jordan, whose honors include recognition in 2020 by Best Lawyers in America for Banking and Finance Law. "Many people avoid the topic out of fear or discomfort. Interrupting this systemic issue starts with opening up the dialogue and building awareness." This past summer, Dentons implemented a moderated firmwide training program to address the issue. "The response was encouraging," says Jordan. "The key now is to maintain the momentum. Inclusiveness cannot be transient."

Dentons' global perspective underpins its understanding of diversity and inclusion. That "goes with servicing international clientele that are usually well ahead of the curve on this front."



**Thurbert E. Baker** Atlanta-based co-leader of the U.S. State Attorney General practice



Karen M. Jordan St. Louis-based partner in the Corporate practice group



**Rodney Moore** Atlanta-based partner in the Employment and Labor practice



**Presley R. Reed Jr.** Washington, D.C.-based partner in the Energy practice group



Marlo A. Young NYC-based Capital Markets partner and Deputy General Counsel, Business Transactions, Dentons US



**Claude D. Montgomery** NYC-based partner in the Restructuring, Insolvency, and Bankruptcy group



Helen Ogbara Reeves NYC-based partner in Venture Technology and Emerging Growth Companies



Ashley Bell Atlanta-based partner in Public Policy



Lynn P. Harrison III NYC-based partner in the Restructuring, Insolvency, and Bankruptcy practice



Wendell M. Faria Washington, D.C.-based partner in the Corporate and Capital Markets practices



**Ceasar C. Mitchell Jr.** Atlanta-based head of the interdisciplinary Local Government Solutions practice





#### **2021 DIRECTORY**

# Black General Counsel in the BIHC 500

As their numbers grow, the *BIHC Annual Report* presents a look at current Black general counsel in some of the largest public and private companies.

FOR BOTH PUBLIC AND PRIVATE COMPANIES with revenue in excess of \$3 billion, 2020 marked a sea change in the number of Black in-house counsel promoted into the general counsel role (see page 51 for a list of Black GCs appointed in 2020). They joined a group of Black GCs that has been growing incrementally over the past decade. The Black general counsel and chief legal officers pictured on the following pages are those who have, as we sent this annual report to press, risen to the top rung on the corporate legal ladder. Given the changes we have witnessed over the past year, we know that their ranks will increase substantially in the years to come.



HUBERT ALLEN Abbott Laboratories



HARVEY ANDERSON HP



SHARON BARNER Cummins



CRAIG BEAZER Lincoln Financial Group

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APRIL MILLER BOISE Eaton



KERMITT BROOKS Guardian Life Insurance



CARLOS BROWN Dominion Energy





TONIT CALAWAY BorgWarner



TRECIA CANTY PBF Energy



DENEEN DONNLEY Consolidated Edison



**NONI ELLISON** Tractor Supply Co.



KODWO GHARTEY-TAGOE Duke Energy



VERONA DORCH Providence Health



BURT FEALING Southwire Co.



KIMBERLEY HARRIS NBC Universal



SHERI EDISON Amcor



RHONDA FERGUSON Allstate



BRIAN ELLIS Danaher Corp.



BRADLEY GAYTON The Coca-Cola Company



REGGIE HEDGEBETH The Capital Group



MICHAEL-BRYANT HICKS Elanco



DUANE HOLLOWAY United States Steel



NICOLE JONES CIGNA



REGINA JONES Baker Hughes



RASHIDA LA LANDE Kraft Heinz



NATALIE LAMARQUE New York Life



KIKELOMO LAWAL Canadian Imperial Bank of Commerce



CHRISTOPHER LEWIS Edward Jones



LANESHA MINNIX Flowserve



STEPHANIE ZAPTA MOORE Vistra Energy



HALIMA DELAINE PRADO Google



BRANDON NELSON JetBlue



JULIETTE PRYOR Albertsons



MARK NICHOLS Saab



CHONDA NWAMU Ameren



DESIREE RALLS-MORRISON Boston Scientific



ANNA RICHO Cargill



ANNE ROBINSON Vanguard Group



**LEADERSHIP** 

TONYA ROBINSON KPMG



SANDRA PHILLIPS ROGERS Toyota



PHILLIP ROLLOCK TIAA



TERESA ROSEBOROUGH Home Depot



SAVALLE SIMS Discover Inc.



DEIRDRE STANLEY Estee Lauder



LEWIS STEVERSON Corning



VANESSA SUTHERLAND Norfolk Southern



AUDREY TILLMAN AFLAC



TONY WEST Uber Technologies



WANJI WALCOTT Discover Financial Services



CHAD WALKER Morton Salt



KELLYE WALKER Eastman Chemical Co.

# **Cultural Connections**

Founded on the principles of racial, ethnic, gender, and economic diversity, Akin Gump celebrated its 75th anniversary in 2020 more committed than ever to supporting advancement for all. Driven by innovative leadership from the top, investment in people sets the tone for firm culture.

Prioritizing diversity and inclusion (D&I) in her transformative stewardship of the firm, Chairperson Kim Koopersmith's four-point D&I strategy has set a new, highly visible, widely regarded industry standard for accountability, action, and results. Through leadership commitment, maintaining a diverse recruiting pipeline, professional development, and strategic partnerships, Black lawyers can clearly envision leadership roles at the firm. Three partners discuss the role of Akin's uniquely inclusive culture in their success.

#### **OPENING DOORS**

Essential for Tony Pierce was joining a D.C. firm with a prominent Black partner. "I understood the power of standing on the shoulders of others," he says. "For me, that was Vernon Jordan." Recruited by Akin Gump co-founder Robert Strauss, Jordan was instrumental in Pierce's rise at the firm, where he leads the D.C. office. "Strauss, who was Jewish, started the firm because no white-shoe firm would hire him," says Pierce. "His ethos of inclusion pervades Akin Gump to this day, along with the spirit of entrepreneurship. Our doors are open here." Co-founder of D.C.'s African American Managing Partners network and founder of the firm's annual hot ticket African American General Counsel retreat, Pierce pays it forward: "Connections inside and with the community make us strong."

#### WORLD OF POSSIBILITIES

Natasha Kohne quickly warmed to Akin Gump's distinctiveness when interviewing with the firm 18 years ago. "Each lawyer differed from the next," she says, "reflecting diverse backgrounds, experiences, and geographies. Each was sincere, unpretentious, and, most importantly, true to their authentic selves. Culturally, that's precisely what I wanted for my career."

Open opportunity was another draw. "I have realized my every ambition here, including

"Our inclusive culture allows us to remain open to new opportunities. We have been fortunate to work with the highest quality clients and serve as their business partners." –*Trey Muldrow* 

opening our Abu Dhabi office and living overseas," says Kohne, who also values diversity and inclusion as a measure of Akin Gump's unique standing. "The younger generation, law school students included, is aware of and attracted by our cutting-edge mentoring, scholarships, and other D&I-focused programs. That shows that we are doing a good job–and feels great."

#### **REIMAGINING SUCCESS**

When Trey Muldrow lateraled over in 1997, Akin Gump was a new entrant in the competitive New York City legal industry. For him, two attributes differentiated Akin Gump from its peers. Akin possessed a refreshing sense of collaboration and collegiality. "The office radiated an entrepreneurial esprit de corps that attracted some of the brightest and diverse attorneys in New York." Muldrow's journey has led him from being a junior attorney to managing partner of the New York office, currently Akin's largest by attorney headcount. "We must continue to be creative in our approaches to diversity and inclusion and continue to be active listeners to our attorneys and business services team members to make sure our law firm continues to meet the needs of its stakeholders for years to come," he says.



Anthony T. Pierce Partner in charge of the Washington, D.C., office



Natasha G. Kohne Co-managing partner, Abu Dhabi office, and co-head, Cybersecurity, Privacy, and Data Protection practice



Ackneil M. (Trey) Muldrow III Partner in charge of the New York office







# **Opening the Door**

Though the number of Black general counsel has increased in recent years, companies are still challenged to identify and develop Black talent. Enter the recruiting firms. For them, this has long been a mission. **By Sidnee King** 

FOR FORTUNE 1000 CORPORATIONS, recruiting firms and executive search professionals have long been a lifeline, bringing the companies the best-qualified candidates to fill in-house counsel openings. Today, as diversity and inclusion have become more pressing priorities, recruiters have been called on to consult with companies looking to overhaul mostly white C-suites. And as the country engages in a broader conversation on racial equity, recruiters are tasked with the dual challenge of meeting the needs of their clients and opening doors for Black talent.

BIHC interviewed recruiters at six major executive search firms—Barker Gilmore, Korn Ferry, Russell Reynolds Associates, Heidrick & Struggles, Spencer Stuart, and Major, Lindsey & Africa—about the current lack of Black in-house counsel at corporations and their efforts to change that situation.

For the past decade, across the board, recruiters say, diversity and inclusion has been a growing priority. Reports from the Minority Corporate Counsel Association show that the number of Black general counsel at Fortune 1000 companies has risen to 53 from 38 in just the past four years. But because Black attorneys still represent only 5 percent of general counsel overall, many say the current landscape is far from equitable.

"We have to look at where we are failing to create systems that are allowing people to advance," says Cynthia Dow, who heads the global Legal, Regulatory &

LEADERSHI



Compliance Officers Practice at Russell Reynolds Associates. "It's a moral imperative. To exclude people from leadership roles and from career advancement is immoral."

Jennifer Gerney, a lawyer and executive search and leadership advisory consultant for Spencer Stuart, says that at a time when more Black attorneys are filling general counsel roles, and particularly in the past year, conversations between recruiters and client companies have become more solutions-oriented.

"The focus on diversity has both intensified and

evolved," she says. "It's become more sophisticated. It's become more specific."

#### **PUSHING PAST THE ROADBLOCKS**

There are a number of roadblocks that have historically kept Black lawyers out of in-house counsel positions. Eliza Stoker, executive director of in-house recruitment for Major, Lindsey & Africa, says her firm has had tough conversations with clients about practices that squash opportunities for Black attorneys.

## Top Recruiters on the State of the Art of Placing Diverse Candidates



**66** "There's definitely an increase in conversation around how to maintain diversity within an organization." **Bob Barker** BarkerGilmore



**66** "There are some clients who don't ask [for diverse candidates]. They don't really care." **Selena LaCroix** Korn Ferry



66 "We have to look at where we are failing to create systems that are allowing people to advance." Cynthia Dow Russell Reynolds Assoc.



**66** "The focus on diversity has become more sophisticated. It's become more specific." **Jennifer Gerney** Spencer Stuart



**66** "We always have a diverse slate, whether they ask for it or not." **Victoria Reese** Heidrick & Struggles



**66** "You have to make sure that you are purposely networking beyond people you already know." **Eliza Stoker** Major, Lindsey & Africa

# This hesitance could be motivated by a number of factors. Some executives are more comfortable working with a team of people who look more like them. Others don't see the business advantages of hiring a Black GC.

Stoker says that stringent candidate requirements—an Ivy League education, for example, or years of industry experience—can keep qualified Black talent from even being considered for a GC position. And when a Black candidate does make it onto a slate of prospective hires, biased interview questions, lack of diversity among interviewers, and an overall inequitable company culture are often deterrents.

As their firms have come to recognize these systemic barriers, recruiters agree that only a disciplined commitment to knocking those barriers down will increase the number of Black in-house counsel. This has led executive search professionals and their clients to work together to identify and develop more Black lawyers with backgrounds suited to working as general counsel.

As Gerney puts it, the rigid formula used by executives and recruiters to identify candidates for in-house counsel positions at major corporations will change as all parties conceive new ways to recruit more Black talent. While some recruiters claim they struggle to find suitable Black candidates for general counsel roles, Gerney says the best way to bust the myth that there aren't enough qualified Black lawyers is to share as much of that formula as possible with up-and-coming talent.

"Let's figure out how to get them qualified and actually have open conversations with them," she says.

#### **TRACKING BLACK ATTORNEYS**

At Russell Reynolds Associates, recruiters have ramped up a targeted effort to identify and track young Black attorneys even before general counsel positions are available. Then, when jobs begin to open up, specifications are shared with high-profile Black attorneys, executives, and partners at law firms who have strong networks of sitting and aspiring GCs. Dow says the goal is not only to inform individuals they already know would be interested in applying, but to raise job awareness among a larger pool of qualified people.

Given the current social climate, recruiters say, their

clients have more frequently been seeking advice on how to create a more inclusive hiring environment. But in some instances, they say, executives are only paying racial equity lip service, satisfied that they have seen a diverse slate of candidates but not necessarily taking the crucial step: hiring a Black general counsel.

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This hesitance could be motivated by a number of factors. Some executives are more comfortable working with a team of people who look like them. Others don't see the business advantages of hiring a Black GC.

"Trust me, there are some clients who don't ask for it," says Selena LaCroix, vice chair in global technologies at Korn Ferry and former general counsel at Honeywell International. "They don't really care."

#### **RENEWING COMMITMENTS**

In most cases, firms don't set measurable diversity targets, so data on the number of placed or presented candidates who identify as Black or African American is limited. But regardless of client priorities, recruiters have made a renewed commitment to presenting clients with candidate slates that are as diverse as possible. According to LaCroix, in the past five years, 25 percent of Korn Ferry's general counsel placements have been ethnically diverse.

And in 2018, Heidrick & Struggles pledged to increase the number of diverse board-level candidates presented to client companies. As of 2019, 62 percent of candidates presented by the firm met this standard. "We always have a diverse slate, whether they ask for it or not," says Victoria Reese, the company's global head of diversity and inclusion.

Bob Barker, managing partner at BarkerGilmore, says that although his firm tracks the career of every Top 600 attorney, he finds that there aren't as many Black candidates as there should be who are ready for in-house counsel positions. Barker describes the tension between clients' wants and available candidates as a "supply-and-demand issue."

## **Building Bridges**

How recruiting firms have created alliances and partners to develop and identify Black general counsel.

FIRM	PARTNERSHIPS & ALLIANCES	WORK WITH MINORITY BAR ASSOCIATIONS	OTHER ACTIVITY
Barker- Gilmore		<ul> <li>MCCA</li> <li>Black GC 2025</li> <li>NAPABA</li> <li>ACC</li> </ul>	<ul> <li>GC Advantage Program: Provides professional development to Black lawyers</li> <li>Diversity &amp; Inclusion consulting for law departments</li> </ul>
Heidrick & Struggles	<ul> <li>BIHC Network</li> <li>Ascent Network</li> <li>ELC</li> <li>Ascend</li> <li>NACD</li> <li>Direct Women</li> <li>WILEF</li> <li>NAAAHR</li> </ul>	<ul> <li>ACC</li> <li>MCCA</li> <li>NBA</li> <li>Black GC 2025</li> <li>HNBA</li> <li>NAPABA</li> <li>MBBA</li> <li>GAPABA</li> <li>CCWC</li> </ul>	<ul> <li>Heidrick &amp; Struggles Board Diversity Pledge: In 2018, the firm made a public pledge to help boards add diverse directors</li> <li>Director Institute: Apprenticeship program to prepare diverse execu- tives for corporate board service</li> <li>AESC Diversity Pledge against racism and discrimination</li> </ul>
Korn Ferry	<ul> <li>ELC</li> <li>Ascend</li> <li>Society of Hispanic Professional Engineers</li> <li>Women in America</li> <li>National Naval Officers Association</li> <li>Air Force Sergeants Association</li> </ul>	<ul> <li>NAPABA</li> <li>HNBA</li> <li>ACC</li> <li>MCCA</li> </ul>	• Leadership University for Humanity: Designed to accelerate the development of professionals of color and underrepresented populations at no cost to participants
Major, Lindsey & Africa	<ul> <li>Ascent Network</li> <li>Black GC 2025</li> <li>NAMWOLF</li> <li>NAWL</li> <li>Women's GC Network</li> </ul>	<ul> <li>HNBA Poder25 Faculty</li> <li>MCCA</li> <li>NBA</li> <li>NAPABA</li> <li>Minority In-House Counsel Assn.</li> </ul>	<ul> <li>Coaching and mentoring first-time GCs</li> <li>Charting Paths to Public Board Service for Black Partners</li> <li>Women's GC networking teas and webinars</li> </ul>
Russell Reynolds Assoc.	<ul> <li>McKinsey Partnership Accelerating Black Leaders of Today and Tomorrow</li> <li>Black Corporate Directors Conference</li> <li>Thirty Percent Club</li> <li>Lawyers Committee for Civil Rights</li> <li>Stanford Women on Boards</li> <li>Confederation of British Industry's change the Race Ratio Campaign</li> </ul>	<ul> <li>MCCA Alliance</li> <li>HNBA Poder25 Faculty</li> <li>NAPABA Faculty</li> <li>GAPABA Faculty</li> </ul>	<ul> <li>Accelerating Future Black CEOs</li> <li>Local mentoring</li> <li>Engagement with Black GC 2025 &amp; Diverse Partners Network</li> <li>AESC pledge against racism and discrimination</li> <li>CEO Action for Diversity &amp; Inclusion</li> </ul>
Spencer Stuart	<ul> <li>Member, Paradigm for Parity</li> <li>Corporate partner, Management Leadership for Tomorrow</li> <li>Sponsor, Women Corporate Directors</li> <li>Partner with Diligent Corp.</li> </ul>	<ul> <li>MCCA</li> <li>Black GC 2025</li> <li>NAPABA/Pipeliners</li> <li>HNBA Poder25</li> <li>ACC</li> </ul>	<ul> <li>CEO Action for Diversity &amp; Inclusion</li> <li>Pledged with other industry leaders and AESC to stand against racism, discrimination, and social injustice</li> </ul>

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Regardless of client priorities, recruiters have made renewed commitments to presenting clients with candidate slates that are as diverse as possible.

"There's a huge demand for Black or Hispanic candidates, and there's definitely an increase in conversation around how to maximize diversity within an organization," he says.

While there is some skepticism that a fear of public scrutiny could be motivating some executives' attempts to appear more equitable, recruiters echoed a resounding confidence that many companies are buying into the ways a diverse leadership team can enhance their business.

"So many clients want a Black general counsel, because it increases the diversity on their team in so many more ways than just the racial diversity," said Gerney. "It's the diversity of perspectives, of thought, and of leadership."

#### **PARTNERING FOR CHANGE**

This means that recruiters need to invest resources into meeting and developing talent who are still years away from an in-house counsel position.

According to Reese, by the time attorneys reach the point in their career when they're ready for a general counsel role, systemic disadvantages will have significantly reduced the pool of Black candidates. Young Black attorneys and law students have less access to financial resources and connections, making career development a critical tool.

At Russell Reynolds Associates, an exclusive executive search partnership with the McKinsey Academy's Accelerating Black Leaders of Tomorrow program will enable firm leaders to create career-planning curriculum for rising Black executives. The firm also plans to partner with local organizations to customize that curriculum to meet geographical needs.

In recent years, BarkerGilmore has heavily emphasized professional development programs, and this has increased the diversity of prospective in-house counsel. Over the past three years, 23 percent of BarkerGilmore's general counsel placements have been people of color.

#### **INCREASING THEIR OWN DIVERSITY**

While corporations are being held accountable for a lack of diversity, executive search firms, too, are confronted

with the reality that most of their leadership teams are experiencing the same problems.

"It's impossible to look at Major Lindsey & Africa and describe us as an exceedingly diverse group of people," says Stoker, who emphasizes the importance of hiring more Black recruiters who could, in turn, expand a firm's reach to rising Black talent.

MLA currently has 40 recruiters dedicated to making In-house placements, with one additional team member who splits time with other work. Only three of them are Black.

And in the past two years, the firm has seen a decrease in its placements of Black GCs. In 2018, MLA placed 10 Black attorneys out of 70 overall. Last year, the number decreased to five. But Stoker says that she and MLA are in the early phases of programming ways to identify failures in retaining Black staff members and attracting Black candidates.

"If we all only relied on our individual networks and we're all white, then we're not going to end up with diversity," she says. "You have to make sure that you are purposefully networking beyond people you already know."

Opportunities for such networking most often come in the form of partnerships with minority organizations. Spencer Stuart has made a particular effort to work more intimately with these groups, on both a national level and a smaller scale, in local offices. When the Black General Counsel 2025 initiative was preparing to launch, Gerney says, the firm took part in shaping some of the resources intended to help candidates qualify for in-house counsel roles.

It's clear that if we're going to see a number of Black general counsel that is more representative of the overall population, both recruiters and their client companies have a lot of work to do. Gerney says the hiring landscape has seen peaks and valleys in diverse hires over the years, but she is confident that the renewed focus on making C-suites more equitable isn't going away. "The numbers are not yet representative of the population, but I think there is still a lot of progress that can be made." ■

# What Digital Transformation Can Do for Legal Departments

FOR LEGAL DEPARTMENTS, DIGITALLY DRIVEN CHANGE IS A CRITICAL KEY TO INCREASED PRODUCTIVITY, DEEPER INSIGHT, AND STAYING IN STEP WITH THE FAST-MOVING NEEDS OF THE BUSINESS. **BY PETER HAAPANIEMI** 

igital transformation has brought new ways of working to everything from marketing and sales to finance and customer service. As a result, the business is increasingly accustomed to working with greater speed and agility, and it expects the same kind of performance from the legal department. The emergence of COVID-19 has only increased the interest in remote work and other digital capabilities. Departments that pursue digital transformation will be able to meet those expectations–and those that don't will struggle to keep up with the business.

In short, digital transformation has now become a key imperative for the legal department. "Departments need to move at the speed of the digital business," says Meredith Brown, vice president, Digital Advisory, at UnitedLex, a New York-based technology and legal services company. "So the question now is not if legal needs to become digital, but when. And that when is now."

#### THE VALUE OF TRANSFORMING LEGAL

Digital transformation is much more than using technology not only to increase efficiency but also to redesign processes and adopt new operating models that fundamentally change the way work is done. With digital technology, legal departments can drive improvements throughout the function, increasing efficiency, maximizing productivity, and reducing the time it takes to close deals. They can implement variable-cost models that enable legal to adapt to fluctuations in demand from the business. They can detect risk with greater speed and accuracy. They can make the best use of valuable attorney time while reducing human error. They can drive revenue gains while decreasing costs for the business as a whole. And the list goes on.

Experience has shown that digital transformation efforts can increase productivity 20 percent while reducing operating costs by 25 to 45 percent. Delivery times have been reduced by up to 63 percent, and digital contracting capabilities have led to revenue being generated 35 percent faster.

Legal departments have used digital transformation to move from being a cost center to a profit center. For example, a Fortune 50 manufacturer worked with UnitedLex to create a dedicated IP group, train people in new skills, instill a higher level of technical expertise, and work with outside counsel to redesign processes–ultimately leading to a \$50 million annual revenue gain.

#### THE KEY SUCCESS FACTORS OF EFFECTIVE TRANSFORMATION

Digital transformation requires new thinking, assessing how services are structured, and ultimate

### CASE STUDY Digital Transformation at DXC Legal

n 2017, CSC and the Enterprise Services business of Hewlett Packard Enterprise merged to create DXC Technology, a \$20.75 billion company serving customers around the globe. Following the merger, DXC needed to rationalize costs and achieve synergies across the organization–including in the legal department (DXC Legal). But the department decided to go beyond trying to "do more with less." Instead, it pursued digital transformation to find ways not only to cut costs, but to handle increasing workloads and enhance its ability to provide services to the business and support the company's growth.

To drive that transformation, DXC Legal worked with UnitedLex under a managed services agreement. UnitedLex implemented a new, centralized technology platform that integrates data and tools and provides a number of capabilities. It also armed DXC Legal's senior and specialist lawyers with sophisticated tools and automated workflows and used advanced AI technology to handle certain tasks. For example, AI is used in the first-pass review of contracts to identify potentially risky sections that can then be checked by lawyers, reducing the time they spend going through entire documents.

DXC Legal and UnitedLex also redesigned and standardized the legal department's processes, altering workflows and dividing work into component parts that could then be handled individually by the appropriate experts. They also created diverse channels for the business to engage the legal department's support, which streamline interactions and help ensure that issues reach the right legal experts more quickly and consistently.

The new approach also took advantage of offshore service centers to cost-effectively support lawyers working in the United States and shifted much of the workforce to a variable-cost model that could flex with changing business needs without disrupting service. To help people succeed in this environment, UnitedLex and DXC Legal also provided continual training on working as a "digital lawyer."

Overall, the transformation effort has enabled the legal department to manage growing workloads and enhance service–while cutting costs dramatically. The arrangement's transactional support model alone has accounted for substantial budget savings.

Just as important, the department's role in the company has shifted. "A key objective for DXC Technology Legal is to be a strategic adviser to our business and contribute value to our DXC business partners and our customers," says Michael Brito, DXC Legal Americas Region lead. "It's key to have a seat at the table to assist our sales and delivery colleagues in support of DXC's growth strategy. Our people really appreciate delving into the detail to deliver real impact as a business enabler, and that's evident in our excellent relationships with our internal DXC clients."



ly reevaluating every aspect of the department and its impact on the business. Although the necessity for such change is clear, law departments are sometimes cautious about adopting new technologies and methods. But a focus on five key factors can help ensure that they get the benefits they expect.

• Instill a customer-experience mindset.

Law departments sometimes bring in new technology and processes simply to streamline the work in the department. With that approach, however, "you can end up making life easier for the department but making life much harder for the customer that the department serves," says Brown. Instead, departments should use the customer's perspective as a starting point for technology-driven change. That means questioning how digital technology can streamline interactions with the business and how it can enable the department to help its business clients succeed. "You need to have a broader, end-toend perspective of the process and consider how it affects the experience of the internal business client or the external customers you're interacting with," she says.

#### • Build a culture of change.

Organizations are often ready to make a specific change-to implement a new tool or adjust a given process, for example. But today, change needs to be a built-in capability of the legal department, an ongoing part of the department's work and central to ensuring that members of the legal team are "digital citizens," ready to meet the business's evolving needs. The right culture, says Brown, "is about helping people to be receptive to change, encouraging people to try new things, and being willing to proactively question how the department can do things better." DIGITAL TRANSFORMATION CAN INCREASE A DEPART-MENT'S PRODUCTIVITY BY 20%, REDUCE OPERATING COSTS BY 45%, AND CUT DELIVERY TIMES BY 63%.

## • Access the power of insights for innovation.

Legal departments need to use analytics and AI to produce data-driven insights that help them understand trends, identify risk, and measure results in support of the business—and ultimately identify opportunities for innovative improvement. To ensure that legal teams are aligned to a culture of innovation, businesses can provide training to foster a digital-first mindset.

#### Adopt a robust legal platform.

The legal department should take advantage of the same sophisticated technologies used in the business, from interactive portals and automated workflows to AI and machine learning. These can be integrated on a centralized platform–a key step that enables holistic, department-wide insights into processes and performance that can drive ongoing improvements. As Brown notes, "Centralized platform technology should form the backbone of the legal department. It ultimately speeds up processes and enables better collaboration with the business."

#### • Reimagine workflows.

Rather than simply fine-tune processes, legal departments should adopt a zero-based design approach—one that sets aside the concept of "how we've always done things" to consider a



Business-grade technology provides transparency across the spectrum of legal work, enabling faster and better-informed decisions. Legal processes are enriched and simplified to augment service delivery and eliminate inefficiencies.

range of innovative possibilities. Departments should explore how redesigned processes, integrated automation, dynamic resourcing, innovative dashboards, and applied intelligence can bring significant improvements in efficiency and productivity. They should also redefine how the department interacts with the business to provide insights into risk, costs, and other factors affecting business decisions.

#### **STARTING THE PROCESS**

In charting a course forward, departments should begin by looking beyond isolated efficiency efforts to develop a clear understanding of the "art of the possible"—and the broad and often strategic benefits that digital transformation offers.

From there, they can develop a road map for moving ahead at the appropriate speed. "People often think of transformation as a long, multiyear effort, but it doesn't have to be," says Brown. Instead, companies can move forward with incremental projects—and pursue quick wins that deliver results sooner rather than later. And by establishing metrics that track these efforts, they can show that they are delivering value and continue to build momentum for the transformation. The key, says Brown, is to "keep the vision of your art of the possible in mind as your north star, and keep pushing toward that goal, and full digital transformation, over time."






LEADERSHIP

## River Deep, Mountain High

The challenges are still great, but associations advocating for Black, Hispanic, and Asian attorneys are working together to widen the flow, on the theory that what helps one group helps all groups. **By Jennifer Taylor** 

**S** THE ARTICLES throughout the *BIHC Annual Report* make clear, there remains an enormous gap in diverse talent in legal departments. This gap is most pronounced at the upper levels, where there are far fewer Black, Hispanic, and Asian general counsel—as well as lawyers who are just a job or two away from the GC position—than one might expect, given the rhetoric around diversity that has intensified in recent years, and especially the past year.

Elsewhere in this publication, we look closely at what corporations are doing to make meaningful and lasting change at the top of their legal departments as well as in the law firms with which they work. At the same time, we'll explore the ways in which some corporations are joining forces to share best diversity and inclusion practices and bring more collaborative muscle to their efforts.

However, all of the efforts these legal departments and law firms might muster can only be so effective if there isn't a pipeline of Black, Hispanic, and Asian legal talent ready to move into the top jobs as they become available.

That's where a group of minority bar associations that have emerged to work with attorneys in specific racial and ethnic groups are making a difference, nurturing these attorneys at all phases of their careers, and, perhaps more importantly, joining forces to help present their members to the parties that will then push them further down the pipeline: recruiters, general counsel, and law firm partners.

Much of the key to the success of these associations

is the extent to which they are able to share experiences and resources to, as Anne Marie Segal, who facilitates the Hispanic National Bar Association's PODER25 (or Power 25)program, says, "lift all ships." Jean Lee, president of the Minority Corporate Counsel Association, notes that while she believes different associations should design their own programs, she stresses that they should also work together, since the advancement of one group helps the others. "While the issues that Black lawyers face are different from those faced by Hispanic and Asian lawyers," Lee says, "we're all dealing with issues of representation as we fight for social equity." The numbers, she adds, "swing up and down, but we won't be moving at the pace we're looking to achieve if we don't work together."

Wilson Chu, a partner at McDermott Will & Emery, who, with Target CLO Don Liu, launched several of the pipeline programs at the National Asian Pacific American Bar Association, agrees. "Don and I are big-tent people," he says. "We're happy to share our playbook with everyone, to say, 'Take it and make it your own in any way that works.' Being underrepresented is what ties us all together. The same old song we constantly hear is 'Yes, I see the value in diversity, but I can't find any qualified people.' That's wrong. They just aren't looking hard enough."

The efforts these associations are making, both individually and collectively, says Chu, "is how we change the face of corporate America."

Here's a look at five associations and some of the work



they are doing, both individually and collectively, to help fill the pipeline, push it forward—and counter the myths that make it necessary.

#### LEADERSHIP COUNCIL ON LEGAL DIVERSITY

While LCLD's focus has largely been on practicing attorneys, the group—comprised of leading general counsel and managing partners—realized it could also influence attorneys at the point where they're entering the profession. This resulted in the group's mentoring program, which now matches more than 700 lawyers in member organizations in 33 cities around the country with women and minority law students, helping to build mentoring relationships in places where, as LCLD President Robert Grey notes, local efforts, such as through state bars, aren't sufficient.

Taking this further, LCLD responded to the cuts in summer internship programs during the 2008-2009 fiscal crisis by reaching out personally to law firms and legal departments to, as Grey puts it, "ask them to reconsider the idea of working with summer interns" who were between their first and second years of law school. Today, what started out as a program for 40 law students now serves 250 law students who work for LCLD member organizations and attend a 1L Scholars Summit, during which they participate in mock interviews and learn how to better navigate their summer experiences,

Started in 2011, LCLD's Fellows Program serves attorneys who are typically eight to 15 years into their careers and have been identified as "high potential" by their supervisors. Over the course of a year, Fellows attend a series of in-person training conferences, small group leadership lunches, and day-long learning experiences, which have included visits with leading general counsel.

#### **BLACK GENERAL COUNSEL 2025**

Started in 2017 by Ernest Tuckett and April Miller Boise—and influenced, Tuckett says, by the work of MCCA— Black GC 2025 has focused its efforts on increasing the number of Black general counsel in the Fortune 1000. To do this, the organization looks for candidates who

## Minority Bar Associations: Making a Difference

	GC 2025	HNBA	LCLD	МССА	NAPABA
Pipeline programs began	2017	2018	2011	2017	2005
Pipeline programs	Entire focus of organization	Poder25	Success in Law School mentoring 1L Scholars	C-Suite Leadership Institute Equity Track Program	IHC mentorship IHC boot camp Pipeliner reception
Attorneys participating each year	40	70	250	Varies	125
Recruiter involvement	Partner with recruiters at programs; reach out to tell recruiters about cohort participants	Recruiters partic- ipate in seminars and meet program participants	None	Introduce recruiters to potential candidates	Connect "highly placeable" candi- dates with recruiters
Results	At least 8 cohort members have obtained public company GC jobs	Participants get high-level jobs; created network of Hispanic GCs	Majority of partici- pants employed in jobs requiring bar admission	Number of partici- pants continues to grow	Helped increase number of Asian Fortune 500 GCs from 3 to 24

## The numbers "swing up and down, but we won't be moving at the pace we're looking to achieve if we don't work together." —*Jean Lee*

are "ready now" for a GC post, based on three core criteria: strong executive presence and interpersonal skills, significant technical legal expertise and experience, and demonstrated excellent judgment.

The group's first full cohort in 2019 participated in two days of training seminars to further hone those key competencies, which were developed chiefly by Boise with input from an advisory council that includes several Fortune 500 general counsel. During the pandemic, the group has been having monthly check-in calls, sometimes with a planned speaker, but often just to share information among themselves.

#### NATIONAL ASIAN PACIFIC AMERICAN BAR ASSOCIATION

"Our basic strategy," says Chu, "is to find, groom, and promote." As part of that, Liu says he feels it is important for pipeline initiatives to tailor their programming to the specific needs of NAPABA's members. For example, Liu believes that, because Asians are often thought of as a "model minority," people do not generally seek to mentor young Asian lawyers, thinking it's not necessary. To counter this, NAPABA began intentionally matching junior members with senior member mentors every year.

In addition, attendees at NAPABA's In-House Summit spend a few days working on social skills, something Liu sees as a deficit among many young members. "How do you walk into a room of 400 people you don't know and own the room?" he says. "That's a skill a lot of our members need help developing." The point, adds Chu, is that "we don't talk about the hard skills. Yes, you get hired on the hard skills, but you get promoted on the soft skills."

NAPABA's initial pipeline program, "10 by 10," launched in 2005, had intended to increase the number of Asian general counsel in the Fortune 500 from three to 10 by 2010. The program acheived its goal three years early, and by 2010 the total had hit 12. "We thought our job's done," says Liu. But when the total remained at 12 in 2014, NA-PABA realized, as Liu puts it, "you can't be complacent. It's a continuous process." Hence the 2014 launch of "20 by 20," which achieved its goal three years later.

#### HISPANIC NATIONAL BAR ASSOCIATION

While HNBA had always focused on increasing opportunities for Latino attorneys, the realization that there were fewer Latino GCs in the Fortune 500 than there were Black or Asian GCs, led the group to find a way to increase that number from nine in 2018 to 20 by 2025. Since then, the subgroup formed to address this problem, PODER 25, has provided some 60 members a year with leadership development seminars on such topics as executive presence, crisis management, and the secrets of GC and legal department success. PODER 25 participants, explains Anna Maria Tejada, HNBA's vice president of programming and a partner at Saul Ewing, are divided into three groups, depending on how close they are to moving into the GC position, and these groups then divide into smaller cohorts through which participants can focus on individual goals.

LEADERSHIP

The primary roadblock these attorneys face, Tejada explains, is "not having sponsors willing to push them up." PODER25's goal, she says, "is to add to their networks." Toward that end, they arrange *cafecitos*, through which participants build relationships with sitting GCs over coffee.

The response has been positive, Tejada says—and the impact dramatic. With 16 Hispanic GCs now in the Fortune 500, reaching 20 by 2025 seems entirely possible.

#### MINORITY CORPORATE COUNSEL ASSOCIATION

Founded in 1996, MCCA has long set the bar for pipeline development among Black, Asian, and Hispanic attorneys hoping to eventually move into general counsel positions. One of MCCA's pipeline programs, the C-Suite Leadership Institute, helps in-house attorneys meet with general counsel, other corporate leaders, and recruiters who are looking for top talent, not only for the GC position, but also for board directorships.

When Lee came on four years ago, she relaunched MCCA's equity track program, which is focused on helping partners of color at large law firms move from being income partners to being equity partners, a key issue in the quest for real equity at law firms (see page 140).



While Lee says that MCCA previously focused on equipping lawyers with "soft skills," she notes that the group has moved away from that emphasis, realizing that the reason their attorneys are not getting the jobs they're seeking is "not because they lack something, but because the institution and the system that was in place needs revisiting and revamping." As a result, she says, "a lot of the coaching and mentoring is focused on helping them better understand and navigate the system"—and then work to change it.

#### THE RECRUITER CONNECTION

While these associations can build their pipelines and help the attorneys they work with not only through skill development and role modeling, but also through networking, all agree that the key to increasing the flow is cooperation with recruiters (for more on this, see page 64).

Tuckett notes that a serious obstacle for many Black attorneys has been a lack of knowledge of GC jobs opening up. "Most of the time these jobs are not advertised," says Tuckett, who is currently a partner at Thompson Hine. "Having a network of people who will hear about roles and tell you about them is key." Grey agrees. "It's not enough to just give somebody your card and say, 'I want to go somewhere," he says. "The question is, who are you connected to professionally and socially and personally who is going to go to bat for you when that job comes open?"

One of MCCA's primary goals, notes Lee, is working with recruiters and introducing them to potential candidates and expanding the network "in a targeted and intentional way." Tejada says that HNBA does this by inviting recruiters to participate in their seminars, meet with participants, and provide them with feedback.

Liu notes that working closely with recruiters has been key to the success of NAPABA's "20 by 20" pipeline program. "The top five executive recruiting firms are used by about 80 percent of Fortune 500 companies," he says. "They are the gatekeepers, and we know all of them." As part of the effort to connect Asian attorneys with recruiters, Chu adds, NAPABA created a boot camp program called Pipeliners. The names of participants are shared with recruiters; the skills participants learn at the boot camp, and the fact that they've been part of the program stands them in good stead in executive searches.





# THE BUCK STOPS HERE ACCOUNTABLITY

THOUGH LEADERSHIP MAY BE at the crux of change, commitment to permanent change must run deeper throughout the organization. In this section, we examine what forces will make this particular moment a lasting movement and we take a close look at one form of often-misunderstood bigotry that has frequent-ly proven to be a harbinger of anti-Black racism: anti-Semitism. At the organizational level, we talk with people who are leading the charge to diversify boards beyond simply adding white women to their ranks, and we find that 2020 was actually a surprisingly good year when it came to moving Black people, and particularly Black general counsel, on to boards. We look at how legal leaders—GCs and rising stars alike—at a number of companies have pushed their organizations past performative diversity to focus on broader business strategies, and we identify seven steps a general counsel can take to advance Black lawyers. Finally, we interview a general counsel who, by holding her company's outside counsel to specific metrics, has not only had an impact on diversity at her own company but also at every law firm with which her company works.





## Is This a Moment or a Movement?

Responding to protests, U.S. corporations are working to right a litany of wrongs. Will these changes stick? Or, once again, fade away? **By Donna Marbury** 

N THE TIME SINCE the murder of George Floyd, American corporations appear to have done a great deal of soul-searching. They've reevaluated, restated, and reiterated their commitment to "diversity." They've sought to recruit Black executives and board members. They've talked about trying to pay more attention to the needs of their Black constituents—employees, leaders, customers, communities. And they've made a very public effort to find out what those needs actually are.

But all of that begs the question: We've been here before. Will we be here again? Or is this a moment that will, in fact, create a movement that will finally, once and for all, result in lasting, meaningful, systemic change. In exploring that quandary, the articles that follow seek to answer such questions as:

• What will determine the direction in which this "movement" moves?

• What will be the signs that change, this time, could possibly last?

• What are the forces of inertia that, once again, could keep change from sticking?

• What is the likelihood of a backlash—what will fuel that and what shape is it likely to take?

• What role can legal departments, lawyers, other executives, government officials, and private citizens play in making sure this moment lasts?

• Is it too much to hope that this moment is differ-



ent—or is what's necessary to affect permanent change a "bridge too far" for most companies?

As we set about looking for insights—and proof of change—we spoke both candidly and confidentially with several general counsel. They tended to be optimistic but raised a few bright red flags.

"This is not an either-or question," one GC told us. "It's both-and. While as Martin Luther King told us, 'This is a 10-day nation'—which has since become a 10-minute nation—Justice Ruth Bader Ginsburg said that 'lasting change comes about one step at a time."

The way we'll know if this is truly a movement, another GC noted, is by the long-term impact. "This time around," she said, "there have to be specific programs, specific investments, specific structures that eliminate or seek to eliminate the headwinds that Black and many other people of color face as they're rising through the ranks. There needs to be a long-term commitment and transparency so these organizations can be held accountable. You need to be committed to rigorous goals and targets, rigorous with training, best practices, education, culture, work that removes or counteracts institutional racism, instructional racism."

Speaking for many others, one GC added, "I'm cautiously hopeful because the conversation has gone beyond just "this is the right thing to do" and into more of the business imperative. Perhaps we will have enough diversity in those critical rooms and at those critical tables and on those critical teams that the issue just won't get swept under the carpet when the P&L is looking a little shaky."

## Calling Out Anti-Black Racism

#### By Anna S. Richo



eading as an African American female executive during these difficult times is exhausting. But despite all the challenges, I'm hopeful. For the first time in my life, I truly believe that we, as a nation, are going to obliterate anti-Black racism.

We need to specifically call out anti-Black racism because, unfortunately, it's unique; it's also at the core of society's demand for change. Our history as Black people in the United States is unlike the history of any other people of color, and in order for us to progress, we must address this ugly part of our history head-on. The structures built to suppress Blacks, the violence inflicted against Black people, are not universally experienced by all other people of color to the same degree. Structures that prevented land ownership diminished African Americans' ability to accumulate generational wealth. Structures that prevented access to a quality education impaired our ability to secure great jobs and career trajectories, and blocked pathways to generational business ownership. These structures, and many others like them, remain in place today. And around the world, Black people are oppressed simply because their skin is darker.

I did not know I could be an object of discrimination for being a woman until I was in my 20s. But I felt discrimination for being Black as early as in my primary school years. I felt it in how my teachers were dismissive of me, how they wouldn't call on me even if mine was the only hand raised. As Black people, we learn to build a psychological wall at an early age to protect ourselves from a constant, never-ending stream of small indignities.

As a Black person, you must think about safety all the time. Even inside your own home. Even with law enforcement, whose mission is to serve and protect you.

That's why it's so important that as Black executives, at any company, we visibly advocate for making those companies safe places for Black employees. Of course, they must be safe places for all employees—there's no question about that. But to make them safe places for Black employees, we all must take ownership of our biases, unconscious or otherwise, and be determined to root them out, in every aspect of our employment setting. This means in recruitment and retention, in having a robust, inclusive environment, in promotions and opportunities to grow, and by providing real and honest feedback to help us realize our potential so that we can thrive. We can't be dismissive. We must be accountable. It must be visible. And nobody gets a free pass. The time is now.

If we're going to create significant, sustainable change, we all have to come together. It was incredible last summer seeing the extremely diverse crowds holding "Stop Anti-Black Racism" signs. By calling out anti-Black racism—the toughest form of racism to crack—we will impact *all* racism.

Anna S. Richo is general counsel at Cargill.



## **Beyond the Tropes**

Finding a common theme in the fight against both anti-Black racism and anti-Semitism. **By Gary Stern** 

N JUNE 30, 2020, NICK CANNON, a Black comedian and commentator, unleashed a string of anti-Semitic comments on his popular podcast. Cannon said that too much power had been given to "the Illuminati, the Zionists, the Rothschilds," and that Black people, not Jewish people, are the "true Hebrews." The furor these comments provoked immediately highlighted the current poor state of Black-Jewish relations.

Soon afterward, Rabbi Abraham Cooper, director of the Global Social Action Agenda at the Simon Wiesenthal Center, a Los Angeles-based Jewish human rights organization, held a two-hour YouTube conversation with Cannon, reaffirming that the historic ties between Blacks and Jews have been obscured by online conspiracy theories. "It's long been true that Jews and African Americans are targets of hate and racism," says Cooper. "But now our social discussions are fractured, and our political system is a mess. Social media allows targeted, supercharged hatred. Evildoers can hide their identity, and targets have no defense. I've met young African American people like Nick who want to fight racism and have no idea what the Jewish people have endured."

Cannon, who was fired by Viacom CBS for his remarks, later apologized for his "hurtful and divisive comments," noting that his words came from "an uninformed and naïve place."

As one of the nation's most prominent rabbis, Cooper likes to remind people that among those who walked right beside Martin Luther King during the 1965 march from Selma to Montgomery, Alabama, was a rabbi, Abraham Joshua Heschel. Jews were active in the civil rights movement and were seen by Black leaders as key allies. But Black-Jewish relations have frayed in recent decades, worsening over the past few years. "The narratives of the two peoples have tremendous parallels, but the alliance is broken," says Cooper. "We need a reboot."

At a time when the killing of George Floyd has resulted in tens of thousands marching to protest institutional racism, many young progressives are highly critical of Israel and,





like Cannon, casually refer to Jewish control of business, politics, and the media. Anti-Semitic incidents are on the rise—in New York City alone, anti-Semitic hate crimes rose from 186 in 2018 to 234 in 2019. Cooper says that major corporations and nonprofits that are rightly getting involved in anti-racism work ought to also consider whether the groups they support have anti-Semitic elements. "The corporate world ought to be supporting the civil rights groups that are out there doing the heavy lifting, forging relationships instead of making noise," he says. "Blacks and Jews need to recapture our relationship from an earlier time."

Young Black leaders need to be taught that anti-Semitism is a racist ideology that white nationalists use to divide people, says Eric Ward, executive director of the Western States Center, a veteran Black civil rights leader who has studied anti-Semitism extensively. "Folks in the Black community see Jews as a visible part of the white community, not as victims of racism, and now you just hear this raw, unfiltered anti-Semitism," Ward says. "But anti-Semitism is a unique ideology that seeks to redirect grievances that vulnerable communities have toward another marginalized community, the Jewish community. Anti-Semitism is really a form of anti-Blackness in the way it distracts Black people from the real fight for equality and punishes a small community that is vulnerable."

Ward believes that both Black and Jewish businesses, in addition to civil rights organizations, must step forward

to reengage the two communities. He suggests that one avenue could be the creation of joint programs that tangibly benefit both communities, like a youth jobs program, college scholarships, arts and culture performances and exhibits, and the like. "The values that unite us are so important, so let's do things of substance," he says. Ward took a group of 25 progressive leaders to Poland in 2018 and Israel in 2019, exposing them to Jewish history and culture. "They now have a much more nuanced understanding of what gives rise to anti-Semitism," he says.

The Simon Wiesenthal Center's Museum of Tolerance in Los Angeles is already on this path, partnering with private and public groups to help people from many backgrounds understand the lessons of the Holocaust in a modern context. Recent programs have focused on the Black experience in World War II and the role of Black women in fighting for suffrage. "We have a model of listening deeply and acting boldly," says Liebe Geft, the museum's director. "Everything starts with building relationships: listening, learning, respecting the experiences of others. It's the opposite of pigeonholing or using oversimplified tropes that tend to dominate the news. We believe that new relationships are always possible."

Gary Stern covers education for The Journal News in Westchester County, N.Y., focusing on the structural lack of equity and opportunity among communities. He has reported extensively on the role of the Black church in fighting racism and the potential for anti-Semitism during times of social unrest.

## Common Ground, Uncommon Purpose

CHAMPIONED BY DLA PIPER'S LEADERSHIP AND DRIVEN BY CHIEF DIVERSITY AND INCLUSION OFFICER FENIMORE FISHER, THE FIRM'S FOREFRONT COMMITMENT TO EQUALITY IS ALL-ENCOMPASSING.



**Raymond M. Williams,** Philadelphia-based Litigation partner, is DLA Piper's National Diversity and Inclusion Partner and a Policy Committee member.

riving diversity and inclusion (D&I) from the top includes delivering a local grassroots experience, which is why each of DLA Piper's 22 U.S. offices has its own D&I committee. "This hub-and-spoke approach allows us to advance the common goal of developing broader perspectives and deeper understanding around diversity," says National Diversity and Inclusion Partner Raymond Williams. "We foster an environment where everyone can unapologetically be their authentic self."

When Gerry Williams started at DLA Piper in 2008, the wheels of progress were already in motion. "The firm was moving fast on changing the way people thought about D&I," says Williams, who heads up the African American Attorney Resource Group. "That willingness to act set us apart then and has accelerated since. With more Black and women partners in leadership roles than ever before, I am pleased with the tangible results of our ongoing efforts."

This forthright commitment is a beacon for rising talent and seasoned practitioners alike.

For junior partner Jamila Justine Willis, finding a firm with a



**Ferlillia V. Roberson,** Chicagobased Litigation partner, is a trial attorney specializing in complex intellectual property cases.



Kevin Nolan, Austin, Texasbased Corporate partner, represents U.S. and non-U.S. institutional and private investors on wide-ranging issues.



Jamila Justine Willis, New Yorkbased Corporate partner, has extensive experience in complex financial and corporate restructuring across industries.

culture of mentorship and sponsorship was imperative. "That's essential for women and lawyers of color especially," says Willis, who joined DLA Piper specifically because of the pledge of support from the senior partner who hired her. "That was exciting," recalls Willis, who chairs the New York D&I Committee. "True to his word, the firm has provided me with every opportunity to succeed."

While Kevin Nolan chose DLA Piper principally for the "broad platform" to grow his practice, "what keeps me here is the holistic culture of inclusion and encouragement," he says. "This strong support structure, which includes formal programs and leaders like Ray Williams, who brought me into the fold here and who fosters a strong sense of community within the firm, is instrumental in attracting and retaining Black talent."

Ferlillia Roberson, then a partner at another firm, was not looking to leave that firm when recruited to DLA Piper. That changed after meeting with leaders across DLA Piper. "I was persuaded by the firm's inclusive culture and their commitment to my personal advancement," says Roberson, who advises FORWARD, the Chicago D&I committee, and chairs a client-facing D&I program. "We take an intentional approach, including setting and measuring goals, to getting D&I right."

For renowned practitioner Kim Askew, "alignment with my values" sealed her decision to

"EMBRACING DIVERSITY STARTS WITH TALKING ABOUT OUR DIFFERING LIFE PER-SPECTIVES, PERCEPTIONS, AND REALITIES. WE MAY NOT AGREE ON EVERYTHING, BUT OPEN DISCUSSION GOES FAR IN DEEPEN-ING UNDERSTANDING AND MOVING US TOWARD COMMON GROUND."

#### -Raymond M. Williams, National Diversity and Inclusion Partner

join DLA Piper in January 2020. "The firm clearly understands the issues facing lawyers of color in the profession and is working hard to create platforms for their success," says Askew, whose distinguished legal leadership gives her sharp insight into evolving industry dynamics. "The firmwide commitment to collaboration and community is especially inspiring for young diverse talent."

John Gibson is another acclaimed veteran who was persuaded by the firm's cultural ethos. "Along with DLA Piper's board-safe reputation, impressive client base, cross-selling platform, and the opportunity to expand my civil antitrust practice, I was drawn to the avowed dedication to driving diversity forward at all levels," says Gibson, who came aboard in July 2020. "Our leadership is unequivocally focused on making a quantum leap ahead in equality."



<u>Gerry Williams</u>, Atlanta-based Corporate partner, chairs the Georgia Corporate and Securities practice.



**Kim Askew,** Dallas-based Employment partner, is widely regarded as a commercial litigator and diversity advocate.



**John Gibson,** L.A.-based Litigation and Regulatory partner, has earned national acclaim as an antitrust litigator.



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## Putting Race on the Table

While efforts to diversify boards have been underway for years, the results have been mixed. But thanks to a confluence of factors—and groups—things are looking up. **By Matthew Scott** 

**ESPITE GOOD INTENTIONS,** the board diversity movement appears to be suffering from unconscious bias.

The growing movement has been built on and supported by a host of developments: increased diversity programming at public companies; the hiring of "diversity officers" at many corporations; conferences focused on diversity hiring; significant studies making the business case for diversity; shareholder proposals demanding greater corporate transparency about diversity; and proposed legislation mandating diversity on corporate boards. Yet while many of these efforts were clearly intended to increase the numbers of racial and ethnic minorities on boards, the chief beneficiaries of "diversity," it turns out, have been white women.

There is no doubt that the board diversity movement has helped women in general. According to ISS Analytics' U.S. Board Diversity Trends report for 2019, the S&P 500 and the Russell 3000 have shown steady growth in the percentage of new directorships held by women for each of the past three years (for S&P numbers, see chart, page 85). In the S&P 500, the percentage of new directorships held by women grew from 37 percent in 2017 to 46 percent in 2019. For the Russell 3000, it rose from 26 percent in 2017 to 45 percent in 2019. That's the good news.

By contrast, during the same three-year period, the percentage growth of new directorships for ethnic mi-

norities was much more modest. The percentage of new directorships for ethnic minorities (both men and women) increased from 18.8 percent to just 21.1 percent in the S&P 500, and from 10.7 percent to just 13.3 percent in the Russell 3000.

As women gain a greater share of the new directorships each year, it seems clear that companies have chosen to emphasize gender diversity over ethnic/racial diversity. The Heidrick & Struggles Board Monitor US 2020 report suggests that women are in greater demand for director positions because "many more women now have board experience—or experience dealing with boards in their senior management positions—and sophisticated networks are bringing capable women to the attention of nominating committees. Boards are also becoming more intentional in their recruitment efforts, often making gender diversity one of their primary goals when nominating new directors."

However, a close examination of statistics from the 2019 U.S. Spencer Stuart Board Index report shows that although 46 percent of new independent directors named to S&P 500 boards in 2019 were women, only 10 percent were minority women (minorities include African American/Black, Hispanic/Latino, and Asian). (See chart, page 91.)While that 10 percent increase represents some progress for minority women, it pales in comparison to the gains made by white women.

### How CEOs Can Place More Black People on Boards

EOs and corporate directors often complain that they can't find Black talent to sit on corporate boards. What they're really saying is that they question Black talent. To get past that roadblock, experts we spoke with suggest that CEOs:

**Diversify their networks.** "In order to consider more candidates, the only strategy is for CEOs to expand their circle of contacts and to have their senior executives serve on nonprofit boards so they can get to know more people of color who might serve on those boards," says 2020 Women on Boards' Betsy Berkhemer-Credaire. "These are more proactive actions that can help senior executives expand their networks into communities and business networks of color."

Develop their own Black executives. Retired board member Barry Williams says CEOs should train their top Black executives to interact with corporate boards to develop a pipeline of potential candidates. "That would effectively enlarge the pool," he says. "That pool is your own Black executives—allow them to get on boards." **Change the search strategy.** Williams also insists CEOs mandate "diversity-only" searches. Since the racial justice movement picked up steam last year, he says, "There are lots of diversity- only mandated searches requested by companies."

**Insist on adding diverse members.** Crystal Ashby of the Executive Leadership Council says, "It's about being much more deliberate and intentional about how you go about [adding Black board members] and not accepting that there isn't Black talent out there and there isn't anyone who can help you fill this board seat. The talent exists; you just have to be looking for it in the right places. And you can't take no for an answer."

**Create accountability.** Corporate director Maria Green says there needs to be some form of consequences for companies that fail to racially diversify boards. That means CEOs deciding on goals, creating a plan to achieve them, measuring progress in a reasonable time frame, and doling out consequences for failing to meet targets. "If I give you some concrete suggestions and we don't benchmark to see if we make any movement, then there's no point," she says.

#### WHY WHITE WOMEN BENEFIT MOST

For Black women executives, seeing their white female colleagues promoted to board seats while they are not is particularly distressing. If the diversity movement was intended to promote people of color, and if companies have embraced and emphasized gender diversity, why, they ask, do the statistics continue to show Black women being shut out?

Crystal Ashby, interim president and CEO of the Executive Leadership Council (ELC), suggests that diversity conversations at many organizations start with gender, forcing the issue of race off the table.

"The emphasis on gender, whether intentionally or unintentionally, has largely and exclusively focused on white women, and there's a very understandable reason for that," says Ashby. White males make up the majority of CEOs and directors making board appointments, she says, and they tend to have stronger relationships with white women. And since most board appointments are made through relationships, white women benefit.

"Selecting white women is more comfortable," Ashby adds. "This goes back to the idea that you tend to gravitate toward people you have an affinity for, you have an understanding of, and who fit into the thought process of the people you engage with. It goes back to the exposure issue, which is why you have to broaden the network."

Maria Green, a corporate director who serves on three

company boards, believes white women are also benefiting because the concept of diversity has been expanded to take the focus off correcting workplace inequities that have hurt people of color. In fact, by hiring white women and other groups, companies have been able to meet diversity goals set by regulators without hiring Blacks. "What I've seen historically is when we're talking about diversity, all of a sudden diversity means everything. It means gender, race, disability, sexual orientation—you name it," she says.

While Green agrees that diversity must include many other groups, the fact that the percentage of Black board members hasn't increased significantly since 2016 concerns her. The lack of movement has some diversity advocates questioning whether old biases and a lack of fairness may be at play. Recently, Green says, while she has taken calls from executives asking her to refer board candidates, their criteria are at once very expansive and ultra-specific.

"It's like looking for a pink unicorn—it doesn't exist," says Green. "If you are looking for a white male or female board member, you don't ask for such specifics. But when you're looking for an African American, all of a sudden you want all these criteria? Obviously certain criteria are needed, but don't tell me you need all 50 of these before you can add an African American to your board."

Ashby says that if the board diversity movement is going to really take off, white women who have obtained new

board seats will need to step into leadership roles, where they can advocate for even more gender diversity.

"I do think white women now have a responsibility to become the allies of their fellow women," Ashby says. "They need to be willing to promote Black women and brown women as we will be supporting them having achieved what we are all striving to achieve. Knowing that they've been the beneficiaries, they should become the allies and be the voice in the room that says, 'When are we going to put a Black woman on this board?" "

#### PRESSURE TO DIVERSIFY BOARDS

There is mounting evidence that the movement to diversify boards has picked up momentum, but it is clear that gender diversity is being adopted at a much faster rate. Eight years ago, Betsy Berkhemer-Credaire, who now heads 2020 Women on Boards, originated the legislation that led to the 2018 California law requiring every public company headquartered in the state to have at least one woman on its board and at least three women board members by the end of 2021. Since then, Colorado, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania have proposed, and in some cases approved, similar legislation. Recently California and Washington State went

even further, proposing legislation to mandate some form of racial and ethnic board diversity for public companies.

Additionally, large institutional investors have publicly supported gender diversity for boards. Blackrock and Vanguard, for example, have threatened to vote against the re-election of certain directors on boards that are not diverse. And more shareholder proposals are requesting that companies disclose the details of their board composition, including gender, racial, and ethnic makeup.

Shareholders have even taken to suing companies that claim to support diversity as a policy but have no diversity on their board. A recent lawsuit against Oracle, for example, claims that because the company has no Black people on its board or management team, "Oracle's directors have deceived stockholders and the market by repeatedly making false assertions about the company's commitment to diversity." The company could face regulatory fines and penalties. Decisions in this lawsuit and in similar suits against Facebook and Qualcomm may push companies to move even faster to diversify their boards by race in order to avoid litigation and embarrassment.

While the pressure from legislators, shareholders, and regulators is positive, retired corporate director Barry Lawson Williams believes CEOs could be pushing more to



Since 2014, the growth in the percentage of new director appointments for women has far outpaced the growth in the percentage of new director appointments for ethnic minorities in the S&P 500. SOURCE: ISS ANALYTICS

#### Percentage of Women and Minority New Director Appointments, 2014-2019



## **Snapshot: Blacks on Boards**

What Barry Williams found in his Black Corporate Directors Time Capsule Project



19

Pushed

for more

diversity

9

Spoken

sooner

up more/



<sup>1</sup>multiple responses

Listened

more

6

coalitions

Built

more

8

Learned

when to

pick my spot

NUMBER OF BOARDS PER PARTICIPANT<sup>2</sup>



#### FORECAST FOR BLACK DIRECTOR REPRESENTATION



As shown in the charts above: Race played a major role in less than 20% of searches. Executive searches played a limited role in getting Blacks on boards. Most of the 50 Black participants did not pursue a seat on their own, and those who rejected a board did so because of fit, conflicts, or overboarding. Participants wished they had pushed harder for diversity. Most responding directors served on five or more boards during their careers. And most respondents did not envision much of a gain for Black directors.

### If we don't see any movement from where we are today in a year, I'm seriously going to think about resigning from the board." —*Maria Green*

improve racial diversity on boards. Williams, whose Black Corporate Directors Time Capsule Project (see charts, page 86) analyzes the experiences of Black board members, says, "The most important thing for CEOs to do is mandate diversity in all board searches."

Williams, who ran his own consulting firm, says CEOs should be more equitable about stocking the boardroom pipeline with Black candidates. "I want CEOs to promote their own senior Black executives to do board work," he says. "That would get them in front of the board, train them, and effectively enlarge the pool. You have to identify a new pool of potential board candidates, and that pool is your own Black executives. These are some things CEOs can do to get more movement on diversity." (For more, see a Q&A with Williams, page 28.)

The impact from this pressure, along with the recent civil unrest over racial injustice, has motivated groups that advocate for increasing the number of women corporate directors to intensify their efforts to get more Black men and women on public company boards. Here are some of the groups helping to support the movement's goals.

#### THE EXECUTIVE LEADERSHIP COUNCIL

The Executive Leadership Council, which since 1986 has been the most prominent Black organization advocating for increasing the number of Black directors on corporate boards, recently became part of two new initiatives intended to increase the number of Black corporate directors.

The ELC, the corporate advisory firm Teneo, and The Ford Foundation have teamed up to launch the Board Diversity Action Alliance (BDAA) to accelerate an increase in the number of racially and ethnically diverse men and women serving on corporate boards. Together with its other founding members—Albertsons Co., Centene, Dow, Macy's, Mastercard, PNC, Uber, Nordstrom, Under Armour, UPS, and WW—the ELC will immediately start working to increase the number of Black directors on corporate boards; push for disclosure of the self-identified race and ethnicity of all board members; and encourage companies to produce annual disclosures on diversity, equity, and inclusion measures. "Those are three things BDAA wants to have an impact on that can make a change," says ELC CEO Crystal Ashby.

Ashby also notes that the ELC is a charter pledge partner of The Board Challenge, a new action group of companies and organizations founded by Altimeter, Valence, and The BoardList. The group encourages companies to sign a pledge committing to adding at least one Black director to their board by the end of 2021, or, if they already have Black board members, to support the goal of accelerating the increase of Black representation on all boards.

The ELC, which has a 19-member, all-Black board, has a long history of helping Black executives prepare for and obtain corporate board seats. It is one of four leadership organizations that form The Alliance for Board Diversity, and it works with Deloitte on its Missing Pieces Report, which focuses on tracking gender representation on corporate boards. Since 2011, the ELC has also run the Corporate Board Initiative, a program that boasts a training module and platform, created in partnership with the National Association of Corporate Directors, which prepares its members for service on corporate boards.

"We have nearly 125 members who are already sitting on boards," says Ashby, "and through our CBI program, we have another 100 who are board-ready."

#### THE THIRTY PERCENT COALITION

As a collection of institutional investors, private equity funds, public companies, professional service firms, and organizations for diverse professionals, the Thirty Percent Coalition provides a supply of candidates for board appointments. Each year, the group runs an "adopt a company campaign" where coalition members reach out to Russell 3000 companies that have no women on their boards and convince them to consider female candidates.

"To date, our outreach has helped 400 companies appoint a woman to their board for the very first time," says Charlotte Laurent-Ottoman, executive director of the Thirty Percent Coalition. "Last year, we engaged with 115 companies that appointed women to their boards for the first time, and we have a database of our investors where we maintain information on our engagements and the appointments."



<u>Colette D. Honorable</u>, D.C.-based partner in the Energy and Natural Resources Group, is globally recognized for her energy sector thought leadership.



Jason E. Hazlewood, Pittsburghbased partner in the Global Commercial Disputes Group, specializes in class actions related to complex commercial and financial services litigation.

## At the Forefront

Committed to the spirit of excellence, innovative legal solutions, ultra-responsive client service, and an unapologetic approach to diversity and inclusion, Reed Smith delivers global impact while focusing on cultivating individual talent and achievement.

Monorable served two and a half years as a commissioner at the Federal Energy Regulatory Commission. BigLaw was not in her plans—until Reed Smith invited her to their partner retreat and annual Diversity Summit. "Their energy department was solid," she says. "The clincher was their clear commitment to inclusion." Building an energy regulatory group from scratch, Honorable and her team work on clean energy and other initiatives around the globe. "Our practice is at the cutting edge of energy's future," she says.

As a young Reed Smith associate, Jason Hazlewood spent two rigorous years as in-house counsel for one of the nation's largest financial institutions. Placed there by a partner-mentor, he managed all litigation matters as well as outside firms. "The insight into how customer service plays an integral role in any successful lawyerclient relationship was invaluable," says Hazlewood, who is leveraging that experience leading a multiyear, nationwide class action litigation on behalf of a Fortune 500 client. "That early chance to walk a mile in the client's shoes was a defining aspect of my success."

Before COVID-19, Amber Finch had the firm's legal tech provider customize an AI-powered solution to streamline an aviation client's contract management process. When the pandemic hit, she immediately proposed an AI analysis of the force majeure provisions in some 5,000 contracts. "This expeditious, cost-effective pivot revealed opportunities to increase the client's leverage in vendor negotiations," says Finch, who was honored as a "Crisis Leadership Trailblazer" by the

### "I FIRMLY BELIEVE THAT EXPERIENCE IS THE TRUEST PATH TO SUCCESS. AS THE FIRM INVESTED IN ME, I NOW INVEST IN OUR YOUNG ASSOCIATES."

-JASON HAZLEWOOD

*National Law Journal* for the initiative. "Clients trust me to always look at the big picture."

Keyonn Pope, whose background includes working as an electrical engineer for a Fortune 100 engine and equipment company and teaching "Patents and Entrepreneurship" as an adjunct professor at Howard University, combines a deep skill set with an unwavering commitment to client service. "That comes from my high school days waiting tables," says Pope. "I dial all those nuances of anticipating customer needs and preferences into my relationships. Layered on top of knowing how the law intersects with clients' business priorities, that personalized touch goes far in building client bonds."



**Amber S. Finch,** L.A.-based partner in the Insurance Recovery Group, is a go-to lawyer for her innovative coverage litigation and risk management solutions for policyholders.



**Keyonn L. Pope,** Chicago-based litigation partner, focuses on intellectual property, commercial, and entertainment matters.





### Advice for GCs Seeking Board Seats

"The reason boards may want an attorney is because they are expert in a particular area of business that that board needs an expert in. Don't lead with the fact that you are an attorney; lead with your business experience and then tell how you've used that expertise as general counsel." —*Betsy Berkhemer-Credaire* 

"Find someone at an executive search firm who will do more than just send your resume to every firm—someone who will work with you. And I'm a big advocate of a 'board-oriented' resume that addresses these questions: Why do you want to be on a board? What skills will you bring? What do you want to accomplish? What leadership experiences have you exhibited that show you will be a good fit and a contributor? And who would recommend you? If you answer those five questions, they'll have enough to know if they want to speak to you further to get more details."—Barry Lawson Williams

"You've got to show yourself to be 'board-ready,' which means somebody who has executive presence and gravitas, somebody who has a broad range of experience, whether in corporate America, nonprofits, government, or academia. And they should have held a senior role in helping to build an organization. Boards are looking for somebody who is a critical thinker. Management is going to come into the room and tell you what they think and what they want to do, but then you've got to have the ability to think critically about whether it makes sense or whether there is another approach." —*Maria Green* 

Laurent-Ottoman and coalition members, fully aware of the racial disparity in board appointments, made a significant move to address the issue this past summer by adopting a new mission statement to better reflect how it plans to participate in the movement. "Before, our mission statement was 'To promote women, including women of color, to corporate boards.' We've changed it to read 'To advocate for corporate board diversity, promoting women and people of color,' " says Laurent-Ottoman. "So for the first time, we have opened up our advocacy to men."

She says the coalition and its board, which draws 47 percent of its members from diverse backgrounds, had been pushing the group to do more around racial diversity on boards, and she believes changing the mission statement shows a strong commitment to reaching that goal. Last year, Thirty Percent launched its "Women of Color Campaign," where it hosted conferences in Boston, New York, and Chicago that attracted 70 companies interested in meeting with hundreds of minority women board candidates in a social and informal environment. A one-year grant from the Nathan Cummings Foundation paid for the campaign, although Laurent-Ottoman says additional funding and manpower will be needed to continue such events.

This year, the coalition has been urging the CEOs of companies without a woman on their board to add one, and to institute the so-called "Rooney Rule," through which companies commit to interviewing people of color anytime a board seat comes open.

While progress has been made, she acknowledges there is much more that can be done. "Companies have to start disclosing the racial and ethnic makeup of their boards," she says. "Otherwise, we can't go anywhere."

#### **2020 WOMEN ON BOARDS**

Educating women about the best way to be asked to serve on a corporate board is what 2020 Women on Boards does best. CEO Betsy Berkhemer-Credaire says her organization educates candidates, conducts research on board diversity, tracks progress in that area, and advocates for women by staging events across the country.

While her organization can advocate for women by emphasizing the business reasons for a company to add diversity to its board, Berkhemer-Credaire understands that "it's not possible for an external group to say that they will place these women or individuals from different racial and ethnic backgrounds on a particular board, because it's all about relationships, trust, and experience."

Berkhemer-Credaire estimates that since 2012, her organization's largest event, called the National Conversation on Board Diversity, has attracted no fewer than 2,000 attendees annually. Last year, she reports, with the group forced to turn to remote events because of the pandemic, the Global Conversation on Board Diversity broadcast along with 27 virtual events in the U.S. and around the world attracted 6,700 registrants.

The group also holds smaller events in 30 cities around the country featuring panels on board service and informal one-on-one coaching to help attendees identify the value-added experience they can offer a board. "The message we try to get to women and men is that you have to do this yourself," says Berkhemer-Credaire. "Nobody is going to be calling you out of the blue and asking you to serve on a corporate board."

As the call for board diversity continues to grow, Berkhemer-Credaire says, board opportunities for wom-

en of color will increase. "Boards are being pressured by shareholders and need to have the perspectives of women and people of color," she says. "It's a business issue."

#### **BEYOND BOARDS**

Beyond Boards is CEO Sarah Zapp's unique approach to getting more women and minority candidates on boards. The former broadcast journalist and consultant to early-stage companies invites private equity firms, venture capital firms, and others looking for independent board members to mostly social gatherings so they can interact with diverse board candidates and listen to remarks from dynamic thought leaders. "We emphasize getting great-quality diverse candidates and women in the room alongside the people who can provide them opportunities—people at private equity firms with portfolios of companies, the large VCs, and the directors on board nominating committees," she says.

Since board appointments are given largely to people board members already know, Zapp's goal was to create a community where relationships between board members and quality candidates could develop organically. Those attending the in-person or virtual events are encouraged to network until they create a new set of "people they know" who can help them reach their goals. The organization has also placed white and Black board members through more traditional board placement efforts.

#### **EMBRACING THE CHANGE**

The willingness of these organizations to focus on ethnic and racial board diversity or to broaden their efforts beyond primarily gender diversity may convince more public companies to embrace the change as well. However, to have board diversity efforts result in the actual hiring of more people of color, says the Heidrick & Struggles report, "Boards will need to expand their recruiting strategy by casting a wider net for candidates who may otherwise go unnoticed. That includes leaders in P&L roles and candidates deeper down in organizations, as well as looking beyond public companies—for example, for leaders of private companies, academic institutions, and professional services firms who could contribute needed skills and expertise as well as fresh perspectives."

It remains to be seen if current boards will be willing to move away from the comfort zone of hiring white women to hire Black and brown board candidates instead.

"Research has shown that diversity leads to better thinking and performance," notes Williams. "Certainly, racial and gender diversity leads to diversity of thinking, because we all have different experiences and different things to contribute. The higher-performing companies are more aligned with diversity and able to take advantage of it." ■

Brooklyn-based journalist Matthew Scott covers corporate boards for several publications, include Corporate Board Member.





#### 2020 VISION: A BANNER YEAR FOR BOARDS

## The New Face of the Board Director

More Black attorneys were appointed to boards in 2020 than ever before. The reasons are clear; the trends are surprising. **By Mike Winkleman** 

LTHOUGH, IN RECENT YEARS, diversity has been a slow build in corporate boards across the country, 2020 provided an exception that many observers believe may turn out to be the rule. Since the murder of George Floyd, says Colette Honorable, a partner at Reed Smith who was appointed to her first public board, Southern Co., in 2020, "we've been seeing heightened enlightenment, and companies have been pursuing racial equity with intentionality. There has been a focus on how to bring strength to the corporate board setting. We've known for a long time that having a diverse board brings increased revenue and profitability. This is long overdue."

In 2020, there were reports that a record number of Black directors had been appointed, the vast majority after May. Of those, 25 were Black attorneys—active general counsel, retired general counsel, and law firm partners (see chart page 95). And a close look at those numbers shows evidence of several trends that are clearly changing the face of the board director, now and in the future.

## YOUNGER PEOPLE RISE TO THE OCCASION

"It used to be," says George Fleck, founder of G. Fleck Board Services and publisher of DirectorMoves.com, "that you used to join a board in your early 60s," at a time when a potential director's full-time career was winding down. Now, with boards demanding more attention from board members than ever before, "people are joining in their mid-50s."

Colette Honorable is a case in point. Having previously served on several private boards, Honorable, who is 50, was approached in 2020 by a recruiter about joining the board of the publicly held Southern Co. The company was looking to refresh its board and was particularly focused on both women and diverse candidates.

As both a former regulator and someone who had been raised in the South, Honorable felt this seemed like a good match, and it has turned out to be. "They have recognized that this is my first public board experience, and they have been very accommodating and



SOURCES: CHIEF LEGAL EXECUTIVE; EQUILAR; DIRECTORMOVES



SARAH DODDS-BROWN Party City 2020



BRIAN ELLIS Entergy 2020



COLETTE HONORABLE Southern Co. 2020



TEKEDRA MAWAKANA Intuit 2020



ZUHAIRAH SCOTT WASHINGTON Five Below, Olo 2020

hospitable," she says. "Both the board members and the C-suite leadership have made sure that I've learned the history of the corporation and have been oriented to take on the governance responsibilities." She's already joined both the finance and the business security and resilience committees.

Honorable is not alone as a younger Black director appointed in 2020. Joining her are Tekedra Mawakana, COO at Waymo, who joined the Intuit board; Sarah Dodds-Brown, managing counsel at American Express, who joined the Party City board; Brian Ellis, GC of Danaher, who joined the Entergy board; and Zuhairah Scott Washington, Global SVP of Strategic Partners at Expedia, who was appointed to both the Five Below and Olo boards.

This is also a trend, says Honorable, that "is long overdue." Younger people "have been well qualified for some time, but in a period of heightened awareness, there's a greater focus on this abundant talent." Moreover, she believes this will bode well for the companies that bring younger directors in. "Younger people will gain important training earlier," she says. "They'll serve for longer periods of time with greater amounts of expertise."

Fleck agrees, pointing out that starting board service earlier also gives younger board members more time to advance into lead director and even independent chair roles.

#### OVERBOARDING BECOMES MORE POPULAR

Two years ago, Mary Ann Hynes, who had made history as the first woman general counsel of a Fortune 500 company in 1979, learned that Tennant, a cleaning products company, was looking for a director. The first person who

### Companies That Appointed Black Attorneys to Their Boards in 2020

Adamas Pharmaceutical Advanced Energy Industries Cardinal Health Dick's Sporting Goods Entergy Fender Five Below Fluor Howmet Aerospace iHeart Media Intuit Lincoln Electric Holdings Littlefuse Olo Party City Holdco PG&E Public Storage Relativity Romeo Power Southern Co. TESCO Trane US Steel WP Carey

#### BLACK ATTORNEYS CURRENTLY SERVING ON AT LEAST 3 BOARDS

Pamela Carter Maria Green Teri McClure (4) Richard Parsons Deval Patrick Kim Rucker Teresa Sebastian Paul WIlliams



Once you get on one board, you become sought-after. [Some board members] are fielding a couple of calls a week. 'Person of color' is the key word." — George Fleck

came to mind was Maria Green, then the GC at Ingersoll Rand. Green's subject matter expertise was an important factor, says Hynes, but so was "the goodwill of her leadership." Green, she says, "is the whole package-she is in and of the community," having served on the boards of such legendary Chicago institutions as the Urban League and the Goodman Theater. Seeing, too, that Tennant needed strong corporate governance, and knowing that this was one of Green's strong suits, Hynes encouraged Green to consider this opportunity-and encouraged Tennant to consider Green, despite the fact that Green had never held a public company board position before.

Getting the first board position is the most difficult, notes Fleck, adding that "once you get on one board, you become sought-after." He sees many board members fielding "a couple of calls a week asking them to join boards." This is especially true with Black directors. "Person of color' is the key word going forward," Fleck says.

Since joining the Tennant board, Green has added

board positions at WEC Energy Group and Littelfuse to her portfolio, joining the latter in 2020.

And Green is not the only Black director to sign up for multiple boards. Of the 50 Black directors listed on page 95 (25 of whom accepted board directorships in 2020), 12 are on two boards, seven are on three boards, and one, Teri McClure, is on four boards. First-time director Zuhairah Scott Washington joined her first board in October 2020 and her second board just two months later.

#### **DON'T REST ON LAURELS**

The progress made by Black attorneys as they have moved, in greater numbers than ever before, into director positions over the past year has likely been a harbinger of trends to come. But Honorable urges caution. "We shouldn't applaud just yet," she says. "There is much more work to be done." The good news, as previous articles in this publication have noted, is that there are many people doing that work.

### **Black Directors Rewriting History**



**TERI MCCLURE** With an appointment in 2020, she is now on four boards.



**MARIA GREEN** Her first appointment was in 2019. By 2020, she was on three boards.



**VERNON JORDAN** Appointed to his first board in 1974.

## Black Attorneys Serving as Directors

		1	I	First	1	1	1		
		Former	Current	Board	2020	2	3	3+	Lead
Name	Current Employer	GC	GC	Appt	Appt	Boards	Boards	Boards	Director
Gena Ashe	Anterix		1	2016					
Sharon Barner	Cummins		1	2013	1				
Paula Boggs	Multiple Boards	1		2015		1			
April Miller Boise	Eaton		1	2020	1				
Sharon Bowen	Intercontinental Exchange			2017					
Denise Cade	IDEX		1	2019					
Tonit Callaway	Borg Warner		1	2019	1	1			
Pamela Carter	Multiple Boards	1		2010			1		
Sarah Dodds-Brown	American Express			2020	1				
Sheri Edison	Amcor		1	2014	1	1			
Brian Ellis	Danaher		1	2020	1				
Ken Frazier	Merck	1		2009					
Maria Green	Multiple Boards	1		2019	1		1		
Jason Groves	Medifast		1	2019					
Reggie Hedgebeth	The Capital Group		1	2011					
Colette Honorable	Reed Smith			2020	1				
Jeh Johnson	Paul, Weiss			2017	1	1			
Joia Johnson	Multiple Boards	1		2011		1			
Vernon Jordan	Lazard			1974					
Nicole Lamb Hale	Duff & Phelps			2020	1				
George Madison	Redwood Trust	1		2020	1				
Tekedra Mawakana	Waymo			2020	1				
Singleton McAllister	Multiple Boards			2004		1			1
Teri McClure	Multiple Boards	1		2013	1			1 (4)	
Ron McCray	Multiple Boards			2003	1	1			
Cheryl Mills	Multiple Boards			2000	1	1			
Lanesha Minnix	Flowserve		1	2020	1				
Stacey Mobley	HP	1		1991					
Roderick Palmore	Multiple Boards	1		2010		1			
Richard Parsons	Multiple Boards			1996			1		
Deval Patrick	Multiple Boards	1		2001			1		
Sandra Phillips Rogers	Toyota North America		1	2017					
Desiree Ralls Morrison	Boston Scientific		1	2020	1				
Anna Richo	Cargill		1	1998	1				
Teresa Roseborough	Home Depot		1	2015					
Kim Rucker	Multiple Boards	1		2015			1		
Zuhairah Scott Washington	Five Below			2020	1				
Teresa Sebastian	Multiple Boards	1		2018	1		1		
Rodney Slater	Multiple Boards			2001					
Dierdre Stanley	Estee Lauder		1	2017					
Vanessa Allen Sutherland	Norfolk Southern		1	2020	1				
Larry Thompson	Multiple Boards	1		2003		1			
Leslie Thornton	Multiple Boards	1		2005		1			
Reginald Turner	Verizon			2005					
Kellye Walker	Eastman Chemical		1	2020	1				
Paul Williams	Multiple Boards	1		2009	1		1		
Barry Lawson Williams	Multiple Boards			1994					
Keith Williamson	PPL	1		2005					
Ben Wilson	Beveridge & Diamond			2010	1	1			1
Andrea Zopp	World Business Chicago	1		2005	1				
TOTALS		17	17		25	12	7	1	2

Highlighted rows indicate attorneys currently serving on three or more boards.



## Breaking Down BigLaw's Barriers

What in-house counsel can do to end the shell game. By Richard Sine

HEN MORE THAN 170 general counsel and chief legal officers signed an open letter to BigLaw firms in 2019 pledging to "direct our substantial outside counsel spend to those law firms that manifest results with respect to diversity and inclusion," many successful Black attorneys responded with a groan: *More* lip service?

Despite several such letters over the past two decades, racial diversity at law firms has stagnated or declined, noted Don Prophete, a high-profile partner at Constangy. "We should stop these grandiose pronouncements that continue to lead to no real improvement," Prophete wrote in *Corporate Counsel*. Instead, GCs must apply "resources and real efforts" to the problem and develop "real measures of accountability."

"Don is right," says Macey Russell, a partner at Choate who has written extensively on law firm diversity. "There's a shell game played by in-house lawyers" that ultimately preserves the status of a rarely changing cast of power brokers in companies and big firms, he says.

"A white guy at a BigLaw firm can lose the biggest case in the world, and because he's at a BigLaw firm, nobody will be upset," Russell continues. "If an African American

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at a big firm or a minority-owned firm gets the same result, somehow that's going to be deemed as a bad decision by the in-house counsel to send them that work."

General counsel find other reasons not to change hiring practices that preserve the status quo, Russell says. They cite historical relationships or knowledge that must be preserved; they delegate hiring to middle managers and fail to hold them accountable for reaching diversity goals. But the shell game is perpetuated not only by a lack of accountability but also through implicit (and even explicit) bias.

This problem hounds Black lawyers even as they approach the pinnacle of the profession. Despite all of his awards and proven trial skills, Prophete notes that he has "never, in 28 years of practice, had a single GC reach out to me based on reputation, pedigree, or skill to hire me for a major matter, like many of my white counterparts have been. Every single retention ... has been based on significant marketing and sweat."

The barriers may be at their highest in the case of bet-the-company litigation that makes the reputations of lawyers and their firms. That's the specialty of Richard Smith of Quinn Emanuel, who followed a successful career at the U.S. Department of Justice with an outstanding record on complex litigation. Nonetheless, he says, "When I walk into a boardroom, the first thing people see is my skin color. You get one chance to perform, and you better be on your A game, because you don't get a second bite at the apple."

#### WHERE ARE THE BLACK PARTNERS?

Too many Black associates are leaving BigLaw before reaching partnership. Although Blacks comprise a bit less than 5 percent of associates, they account for less than 2 percent

of equity partners, according to the annual diversity survey by Vault and the Minority Corporate Counsel Association. The gap is not as large among Hispanic attorneys.

Black associates "are not being taught, trained, or mentored equally as their white counterparts," says Russell. The power brokers at BigLaw firms are most often white senior partners who "have the power to decide not only who gets mentored but who gets their book of business and their relationships when they retire." Consciously or not, he says, they tend to favor associates who look like them.

Within firms, Russell favors trainings that aim to reduce or circumvent bias. Associates can attend boot camps where they learn about how deals or litigation really work, or how their clients' businesses are run—inside information they might otherwise learn only from a sponsor.

Even when Black lawyers do make partner, they often join the growing ranks of non-equity partners (see page 140), which limits their earning potential and role in firm governance. Their ability to gain equity partnership can be limited by the misuse of the origination credit, says Ben Wilson, chairman of Beveridge & Diamond, a leading environmental law firm. "Firms that contemplate sharing of origination credit will see greater advancement for African American, women, and minority attorneys," he says.

Ultimately, however, law firms aren't likely to change unless their clients demand it. And following through on a demand requires hands-on work. Dorothy Capers, global general counsel at transport provider National Express, nurtures promising people of color at her firms. She attends social events, panels, and workshops hosted by those firms, where she introduces herself to people of color. She presses relationship partners to have these lawyers included in her matters and then writes letters praising high performers to help them make partner.

Much of the hiring by in-house counsel is done below the GC level, Wilson notes. GCs should encourage their subordinates—either verbally or through bonuses—to hire diverse talent. And they shouldn't underestimate the power of putting in a good word for a promising lawyer.

"What if the client decided, 'Richard's my guy, I like what he did on such and such a matter. I'm going to give you all something new, and I want Richard on it'? All of a sudden," Wilson notes, "Richard gets taller and better looking, doesn't he?"

Richard Sine is a freelance business journalist who has frequently covered law firms, legal issues, and issues related to diversity and inclusion.

## Yes, Law Firms Are Subverting Diversity Goals

#### A Q&A with Sharon Barner, GC, Cummins

Are law firms just paying lip service to their clients' diversity, equity, and inclusion goals? Or are they actively and consciously working to undermine them—a practice often known as "malicious compliance"? If anyone would know, it would be Sharon Barner. Barner



led the intellectual property practice at Foley & Lardner and served as a deputy undersecretary at the U.S. Patent Office before becoming the GC at Cummins, the world's largest diesel engine maker, in 2012.

**RICHARD SINE:** Are you saying you believe some law firms are not just failing to provide opportunities for Blacks in law firms, they're undermining them?

**SHARON BARNER:** Yes, and my observations come from 30 years of experience on all sides of the legal profession. Part of the reason I said yes to the GC role is I wanted to see it from their seat: Why haven't GCs been able to follow through on their pledges to diversify?

One thing I've found is that a firm will have a Black person at their pitch, but when the work happens you don't see that person showing up in the billable hours. It's easy to miss if you're busy and you don't review the billing statements. GCs are very busy, but they need to allocate the time to ensure that the firms do what they say they're going to do. I've had that happen in just the past year.

Another is when we'll get a Black lawyer sending the letter requesting the work, and then when we send the work over, there's a fight regarding who will get credit for the work. Bringing in client business should work to your benefit. If the person was



## Managing Through Malicious Compliance



assigned the work, why are they fighting for the credit?

I've also seen firms disparage the attorney working on the matter. In one instance, the firm said they didn't think the quality of the work was good. But my lawyer liked the work! It's another way to subtly undermine the competency of the Black lawyer from within the firm.

There's another way that's more subtle. With multijurisdictional firms, each jurisdiction's office usually tries to keep their own lawyers busy. We're an Indiana company. But if I've hired you because you're a multi-jurisdictional firm, why am I only working with Indiana lawyers? If you have Black lawyers in Chicago or D.C., then you should be bringing Black talent to the work.

RS: How else are law firms undermining black lawyers?

**SB:** They'll give the GC work from a Black associate that has not been reviewed by the partner, as would have been customary for any other associate. This stems from an attitude: "She wants a Black lawyer—give her one." It consciously or unconsciously demonstrates that the Black lawyer isn't qualified.

I called the partner on that issue. I told them: You should never send work to a client without having a partner review it. You wonder why minorities and women don't stay in firms—it's about getting good feedback on your work. If I'm not getting trained, if I'm not getting good work, why would I stay? It really runs against the long-term interest of the firm, but I've experienced it in five different law firms and seen it on this end. It hasn't stopped in 30 years.

Firms will also bring in a lawyer without the right experience for the matter, simply because the person is Black. We had a firm pitch a big M&A transaction and the only Black partner in the room was a litigator. Why is that person in the room with us?

**RS:** What's behind these tactics? Is it unconscious bias, or outright racism?

SB: I think it's a little bit of both. I don't think every white

### Malicious Compliance:

"The act of intentionally inflicting harm by strictly following orders, rules, or policies with the knowledge that compliance with the policy will not have the intended result."

Combating malicious compliance takes a concerted and collaborative effort by legal departments and the law firms with which they work. The actions above and below the arrow are those that legal departments can take to accelerate change. The actions within the arrow are steps available to law firms.

#### FIRE FIRMS FOR NONCOMPLIANCE



male is malicious or conscious of what they're doing. Some of it is unconscious bias: "I think all good lawyers look like me. I think all good lawyers went to Harvard." Or the client will say, "I brought you my best lawyers." Are you telling me none of your best lawyers can be Black? We have \$100 million in outside legal spend. If that's not enough to find a Black lawyer, I don't know what is.

**RS:** When you first came to Cummins seven years ago, you whittled the number of outside law firms from 150 to 25. You also signed retention agreements that committed the remaining firms to having women and people of color work 65 percent of the hours representing Cummins. How long did the firms have to reach that benchmark?

**SB:** Well, it's a journey, and different firms are at different places on that journey. I might have a firm that has 15 or 20 African Americans or women in the ranks, and another will have two. So I try to meet the firms where they are in the journey. The firm that is further along in the jour-

ney, they can get to my 65 percent sooner, and the quicker they do it, the more work they'll get.

For the firm with two lawyers, usually what I heard is they can't find the talent. So let me help you recruit. Let me come to recruiting fairs with you, go and talk to the Black Law Students Association with you. Let me tell you about some Black or women lawyers that I know who you might be interested in. Let's do an article or presentation together [about your commitment to diversity].

For the firms that are farther along in the journey, you want to give them the chance to excel. Lawyers of any denomination want good, challenging work. They want to be trained, they want opportunities, they want visibility with the client. So I want [minority and women lawyers] on my most complex and challenging matters, and I want to see their billing hours on those matters. I want you to bring them in for my reviews and evaluations and otherwise have visibility, like doing some CLE for us.

**On Firing Law Firms** 

"We've let go about six firms that couldn't take the journey with us on diversity. I think some of them were surprised that I did what I said I would do." —Sharon Barner



I also make sure that diversity is on the work plan for my team. What are my lawyers doing to promote diversity with outside counsel? My team must sign off on staffing on all matters, and they should be looking at the diversity of the team. If I see no diversity, I have two necks to wring: the outside counsel's and my own lawyers'.

**RS:** So the firms that show progress on that journey are rewarded with your spend. What happens when firms demonstrate malicious compliance?

**SB:** I have always been direct and transparent with my firms. I don't know if they thought I would call them out on it, but it's better when I do. After all, I know the tricks of the trade. The first thing I do is tell my outside counsel what I'm seeing and tell them what they need to do to overcome it. It's a relationship, so you have to work at it. But diversity is our core value; we try to live and lead it. If you want to work for us, you must emulate that core value. **RS:** And what if they fail to make the journey with you? Do you fire firms?

**SB:** We've let go about six firms that couldn't take the journey with us on diversity. I think some of them were surprised that I did what I said I would do.

**RS:** How does diversity fit in with the other criteria by which you judge an outside firm's performance?

**SB:** We have five pillars by which we judge firms: strategic input and service quality, operations and work performance, diversity, financial management, and teamwork. For diversity, we want to make sure the firm provides a diverse team with relevant skills and experience; that diverse lawyers had appropriate hours billed to the matter; and that diverse lawyers work on a variety of Cummins projects. We do a review every six months, and the firms know that the diversity pillar is as important as all the others.

**RS:** The diversity pledges signed by GCs over the years have not had much impact, but you signed a recent pledge sponsored by the Leadership Council on Legal Diversity. Why?

**SB:** In the pledge [see page 26] I personally commit to take action as it relates to my team, Cummins as an organization, and outside firm accountability. It's clear that just signing a pledge isn't making things happen, but these are personal commitments to take specific actions. It's about political will. You go and tell the law firms you want something, and half don't believe you mean it because you don't have time to watch it. But you need to have inside counsel buy into it and you have to hold law firms accountable. You can see my pledge is pretty detailed, because I'm a pretty detail-oriented person. I'm going to set my vision, I'm going to set the implementation, and I'm going to work it every day. That's what a personal pledge is about. ■

## Beyond Performative Diversity: Advancing Black Lawyers

Seven things every general counsel can do right now to support and sustain the advancement of Black lawyers.

## By April Miller Boise, Felice Gray-Kemp, and Ernest Tuckett



here are at least seven actions any GC can take right now to ensure the advancement of Black lawyers. It's not enough to support diversity efforts and programs. We must be very intentional in our actions and our words—for example, by using the term Black lawyers, not diverse lawyers—if we want to see real change. Too many diversity efforts have benefited everyone else at the expense of real change and lasting opportunities for Black lawyers. This advice is for all GCs, not just Black GCs. Together we can make real progress and hold our profession and ourselves accountable.

**1** Increase Your Spend on Black Lawyers. Increase the percentage of your department's total legal spend on matters with Black relationship partners, projects/matters led by Black partners, and hours billed by Black timekeepers. Develop a clear target that represents a significant percentage and dollar increase from your current spend. Use this as a metric to evaluate your legal team's performance. If others in your organization utilize legal vendors, ensure that they increase their spend on Black lawyers as well.

**Black relationship partners.** Look to move to a Black relationship partner at all of your firms and make sure they get origination credit for your company's legal work. Managing and owning the client work gives partners power in a law firm to generate revenue and the clout and authority that comes with this. It allows them to hire, promote, and retain more Black lawyers but also to influence the firm's policy

and culture to live the goals of diversity, equity, and inclusion and ensure the business excellence that results.

Black project/matter leaders. Look for Black subject experts to lead your matters. This allows Black partners to continue to build their expertise, the breadth and depth of their practice, and the length of their client list, and allows them to market this expertise to other clients. It also ensures that Black partners are not reliant on other partners for work. Black associates billable hours. Law firms evaluate the work and hours of associates every month. Hold partners and the practice's group chair accountable for making sure that all of your matters are significantly staffed by Black lawyers. This helps associates practice their craft and build expertise. And since their billability is a measure of their val-

ue to the firm, it also offers these capable associates invaluable financial and political currency. Many partners and staffing attorneys will want them on their matters, especially when you specifically request them. If these requests are not honored, vote with your wallet. Those firm leaders will quickly realize that not having Black lawyers on the team means they won't get the work.

**2** Vet Your Panel Firms. Evaluate all your inherited go-to "panel firms." How many Black lawyers do they have, and what areas do those lawyers practice in? How long do they typically stay at the firm? Are they successful?

In leadership roles? Limited to certain practice areas only? Do they work on your matters? If not, why not? What is the firm doing to hire, retain, and promote Black lawyers? Talk with these firms about what they are doing to ensure equity and inclusion for Black associates. If you don't get the answers you're looking for, you may decide you're investing your client dollars with the wrong firms.

3 Identify Black Lawyers at Law Firms Now, Before You Need Them. You know where you spend your legal budget and what work you are likely to need in the future. Interview Black law firm lawyers now for your outside counsel needs before you need them. Really get to know them—their background, experience, and expertise, and that of their teams. Introduce them to your legal leadership team. That way, not only will you and the team know these lawyers when you need to hire them, the lawyers can spend time now getting up to speed on your business and your needs.

**Consider Black Lawyers for All New Legal Work.** Each time outside counsel is engaged for a major new matter, make sure you're considering Black lawyers for that work.

**5** Evaluate Your Corporate Legal Leadership. Do in house what you ask law firms to do. There is strength in numbers, so be sure your legal leadership team includes at least two Black lawyers. It's important for other lawyers, both on your team and at law firms, to see Black lawyers in leadership positions. It gives them leadership development opportunities, buying power with law firms, and visibility within your corporate organization. Besides, we all know that having diverse teams leads to better business results. Also, have enough Black lawyers in your department pipeline to groom for positions in legal leadership. Identify at least two Black lawyers (currently outside of your organization) for each of your organization's major practice groups or business units who you would hire tomorrow if there were suddenly an opening. Be intention-

6 It's important for other lawyers to

see Black lawyers in lead-

ership positions. It gives

them development op-

portunities and visibility

within your organization.

al about developing relationships with these lawyers. Insist that members of your leadership team do the same.

6 Create a Black Summer Internship Pipeline. Hire a Black firstyear law student as a summer associate and collaborate with one of your panel firms during the interview process. Recruit at HBCUs. Have the panel firm commit to offering the summer associate a role for the following summer. This will create a pipeline of Black associates and ensure that they have robust summer experiences and job offers.

**Get the Mansfield Rule Certified.** To earn this designation—which

grew out of a winning idea at the 2016 Women in Law Hackathon, inspired by the NFL's Rooney Rule—your department must certify that at least 50 percent of your candidates for the legal department's top roles and for outside counsel are either women, LGBTQ+, lawyers with disabilities, or members of an underrepresented racial or ethnic group. The certification process (organized by the Diversity Lab) will drive behavior inside your legal organization to ensure equitable representation, both in house and externally. Remember, this is almost a specialized kind of business development. And just as you wouldn't ask a lawyer to manage something as important as the firm's diversity programs part-time, it's especially problematic to ask a Black lawyer to do so. Not only is it particularly taxing psychically for them to have to be the face of a problem not of their making, managing diversity, equity, and inclusion processes and programming is a full-time profession. Hiring a diversity professional in a senior role and setting strategic DEI goals is the substance of the commitment to actually achieving those goals.

April Miller Boise is general counsel at Eaton Corp. Felice Gray-Kemp is global general counsel at Cyient. Ernest Tuckett is senior counsel at Thompson Hine and former general counsel, Americas, at AkzoNobel.

## Data and Determination Drive Real Signs of Change

General counsel convene well-attended summits on DEI in two cities, with action and accountability setting the agenda. **By Jeff Heilman** 

ESPITE DECADES OF CALLS for action on equality from champions and organizations at law's highest echelons, the legal profession remains one of the least diverse in the nation. The impetus and opportunities for law firms and corporate legal departments to take charge of change were always there, only to get iced time and again in a freeze of lip service, empty pledges, abdicated responsibility, and inaction.

Those and other persevering champions never quit, though, and having kept the torch lit and the heat on ever since, are now finding firm footing to cement foundations for diversity, equity, and inclusion to finally rise as pillars of the profession. For chief legal officers like Eaton's April Miller Boise and 3M Co.'s Ivan Fong, that terra firma is in the form of industry summits that spotlight glaring DEI gaps as the grounds for stipulating frameworks for change.

By bringing to the fore Black and other diverse legal and DEI authorities, from law firm partners and general counsel to judges, bar association presidents, and scholars, these forums are delivering two-fold impact: reinforcing the message and making the case for DEI while setting the stage for making accountability the industry's new unavoidable reality.

### 5 BLACK GCS STEP UP Elevating Black Excellence

Prior to the galvanizing events of 2020, global power management company Eaton was taking action to bring attention to a specific bias in law—the gross underrepresentation, if not near invisibility, of Black and other diverse legal voices in the public eye.

"From Eaton's perspective, the playing field for showcasing legal knowledge is far from equal," says Intellectual Property and Cybersecurity counsel Malisheia Douglas, who co-leads Eaton Law's Inclusion and Diversity (I&D) Team. "Diverse lawyers represent some of the most erudite minds in the profession. Yet when you look at forums such as the news, CLE programs, and industry conferences, rarely do you see these accomplished individuals lending their legal perspectives and authority to topics other than I&D. That is, if you see them at all. We believe that this lack of mainstream visibility creates the negative impression that there are few, if any, Black or other diverse experts in the field."

To correct that perception, Eaton reimagined the traditional format and purpose of the company's annual I&D Summit. "We wanted to change the prevailing idea of what legal experts look like," says Douglas, who developed the concept with April Miller Boise, Eaton's executive vice president and general counsel.

"April expanded our scope beyond traditional I&D, based on a comparable event at her former company," relates Douglas. "With her guidance, we evolved a plan for what became our inaugural Legal and Diversity Summit, with emphasis on the legal expertise of diverse participants. Incorporating keynotes, panel discussions, Q&A functionality for audience interaction, and informative breakout sessions, we would use this virtual conference to demonstrate how legal wisdom spans all backgrounds and demographics and as a benchmark for the future."

For the participants, Eaton invited select in-house legal leaders along with law firm partners, general counsel, chief legal officers, and scholars—all known for their experience and commitment to DEI—to speak on topics tailored to their respective areas of expertise.

Under the banner of "Seizing the Moment to Drive Lasting Change," the Summit, presented in November 2020, featured vigorous discourse on topics such as "Law in the time of COVID-19" and "Innovative approaches to delivering the law firm business model."

The conversation on cybersecurity exemplified the high-energy, high-impact sessions. "Given a set of hypothetical scenarios, the panelists grooved like seasoned

musicians," says Douglas. "They were clearly in their element as experts."

The Summit resoundingly hit the mark with participants and the audience of some 300 online attendees.

"The critical legal, business, and societal issues that we discussed were complex and timely," reports Vanessa Sutherland, executive vice president and chief legal officer for Norfolk Southern Corp., who joined Boise and three other Black general counsel—Southwire's Burt Fealing, Albertson's Juliette Pryor, and Cargill's Anna Richo—on the "Leadership in times of crisis" panel. "Norfolk Southern attendees, and its CEO, were reenergized by the thought leadership and idea sharing for virtual trials, DEI initiatives, and the ever-evolving workplace in which we thrive," she says.

Presenting her "Perspectives on the lawyer's role in combating racial inequities and social injustice," Ayesha Bell Hardaway, an assistant professor of law at Case Western Reserve University, called "Eaton's use of the Summit to engage in critical conversations on issues of racial and social justice" as "essential at this time."

Speaking on the "Leveraging litigation lessons learned" panel, Joseph K. West, partner and chief diversity and inclusion officer at Duane Morris, praised the event as "superior to all others I have presented at or attended in my career" in "providing valuable and useful tools for meeting the challenges of the rapidly changing corporate and legal landscape."

The Eaton Legal and Diversity Summit is a "mustrepeat" event, states Sutherland. Having successfully raised awareness of the systemic bias against diverse expert faces and voices this first time around, that is precisely Eaton's hard-hitting intent.

"Our strategic focus going forward will be on accountability," says Eaton Litigation counsel Stanley Ball, who co-leads Eaton's outside counsel team. "The fact that we were able to convene this prestigious group of experts means that law firms and companies can no longer avoid satisfying I&D mandates. If we were able to find them to speak at our event, organizations can find them and hire them for their expertise. We view that as the point of no return for hiding from or making excuses about I&D." Eaton is committing to setting and upholding the I&D standard. "Standing by our acknowledgement that leaders can come from different backgrounds means holding ourselves accountable internally," says Douglas. "We are fortifying that commitment by ensuring that we develop a diverse slate of candidates for the leadership ranks and being transparent about the skills required for high-visibility positions, along with formalized efforts like Mansfield Rule certification."

In terms of Eaton's broader, longer-term goals, Ball sees diverse expertise as "a competitive advantage that too many organizations keep on the bench." The message to outside counsel and corporations? "Get them into the game," he says. "How? One tangible action emerging from the Summit was measuring and analyzing the voluminous untapped data on diversity and performance. Harnessing, and weaponizing if necessary, the numbers that surround us is a sure way to set results-based expectations."

Another spearhead is sharpened client focus. "For inhouse lawyers, that means developing a deeper understanding of how the business operates," continues Ball. "For outside law firms, it's about redefining the value proposition. Historically, billable hours defined success. That no longer makes sense. The new measure is understanding and supporting what the client genuinely cares about."

Ball is unequivocal in his view of the road—and reckonings—ahead. "Diversity will be a commanding force, and not just in law," he says. "From proxy advisers to institutional investors, the marketplace has spoken, and it's no longer about lip service but about taking I&D seriously. Law can either lean in and evolve or continue to ignore I&D and get left behind." His word to diverse lawyers encountering resistance within their firms or organizations? "Be a maven and get really good at things that other folks don't want to do."

### TWIN CITIES Strength in Numbers

Ivan Fong has long recognized the importance of diverse representation at all levels of the legal profession.

"There's a saying about seeing and believing," says Fong,

Having raised awareness of the systemic bias against diverse expert faces and voices, the Summit is clearly a "must-repeat" event. *—Vanessa Sutherland* 



**BJ Trach,** Boston-based partner in the Litigation & Trial Department, is a member of the firm's partnerelected, nine-member Executive Committee.



Joseph E. Porter IV, Los Angelesbased associate in the Mergers & Acquisitions Group, leads the L.A. office chapter of the firm's Black Lawyers Group.

## A True Sense of Belonging

Beyond solving high-stakes legal complexities for clients around the globe, Latham & Watkins is committed to answering the legal profession's most vexing challenge– equal opportunity for all. Intentional, innovative, and ingrained in firm culture, Latham's D&I ethos is one that all industries can emulate.

Agnetized by the firm's global platform and familial culture, BJ Trach made "a 25-year decision" to join Latham's founding Boston team in 2012. "My success since has exceeded my wildest expectations," says the Executive Committee member, whose prior role with the Diversity Leadership Committee has only strengthened his bond with the firm. "Recognizing the historical ineffectiveness of traditional D&I solutions, we resolved to innovate and commit substantial time, energy, and capital to prioritizing D&I firmwide," says Trach. "Our leaders account for D&I in every key firm strategy as we foster an environment of opportunity and belonging where every lawyer can perform at their best. The results continue to be transformative."

Prominent initiatives such as the Black Lawyers Group (BLG), one of Latham's nine global affinity groups, and the industry-acclaimed Diversity Leadership Academy (DLA) provide a comprehensive framework for top-tier diverse talent to develop and rise.

"Attending DLA as a law student provided real-world insight into Latham's culture and practice," says Joseph E. Porter IV, a fourth-year M&A associate in the L.A. office and a local BLG leader. "Latham's commitment to my development since has been unequivocal, and that's across the board for all associates. That's rare comfort in BigLaw, including having a clear long-horizon view of advancement opportunities at the firm."

D.C.-based eighth-year Finance associate Jennifer M. Kent's experience exemplifies the total support for diverse talent. "Inherent in our D&I culture is allowing people to be their whole authentic selves and embrace their ambitions," says Kent. "That freedom goes far in easing the burden of identity, which allows me to focus on excelling as a lawyer. Her "door-opening" role as a

"WE WANT EVERY PERSON HERE TO FEEL THAT THEY BELONG TO A COMMUNITY THAT IS INVESTED IN THEM, THAT CARES ABOUT THEIR SUCCESS, AND THAT VALUES THEIR UNIQUE PERSPECTIVE."

> -BJ TRACH, LITIGATION PARTNER AND EXECUTIVE COMMITTEE MEMBER

global BLG chair is another highlight. "The access to firm leaders and clients alone has expanded my possibilities," she says. "I have complete confidence in my path."

Recently minted New York Finance partner Nicole D. Fanjul, with Latham since 2009, recognizes the firm's "earnest" approach to creating a welcoming and comfortable professional home for all. "Having served on the Recruiting Committee and in various other roles at the firm, I have seen firsthand how D&I is woven into every aspect of firm life," says Fanjul. "Increasingly visible through heightened investment over time, these programs affirm Latham's serious commitment to lasting change."



Jennifer M. Kent, D.C.-based associate in the Banking and Private Equity Finance Practice Group, is a global chair of the Black Lawyers Group.



**Nicole D. Fanjul,** New York-based partner in the Banking Practice Group, primarily represents financial institutions in wide-ranging leveraged finance transactions.

### LATHAM & WATKINS LLP



If there's a dearth of such representation, it sends a subtle but unmistakable signal about how truly inclusive and welcoming the workplace is." —*Ivan Fong* 

general cousel for St. Paul-based 3M Co. "When law students and law firm associates see women and lawyers of color in leadership roles, they are more likely to believe those roles are achievable. If there's a dearth of such representation, it sends a subtle but unmistakable signal about how truly inclusive and welcoming the workplace is."

When he joined 3M in 2012, however, he found that although the need for disaggregated demographic data in the Twin Cities legal community existed, it was not published. After several years of unsuccessful efforts to publicize the data, and inspired in part by the heightened attention to racial justice and equity after the George Floyd tragedy in May 2020, he gathered a group of like-minded bar leaders and DEI champions to see whether more could be done. That quest to use segmented metrics to pinpoint DEI underrepresentation in the legal profession as a means to compel action is now finding traction in a breakthrough initiative called the Twin Cities Legal D&I Data Project.

Using Fong's concept, Yen Florczak, vice president and chief intellectual property counsel for 3M Co., spearheaded a study of the representation of women and the members of four distinct racial and ethnic groups in 18 major law firms and nine corporate law departments in the Twin Cities region. Florczak and her team obtained the law firm data from the National Association of Law Placement and upon request from the in-house departments.

### Twin Cities GCs on the Road to Diversity



TODD HARTMAN Best Buy



ANNA RICHO Cargill



MICHAEL MCCORMICK Ecolab



RICHARD ALLENDORF General Mills



BRAD LERMAN Medtronic



AMANDA ROME Xcel Energy



DON LIU Target



IVAN FONG 3M






They also secured comparative "market availability" data from the U.S. Department of Labor showing the representation of each study group in the U.S. legal market. All data was from 2019; the four groups were Black/African American; Hispanic/Latino; Asian; and Native American/ Alaskan Native.

With their subsequent detailed analysis in hand (see charts), the next step was deciding on the most impactful strategy for presenting their findings. After discussing the project with two fellow general counsel in the Twin Cities area, Anna Richo of Cargill and Don Liu of Target, the group concluded that creating a coalition of influential local stakeholders would be an effective vehicle.

Forming a nine-member advisory group that included Minnesota Court of Appeals Judge Peter Reyes, U.S. district court Judge Michael Davis, and U.S. magistrate Judge Tony Leung, the group proceeded to organize four state affinity bar associations into the Minnesota Coalition of Bar Associations of Color.

Local allies providing support include Roger Maldonado of the Diversity Report Committee (DRC), which recently ran a demographic study of some 14 law firms in the area, and Twin Cities Diversity in Practice (TC-DIP). Led by Executive Director and President Summra Shariff, this nonprofit association of more than 60 law firms and corporate legal departments conducted its own seven-point study in 2019 of D&I demographics in 36 area law firms and 11 corporate legal departments.

The Coalition's first official order of business was presenting the 3M-collected data and analysis at a December 2020 virtual event. Following the opening keynote from Judge Davis, a project overview from Fong, and presentation of the data by Florczak, six project advisers laid out the case for using the analysis to effectively alter behavior.

As the saying goes, what gets measured gets done, and, as the numbers reveal, there is much work to do.

"While six of the nine subject corporate legal departments met or exceeded the market availability rate for women and racial minorities in the aggregate, only one, General Mills, met or exceeded the rate for each of the four racial and ethnic groups that we measured," says Florczak. "On the plus side, most of the law firms and law depart-







#### **HISPANIC/LATINO REPRESENTATION**

Nilan Johnson Lewis	
Stoel Rives	
Maslon	
Robins Kaplan	
Jones Day	2
Faegre Baker Daniels	2
Dorsey & Whitney	2
Winthrop & Weinstine	2
Stinson	1%
Ballard Spahr	1%
Taft Stettinius & Hollister	1%
Barnes & Thornburg	<b>0% 0</b>
Carlson Caspers	0% 0
Fabyanske, Westra, Hart & Thomson	0% 0
Felhaber, Larson, Fenlon & Vogt	<b>0% 0</b>
Fish & Richardson	0% 0
Fox Rothschild	0% 0
Gray Plant Mooty	0% 0



Market availability for Hispanic attorneys in the U.S. labor market is 6%. Only Nilan Johnson Lewis matched that percentage.

#### **ASIAN REPRESENTATION**





ments showed positive year-over-year hiring of women and racial and ethnic minorities from 2018 to 2019. Having this transparency on the gaps sets the stage for the Coalition to now hold firms and corporate law departments accountable for making the changes they say they want to make."

Other next steps include establishing bylaws and a governance structure while continuing to focus on collecting the data with categories such as LGBTQ+ lawyers. Plans also call for rotating Coalition leadership annually among the four affinity bars while keeping TCDIP, DRC, and other vested parties engaged and involved in the ongoing work.

Fong and the advisory team, meanwhile, will play a crit-

ical role in supporting and guiding the Coalition. "Among other things, we will help the Coalition build a strong organizational foundation; direct resources, talent, and ideas to the Coalition's leaders; and use our visibility and stature to raise awareness of its unique mission and work."

More, unquestionably, needs to be done, adds Fong.

"Our hope," he says, "is that the data will, over time, show that greater diversity is possible; encourage actions that help our large law firms and corporate law departments strengthen their recruitment, retention, and development of lawyers of color; and raise the visibility of the firms and legal departments that are leading the way toward a more diverse and inclusive workplace that benefits everyone."



# Adjusting to Long-Term Disruption

AS NEW AND EMERGING CRISES TOUCH EVERY PART OF THE ORGANIZATION, GENERAL COUNSEL CAN PLAY A VITAL ROLE IN HELPING COMPANIES UNDERSTAND SHIFTING RISKS.



For more than 25 years, **Larry Young** has partnered with senior management teams in successfully leading multinational companies in a range of different industries and in more than 10 different countries through difficult strategic and operational transformations, including mergers, acquisitions, divestitures, crisis management, and restructuring. OVID-19 has dramatically disrupted the economy-and there is more to come. "We are in inning two or three of a nine-inning game," says Larry Young, a managing director at the AlixPartners global consulting firm. Unlike past downturns, he says, this one is "systemic," affecting both supply and demand across industries and touching every part of the economy. Moreover, these sorts of events are becoming more frequent, creating the need for strategies to help prevent future disruption. This is the new normal.

General counsel can play a critical role in helping their companies understand the shifting risks. To do so, says Young, they need to determine where their companies are in their response to the crisis in terms of four categories: Stabilization, Restructuring, Recovery, and Strategic Advantage (see chart, opposite page). Companies should develop solid measurements that let them objectively assess where they are in this framework. These will vary depending on specific situations, but such measurements could include customer acquisition levels in the Strategic Advantage category or production ramp-up factors in the Recovery category.

Knowing where they stand, they can evaluate the risks associated with their category—and reevaluate as they move along. If they are in Stabilization, what is the risk of losing customers or being acquired? If they are in Recovery, what are the risks around customer retention and employee engagement? Young says GCs should pay close attention to risk in two areas: • The Supply Chain. It's important to consider the long-term fundamental changes being driven by the crisis. How will the supply chain ensure reliability and efficiency in an era of reduced or highly volatile demand? And how should the company be designing its supply network? "Instead of just looking at the cost of buying from a supplier, the GC might recommend that the supply chain be shortened, maybe by moving from a supplier in China to one in Mexico, to reduce the chances of disruption," Young says.

• **Customers.** General counsel can encourage their companies to take a data-driven view of customers—what they want, how their behaviors are changing in response to the crisis, how their needs are likely to evolve, and how demand is likely to change.

#### IT'S IMPORTANT TO THINK NOT ONLY OF IMMEDIATE DISRUP-TIONS BUT ALSO OF THE LONG-TERM FUNDAMENTAL CHANGES BEING DRIVEN BY THE CRISIS.

"Knowing what's driving your customer is key to being able to 'look around corners' and to be agile in dealing with disruption," says Young.

General counsel bring a valuable perspective to these issues, Young says. "They deal with HR, contracts, litigation, and so forth. From a risk standpoint, the CEO is probably the only one with a greater span. So the GC should be on point with this."



Companies adjusting to the COVID-19 pandemic need to stabilize their businesses. But they also need to create plans for restructuring, recovering, and building strategic advantage for the long term-while managing risk along the way.



# Demanding the Change We Want

Looking to create a self-sustaining culture of promoting equity, one company made demands of its law firms—with clear metrics to prove compliance. So far, it's working. **By Laura Schumacher** 

VER THE PAST TWO DECADES, many companies have urged the law firms they work with to diversify their ranks, ensuring that the teams assigned to client matters include women, Black people, and members of other groups traditionally underrepresented in the legal profession. The firms, of course, agree to this, but most observers say progress has been slow, that diversity at law firms is uneven at best, and that, despite their proclamations to the contrary, few corporations have gone so far as to part ways with law firms that did not achieve the promised diversity.

Three years ago, AbbVie, a biopharmaceutical company that started out as a spin-off of Abbott Laboratories, decided to take this mandate seriously. As the company's chief legal officer, Laura Schumacher, explains below, AbbVie created a Diversity in Law program, established both specific goals and a timeline, and told about 25 large law firms that they needed to comply—or lose AbbVie's business.

In the following interview, Schumacher tells BIHC how this program came to be, how it's working, how it's being applied to relationships beyond law firms, how it's reflected in AbbVie's internal efforts, and what other companies can do to emulate this program.

#### **BIHC:** Can you describe your program to increase the utilization of women and people of color?

**LAURA SCHUMACHER:** The purpose of the Diversity in Law initiative is to develop a diverse slate of outside counsel talent for all legal groups at AbbVie by 2023. Our specific goals for our outside counsel relationships are:

- Ensuring that equal numbers of female and male partners are serving on legal matters.
- Increasing the percentage of minority partners from
- 8 percent in 2018 to 15 percent by 2023.

• Maintaining a mix of at least 50 percent lawyers from underrepresented groups serving on AbbVie matters, and making sure those underrepresented lawyers include associates, partners, and other legal professionals from racial groups that comprise a minority of the U.S. population and women.

We are currently in the second year of this program and are already seeing results, with more work being done by female and minority partners in key practice areas. Billable hours in 2019 improved relative to 2018: female partner hours increased by 18 percent, minority partner hours were up by 46 percent, and underrepresented lawyer hours were up by 12 percent.

We track these diversity goals by looking at our outside firms' billable hours on AbbVie matters, with a particular focus on race and gender metrics for now. While we welcome the voluntary reporting of other forms of diversity, we believe that specific measurement on race and gender ensures that actual, meaningful change is happening. We also ask about credit practices.

BIHC: How did the program start?

**LS:** Bringing together people with diverse backgrounds and thought is critically important to executing our growth strategy and delivering meaningful results today and into the future. Every person has a responsibility to put their organization's values into action. Starting from the top, we all have specific personal goals to advance the diversity objectives of the organization, both internally and externally, and these are always evolving to ensure progress.

The program, which was conceived in 2017, aligns with our long-held values of equality, diversity, and inclusion. At the same time, it's just one component of our companywide commitment to creating a self-sustaining culture of promoting equity and leveraging partnerships to demand the change we want to see. This commitment



A 30-year veteran of the healthcare industry, AbbVie's Laura Schumacher guides a staff of more than 500 people to fulfill AbbVie's purpose-driven mission to pursue continuous innovation, improve health outcomes, and enhance people's lives.

extends to our companywide supplier relationships, and in 2019, we were named Corporation of the Year by the Diversity Alliance for Science in recognition of our ongoing commitment to the mentorship and development of small and diverse suppliers.

Our legal operations team and leadership began its work with an extensive data collection effort, reaching out to 21 outside law firms to gather diversity data on each of their individual attorneys working on AbbVie matters in 2018. After analyzing the data, the team crafted goals tailored to each firm and based on their initial diversity numbers.

We expect our external partners and vendors—who are extensions of our teams—to share our commitment to cultivating and providing opportunities to diverse talent.

#### BIHC: How many firms are involved?

LS: We are currently working with approximately 25 large firms on our D&I outside counsel program. To date, we have received a positive reception and appreciation for this work. Many firms see this program as a partnership that helps achieve our mutual D&I improvement goals. BIHC: What are the metrics for the utilization of attorneys? LS: We expect our outside counsel to share our commitment to cultivating and elevating diverse talent and positively impacting the communities we serve. This is important, and we won't rest until we see marked improvement. So we set baseline aggregate goals and then track progress and representation on all AbbVie matters, reflecting our commitment to directing our legal spending to firms that bring us the benefits of diverse perspectives.



### Getting Our Own House in Order



I addition to what we're requiring of our law firms, we're also implementing our own targeted recruitment strategies for diverse talent and making sure that we're providing training and awareness resources for continuous improvement, reflection, and growth. Work on these pillars includes:

• Identifying specific diversity job boards to help identify diverse talent both locally and nationally and build a proactive talent pipeline regardless of job opening.

• Participating in speaker programs and volunteering to mentor through the Leadership Council on Legal Diversity (LCLD), the Minority Corporate Counsel Association (MCCA), and informally with outside law firms.

• Continuously prioritizing learning and improving our culture with a full calendar of D&I speaker events designed to understand and disrupt unconscious bias, foster diversity in the legal environment, and understand the legacy and fight for racial justice.

Conducting a specifically focused inclusion survey.
Directing resources and time to areas where the greatest support is needed, such as our first-year law school internship program for diverse students in intellectual property—an area of the law historically trailing other practice areas in diversity.
Expanding our pro bono efforts virtually and with a social justice focus.

To review status, progress, or remediation, we ask tough questions and hold firms accountable throughout the year with frequent contact and regular internal review.

BIHC: Have you seen any pushback from the firms?

**LS:** Since we mutually set stretch goals with our law firms, they have agreed that the objective can be met in the five-year time period. If the goals are not met, we are prepared to stop doing business with these firms. With our commitment to this program comes the responsibility to put our values into action and to hold our partner firms and ourselves accountable.

We gave a five-year period because we wanted to be fair and recognize that this change couldn't happen immediately. But on the other hand, we wanted to demonstrate to firms that we're serious about this. These goals are measurable, these targets are specific, and we check in on progress being made.

**BIHC:** What do you do when one of your firms isn't meeting its goals?

**LS:** For the firms that have not made progress, we've had a number of conversations with them, and we'll continue to stay in close contact with them. We've notified them that if they don't make progress and meet the goal, we are going to walk away from doing business with their firm.

**BIHC:** How does this program integrate with your overall diversity strategy and other components, such as developing relationships with individual lawyers and firms and mentoring?

**LS:** Leveraging our outside law firm partnerships to further accelerate diversity is just one pillar of our program. We are also implementing our own targeted recruitment strategies for diverse talent, ensuring diverse interview slates and robust plans for the development and retention of all talent, particularly within underrepresented groups. We're also making sure that training and awareness resources are provided for continuous improvement, reflection, and growth, and building a pipeline of diverse early career talent.

**BIHC:** How does this program integrate with AbbVie's overall approach to diversity and diverse vendor hiring?

**LS:** We are focused on continuing to be an inclusive employer of choice and are tracking employee representation—in our workforce, management positions, and on our board of directors—year over year. This means holding ourselves accountable to a concurrent five-year global ED&I (Equality, Diversity & Inclusion) strategy across our organization that defines key global focus ar-

We expect our outside counsel to share our commitment to cultivating and elevating diverse talent and positively impacting the communities we serve. This is important, and we won't rest until we see marked improvement."

eas, objectives, associated initiatives, and implementation plans by function and geography.

We are also sharing our employee representation metrics on our website and are focused on inspiring our team to make diversity and inclusion a participatory, always-evolving program.

In regards to diverse vendor hiring, we have had diversity standards for our suppliers-beyond just legal talent-since our company's formation, and we are accelerating our efforts in the face of stagnant progress in the legal industry. Outside vendors are an extension of AbbVie's talent, and if they do not share our commitment to D&I, we have a responsibility to redirect our spend accordingly.

BIHC: In 2019, more than 150 GCs signed an open letter pledging to direct their purchasing power to "law firms that manifest results." Still, results-oriented programs like yours are rare. What advice do you have for your GC peers about turning words into action? What advice do you have for law firms? LS: The difference between real action and talk is measurement, which is why we have specific staffing goals and conduct biannual employee surveys that encompass each of our leader's inclusion skills.

We promote a strong culture of trust, openness, and engagement, as well as a commitment to inspire and improve by listening to employees, motivating authentic leaders, and tackling as many issues as possible.

For law firms, complicated, nuanced legal matters benefit from diverse thought, backgrounds, and approaches. Diverse perspectives will not only help your firm better serve its clients, it will also result in a stronger workplace.

Laura Schumacher is vice chairman, external affairs, and chief legal officer at AbbVie.



#### Is AbbVie's Program Working?

Some initial statistics show it is. In the second year of the program, billable hours for attorneys in the targeted groups rose:



"We've embraced AbbVie's Diversity in Law program at Kirkland & Ellis because it's not optics for us, and it's not optics for AbbVie. Real, meaningful change and positive business outcomes are the goal, and we appreciate the concrete targets and measurable steps that AbbVie has put forward."

-Mark Filip, partner, Kirkland & Ellis



# **5 Companies Doing It Right**

The events of 2020 have called attention to corporate efforts to respond, especially with regard to diversity. In many cases, executive leadership has made the difference. By Peter Haapaniemi

**CORPORATIONS HAVE SHOWN A RANGE OF RESPONSES** when it comes to dealing with diversity. Some have simply acknowledged that there are problems or have pursued limited programs to address the issues. But others, like the companies profiled here, have gone further and embedded diversity into their businesses.

At the heart of many of these companies' efforts are executives who recognize that their success creates an obligation to be a driver of ongoing change. As Dominion Energy General Counsel Carlos Brown says, "None of us are there solely because we were objectively the best. At the end of the day, I needed someone to advocate for me being in the room. And the truth is that anyone that's in any of these rooms had that at some level. So we have to advocate for others having that opportunity. And we have to not be fearful of being the person who raises the question of diversity, representation, or social justice."

Being a high-profile advocate for diversity can be difficult and frustrating. "But we have to recognize that there have been many people before us who did more than be frustrated—they actually gave their lives for this," says Sharon Barner, general counsel at Cummins. "So I owe it to them and to my children to be in the room and to do the things I can do to keep moving the ball forward."

## CUMMINS Putting Diversity Into the DNA

Cummins, the global engine and power solutions company, has an unusually long history of promoting diversity much of it stemming from J. Irwin Miller, the company's president from 1947 to 1951 and chairman from 1951 to 1977. Miller, a lifelong advocate of civil rights, made diversity a priority at Cummins. Early in his career, he eliminated segregation at the company. As president of the National Council of Churches, he helped Dr. Martin Luther King Jr. plan the 1963 March on Washington. He lobbied for passage of the Civil Rights Act of 1964. An early opponent of apartheid, he pulled Cummins out of South Africa, even though the company had a 20 percent share of the diesel market there. Dr. King once called him "the most

socially responsible businessman in the country."

Miller's views and actions established practices that became firmly embedded in the company's culture, in everything from its supplier diversity program to mandatory diversity training for all employees. When Sharon Barner accepted an offer to become Cummins's vice president and general counsel in 2012, the company's history played an important part in her decision. "Diversity is in the company's DNA," she says. "The three prior general counsel were women, and one was African American. So I didn't feel like I was blazing a new path, but I could widen the path."

To that end, Barner required outside law firms to track and increase diversity in their partnerships and their work with Cummins, and continued to drive diversity in the legal department and beyond. "I tell people that we need to understand the path for other diverse leaders, including those outside the legal function. Our in-house team is part of a much bigger organization," she says.

In the wake of 2020's racial justice protests, Cummins saw a need to redouble its efforts. "Like many, I have been horrified by the killings of Black people in the U.S. at the hands of authorities entrusted to protect them," wrote Chairman and CEO Tom Linebarger. "Systemic racism is a scourge that weakens our nation and is a burden on all of us that we must remove with urgency and resolve." Cummins, he said, would pursue efforts to ensure the inclusion of diverse employees at all levels; engage with the criminal justice system to promote change; and support organizations that focus on the education, health, and economic empowerment of Black people.

The events of 2020 prompted Barner to take action as well. In June 2020, she and Cummins took out a newspaper advertisement (right) that concisely but powerfully called for continuing action for racial justice. She did so in part, she says, because recent events made her "exhausted when I came to work, because this is the reality that I live with. I was thinking about being a mother, being a leader, and still having to grapple with race and gender issues in a real way, every day."

At the same time, Barner says, "There is an optimism there that shouldn't get lost. That's why you get up and that's why you come in and that's why you do these things. Because I believe we can be better. And I believe that there is an overwhelming sentiment in this country that we can live up to our best ideals."

### l am black. I am a mother.

We see our sons and daughters in George Floyd, Dreasjon Reed, Breonna Taylor and so many others. On the other side of our sorrow, anger and despair, we dig deep to unleash our unrelenting commitment to fight injustice, tell our stories and build allies.

I know it's not fair. I know we are tired. But we cannot give up. Our lives and our children's lives depend on us. In the spirit of our ancestors, we must be undaunted and undeterred in our efforts to undo systemic racism.

Sharon Barner Vice President and General Counsel for Cummins Inc.

Speak up. Speak out. Take action. Vote!

#### #BlackWomenInCharge #WeWillNotBreak

In June 2020, Sharon Barner, general counsel of Cummins, authored an advertisement in *The Indianapolis Recorder*. "I have an incredible opportunity to sit in the room with the CEO of a Fortune 200 company," she says. "And yet on the street it doesn't matter. I was trying to process those two things."



## MACY'S An Enterprise-wide Approach

For years, Macy's has pursued a range of diversity initiatives, but in 2018, the retailer decided that further change was in order. "As a company, we were doing a lot of work in diversity. But it wasn't a collective effort," says Shawn Outler, the company's chief diversity officer. "We were working in silos, and not really gaining the traction we wanted."

To eliminate those silos, Macy's created a Diversity & Inclusion Center of Excellence with an enterprise-wide diversity mission, and revitalized the Macy's Diversity & Inclusion Business Council—which includes Macy's CEO, Outler, and executives from across the company—to monitor and guide the center's work. With these changes, "we've been building diversity and inclusion into our way of doing work across the organization," says Outler. At the same time, the new approach helped ensure that diversity efforts are tied to business strategy an increasingly important connection in an era where "diversity and inclusion are seen as financially material to a business," she says.

Macy's pursues diversity in five key areas: colleagues (i.e., employees), customers, community, suppliers, and marketing. It has established goals for each of these areas as well as metrics for tracking progress toward those goals. For example, Outler says, while the company's overall workforce is very diverse, "we realized that we had an opportunity at the leadership level. So we said that we are going to achieve 30 percent ethnic diversity at the senior director level and above by 2025." Overall, she adds, "having targets and KPIs puts a real push behind the effort to drive impact, change, and accountability."

## Economic Impact Through Macy's Supplier Diversity Program



# PayPal quickly responded by announcing a \$530 million investment in Black businesses and communities that targets both the pandemic and racism.

Meanwhile, Macy's diversity efforts with suppliers, which have been underway for some time, have delivered significant results. Through its supplier diversity program, the company focuses on purchasing goods and services from diverse businesses and encouraging diverse suppliers to work with Macy's. The company's most recent report on the program, 2018, noted it had made \$937 million in purchases from diverse suppliers, supporting 5,381 jobs at those companies and \$339 million in wages (see chart).

A key feature of the company's supplier diversity efforts, a program called the Workshop at Macy's, focuses on helping entrepreneurs become suppliers to Macy's and the industry. Started in 2011 by Outler when she was a group vice president with the company's fashion business, the annual workshop "is a vendor-development program created to educate and prepare high-potential, diverse-owned businesses with the tools to succeed and sustain growth in the industry." Each company sends its founder and CEO to the intensive four-and-a-half-day workshop, where various experts explore topics ranging from how to work with a large merchant to retail financials, branding, and digital marketing. As part of the program, a team from Babson College uses each company's financials to produce a custom analysis of its business, including a three-year projection, to help with long-term planning.

Participants also get the opportunity to open their own temporary pop-up stores at Macy's New York flagship location. "Those events have been extremely fruitful for those companies," Outler says. "And who wouldn't want to do business at Macy's Herald Square?" To date, more than 120 companies have gone through the workshop.

Overall, Macy's holistic approach to diversity has paid off. "I think we feel good about where we are and what we've built," says Outler. "But we know we can get better, and we're going to do that."

#### PAYPAL Investing in Change

"The responsibility of corporations has moved beyond simply delivering shareholder profits. The growing expectation from stakeholders is that companies need to take action to effect positive social and environmental impact," wrote Dan Schulman, president and CEO of PayPal, in the spring of 2020. "Purpose and profit are becoming increasingly intertwined."

In 2017, with that in mind, PayPal started publishing annual Global Impact Reports, which track sustainability, responsible business practices, and the workforce. The report released in April 2020 shared some good news. Among other things, the company had maintained ethnic pay equity in the United States for the fourth year in a row; inclusion training had been completed by more than 90 percent of its employees; and the number of ethnic minorities at the director or higher levels had increased 12 percent since 2015.

However, the good news in that report was soon overshadowed by the COVID-19 crisis and the country's widespread racial justice protests—events that PayPal quickly saw as related. "As the pandemic took hold, and with the devastating consequences that followed, it brought into broad relief the structural inequalities and deep-seated racism that continues to afflict our Black communities," says Franz Paasche, senior vice president of corporate affairs at PayPal.

The company quickly responded by announcing a \$530 million investment in Black businesses and communities that targets both the pandemic and racism. This included \$10 million in emergency grants to Black business owners affected by COVID-19 or the racial justice crisis in the United States that was designed to help them stabilize and reopen their businesses. Another \$5 million was earmarked for nonprofit community organizations that provide on-the-ground support for Black-owned businesses. Looking ahead, PayPal is also creating a \$500 million economic opportunity fund to support minority businesses and communities and help drive financial health, access, and intergenerational wealth creation.

"PayPal's \$530 million commitment is the result of discussions with leaders across public, private, and nonprofit sectors and communities, and is designed to pro-



vide immediate and long-term support and assistance to Black businesses and their communities," says Paasche. "We are committed to making a sustained investment in advancing racial equity and social justice."

The events of 2020 also prompted PayPal to strengthen already-robust diversity efforts within the organization. For example, the company created a \$5 million pool to be shared by employee groups to help drive internal programming and increase their community engagement. It is also expanding its diversity and inclusion programs with an additional \$10 million for university and high school recruiting, pro bono work, and public advocacy initiatives.

CEO Dan Schulman has made it clear that these types of efforts, along with a change in mindset, need to continue. In an email to employees about the company's \$530 million commitment, he wrote, "We must publicly declare that Black lives matter. ... We must make it absolutely clear that we will not tolerate racism, hatred, or discrimination of any kind. And we need to go further than that. It is not enough for us to condemn racism. We must be anti-racist. That means that we will take a united stand and do the necessary work to dismantle racism in all its forms. This fight for social justice, equality, and inclusion continues now."

#### DOMINION ENERGY Driving Change at the Top

Dominion Energy, the Richmond, Virginia-based gas and electric utility, has been tackling the issue of diversity on several fronts. The company has established diversity councils at both the executive and business-unit levels. It has set up employee resource groups that bring together workers with shared backgrounds or perspectives—such as women and African Americans—to foster networking, professional development, and a sense of community. Those efforts have paid off, and in September 2018, *Forbes* named Dominion one of the 200 best U.S. companies for diversity.

If anything, Dominion's focus on diversity has increased in recent months. In mid-2020, it made a \$5 million commitment to social justice, community rebuilding, and minority-owned businesses, followed by a \$35 million commitment to historically Black colleges and universities and minority scholarships.

Along the way, Dominion has paid particular attention

to driving diversity in its senior ranks. Like many large utilities, employee promotions at the company were traditionally based on tenure. "Folks spent 20, 30, even 40 years at a company and worked their way up through the ranks," says Carlos Brown, senior vice president, general counsel, and chief compliance officer at Dominion. "So in that type of organization, it can be challenging to find diverse folks who have been in the system long enough to have been elevated to the higher levels."

Several years ago, top executives—including then-CEO and current executive chairman Thomas Farrell decided to change that traditional process. Instead of using tenure as a key factor, "Tom said that in making his succession plans, he was going to look for people who are bright, talented, and have energy," says Brown. "That inherently opened up a broader universe of talent. He found that kind of talent, and he's promoted it." One result: In 2017, Dominion increased the number of African Americans in its upper executive ranks from one to five.

That new approach was quickly picked up by other executives. "All of a sudden, there was an increased awareness that we have a lot of folks who may not have a long tenure but who have a lot of talent to offer," says Brown. "And guess what? That cohort is also actually much more diverse." Today the company's top ranks include 12 Black executives—about 20 percent of upper management.

Dominion has also taken steps to ensure that it will continue to have skilled people to promote. Instead of focusing on identifying and developing promising managers in their respective business units, executives now work together to coordinate those efforts. "We put everybody on the table and discuss them," says Brown. "We are, A, making sure that there is diversity in the group. And B, we are making sure that we are equally distributing the development opportunities, so no one can later use someone's lack of experience as an excuse not to promote them. We're being deliberate about rotations that give people experience in different areas." That not only helps sustain a diverse pipeline of potential leaders, he adds, "it's also just good talent management."

Ultimately, Dominion's focus on diversity in its upper ranks is benefiting not only the individuals involved but the company as a whole. "We have made a pretty dramatic shift in our company's strategic and operational strategy around climate change, renewable generations, the smart grid, and getting to net-zero carbon emissions," says Brown. He says that "diversity of thought" is critical in dealing with that evolving environment, and that "you get that by diversity of representation—

Boston Scientific's most recent figures show that the company has achieved better than 99 percent pay equity among women and culturally diverse employees.

you need generational diversity, gender diversity, racial diversity." Broader diversity, he says, "allows us to be able to embrace the change and makes us well positioned for the future."

#### BOSTON SCIENTIFIC A Healthy Approach There are well-documented "health inequities" in the

There are well-documented "health inequities" in the level of healthcare available to minorities—an issue that has long been a concern at Boston Scientific, the medical device and solutions company.

In 2006, this concern led to the creation of the company's Close the Gap program, which focuses on eliminating treatment disparities in underserved populations. The program provides healthcare education, offers online physician-finder and health-assessment tools, and works with various partners to improve awareness and access to healthcare services.

Boston Scientific's commitment to tackling health inequities has also changed the way the company manages its business. Although heart disease has a greater impact on certain racial and ethnic groups, major clinical trials for medical treatments have historically included relatively few women and minority candidates. This meant that physicians had little hard data to inform their decisions when treating patients from those groups. Boston Scientific recognized this problem, and in 2014, it launched its PLATINUM Diversity trial—a groundbreaking effort designed specifically to compare the experiences of women and minority patients who had received coronary stents with those of white males.

The impact of the study went beyond its clinical findings. For years, clinical trials lacked diversity because researchers believed it was too difficult to recruit women and minority subjects. But this trial quickly enrolled 1,500 diverse patients across 52 sites. "We've demonstrated that female and minority patients are out there and are accessible to clinicians," one of the researchers told a reporter. "There simply needs to be a greater effort made to creatively choose sites, go after the desired patients, get involved in their communities, and educate them on the purpose of clinical trials and the benefits that can be had from taking part in them."

Boston Scientific's diversity efforts extend to its own workforce. The company conducts mandatory unconscious-bias training, maintains robust diversity recruiting programs, and has established a Global Council for Inclusion-headed by its CFO-which brings company executives and employee groups together to discuss diversity. It also tracks diversity statistics against its established goals and, unlike many companies, publicly releases the diversity information it provides annually to the U.S. Equal Employment Opportunity Commission. Its most recent figures show that the company has achieved better than 99 percent pay equity among women and culturally diverse employees and has, in just three years, increased its percentage of multicultural employees from 30.7 percent to 33.2 percent. The company's goals for 2023 include continuing to be a top 10 percent, globally recognized leader in workplace inclusion and achieving at least a 3 percentage-point increase in its management ranks, to a minimum of 23 percent. This is an area of special focus, the company reports, because with those employees, "impact can flow both upstream and downstream in our workforce."

This past summer's racial unrest has led to further diversity efforts at Boston Scientific. Just a few days after the death of George Floyd, the company announced a \$2.5 million commitment to combat racism in its workplace and the communities where it operates; a \$250,000 donation and an employee donation-match program for rebuilding efforts in the Minneapolis area; and a \$1 million commitment to a social justice fund in Massachusetts, where the company is headquartered. As these investments were announced, Boston Scientific's executive committee issued an open letter explaining the company's approach: "We feel compelled to condemn injustice and discrimination and to reaffirm our commitment to live by our values and cultivate a workplace that makes equality, diversity, and openness priorities-a workplace that sets an example for the greater community."

# **True Representation, Real Results**

Fast-growing global law firm Cooley's transformative approach to diversity, equity, and inclusion (DEI) includes seamless alignment with client values. Clients confirm that putting high-performance diverse teams on every facet of every engagement means Cooley's counsel is made to deliver optimized outcomes.

The apowerhouse platform in technology and life sciences, Cooley reflects the collaborative, entrepreneurial character of its cutting-edge clients. From tracking diverse representation in pitches and client teams to training lawyers on anti-racism, microinequities and allyship, DEI animates purpose and action firmwide. "DEI is our fuel for innovation," says Palo Alto-based Technology Transactions partner TJ Graham, who sits on Cooley's board of directors and chairs its Diversity Committee. "We're passionate about building a culture that respects, values, and celebrates differences, and we're relentless to drive real change."

#### **ALIGNING VALUES**

For New York City-based Antitrust and M&A partner Tanisha A. James, "the rooting of DEI infrastructure and cultural competency in Cooley's DNA by the firm's leaders" has allowed her to flourish as a practitioner. "Our rigorous, all-inclusive talent development and retention model fosters a safe, entrepreneurial environment for Black, women, and other diverse lawyers to excel as their true selves," says James, who chairs the firm's Black Attorney Affinity Group. "We succeed, and clients get the best possible representation."

Emblematic relationships include regenerative medicine leader ACell. "Growing our business often involves addressing unfamiliar or novel issues," says ACell COO and GC Chris Branch. "Groupthink will not work, which is where Tanisha and her team, and Cooley as a firm, deliver on diversity. By bringing their range of experiences to the table, they are uniquely equipped to answer our business and strategic challenges."

New York City-based Litigation partner Joseph Drayton is "proud" of the ready availability of diverse teams at Cooley. "It's central to our value proposition in achieving the best "I don't have to advocate for or think about DEI with Cooley. It's ingrained in their culture, along with legal excellence and sage counsel."

-Chris Branch, COO & GC, ACell

results for clients," says Drayton, who in 2018 served as the 76th president of the National Bar Association. "Litigation entails storytelling based on experience. Having lawyers from differing ethnic, racial, or historically underrepresented backgrounds enhances how you identify with clients—and how you present in court."

Case in point: women-driven dating and networking company Bumble, which retained Cooley early on to defend a patent lawsuit in the U.S. "Joe's legal acumen impressed us by the way he simplified complicated legal concepts," says Mariko O'Shea, Bumble's London-based general counsel. "He assembled a diverse team of similarly talented lawyers, most of whom were women, to guide our CEO, Whitney Wolfe Herd, and our other women leaders through the process. In this matter and others, having partners that speak our language and closely understand our needs is invaluable."

"Responsive, and results-driven, Cooley stays on top of fast-developing technology trends. And the firm's commitment to DEI aligns with our culture of empowering women and underrepresented talent."

-Mariko O'Shea, GC, Bumble



NYC-based Litigation partner Joseph Drayton is a first chair trial lawyer specializing in complex IP and commercial matters.



NYC-based Antitrust and M&A partner **Tanisha A. James** chairs the firm's Black Attorney Affinity Group.



Palo Alto-based **TJ Graham** sits on Cooley's board of directors and chairs its Technology Transactions practice and Diversity Committee.





# Doing It Right: How 3 GCs Are Driving Diversity

By casting a wide net and expanding the pool of candidates, these GCs have challenged preconceived notions about hiring. **By Peter Haapaniemi** 

WHILE IN-HOUSE COUNSEL ARE typically interested in increasing diversity in the legal department, they often say that it is difficult to find enough qualified candidates. If anything, many note, the competition for diverse, skilled legal people has only increased as the issue of racial justice has come to the fore in the United States.

But that perception is essentially wrong—as the general counsel at AIG, Fannie Mae, and Norfolk Southern can attest. While they have taken different approaches to diversity, they have all found ways to challenge preconceived notions about hiring. They have learned to look beyond the traditional sources of talent to broaden the pool of candidates. And they have found and ultimately hired highly skilled, diverse lawyers for senior positions—to the benefit of the legal function, their companies, and their employees as a whole.

"This world is big, and very diverse, and there's a lot of great talent out there," says AIG General Counsel Lucy Fato. "If you cast a wide net, you will first and foremost find qualified candidates—and you'll find that many of those have diverse backgrounds." The key, she adds, is "to be willing to go beyond your normal comfort zone and traditional searches, and do the work needed to identify a very good and diverse slate of people."

# AIG: The Power of a Diverse Slate





Lucy Fato GC, AIG

Eric Kobrick Deputy GC, AIG

S EXECUTIVE VICE PRESIDENT, general counsel, & global head of Communications and Government Affairs at insurance giant AIG, Lucy Fato maintains a strong focus on increasing diversity in her department. But with a staff that includes some 1,100 lawyers, she can't handle every hiring decision personally. "That means I have to make sure the people around me are motivated about diversity in the same way," she says. With that in mind, Fato communicates constantly about the importance of diversity. She also tells people that when they have a position to fill, they need to look for the highest-caliber candidate—but still broaden the pool for their search. To that end, she tells them to start with the "Rooney Rule"-a National Football League policy that requires teams to interview a diverse candidate when hiring for a senior coaching position.

Eric Kobrick, AIG's deputy GC, took that approach when he hired two Black women from outside the industry: Lisa Knight, as chief intellectual property counsel and associate general counsel, and Nubiaa Shabaka, as chief cybersecurity and privacy legal officer and associate general counsel. Fato is clear about her expectations, he says. "Lucy has the combination of pounding the message into people's heads that this is the right thing to do, and then backing it up with concrete actions so people aren't cynical about her words." Overall, he says, she creates an environment that is conducive to diversity. Everything from



**Nubiaa Shabaka** Associate GC, AIG



**Lisa Knight** Associate GC, AIG

AIG's pro bono program to its employee resource group come together to create a "mosaic of being community and socially minded—and not having blinders on to the discrimination that's going on in the world," he says.

Both of Kobrick's new colleagues agree. Knight says that Fato "demonstrates her commitment to diversity and change by her willingness to candidly discuss tough issues about race and discrimination with AIG employees. She also meets periodically with Black senior AIG leaders to develop innovative strategies to improve recruitment, retention and promotional opportunities for Black talent."

For her part, Shabaka notes that "Lucy uses her position, influence, and access to strongly encourage diverse hiring and truly support and amplify diverse voices. It is invaluable to have a general counsel who sets the tone from the top where diversity, inclusion, and equity is a nonnegotiable."

"I think we are showing that if we cast a wide net, we'll have people from all walks of life and all backgrounds, and ultimately have a very diverse team across the board," says Fato. That's especially critical when it comes to the more senior positions. "If people cannot look up in the organization and see people like them, they start to wonder, are there really going to be opportunities for me to move forward here?" Fato says. "If you don't start populating the senior ranks in a diverse way, you lack credibility and it's not authentic. When you're not authentic, you're doomed to fail, in my opinion."

# Norfolk Southern: Putting Diversity on the Fast Track





Vanessa Sutherland CLO, Norfolk Southern

April Savoy GC, Norfolk Southern

N 2019, AS THE NORFOLK SOUTHERN railroad company began to relocate its headquarters from Norfolk, Virginia, to Atlanta, Georgia, several legal department employees decided to retire or resign instead of relocate. As a result, in early 2020, Vanessa Allen Sutherland, the company's executive vice president and chief legal officer, found herself with several positions to fill, including general counsel.

Sutherland needed to find new personnel on relatively short notice—a job made more complicated by the emergence of COVID-19. In spite of the urgency and complexity of the task, she went to great lengths to ensure that diverse candidates were considered. In addition to working with recruiters, she put the word out on social media, contacted diverse bar associations and law school alumni groups, asked Norfolk Southern employees for referrals, and used lists from the Diverse Partners Network, the Leadership Council on Legal Diversity, and the Black GC 2025 initiative.

By August, Sutherland had filled nine positions, including several high-level jobs, with a team that had eight women and six racially diverse individuals, including her new general counsel, April Savoy, who had been the chief legal officer at Acceptance Insurance. Although Savoy was in a different industry, "Vanessa relied on her incredible business instincts to bring me in for an interview and ultimately position me with a significant leadership role," says Savoy. Sutherland, she adds, "values a broad range of experiences, backgrounds, and perspectives, believing the alchemy will garner stronger creativity and decision making."

The rapid success of this effort has attracted the attention of others in the company, including HR, which told Sutherland that according to employee surveys, morale and engagement in her department had increased rapidly—and that they were significantly higher than in other departments. "We scored high in categories like 'I feel heard, I am allowed to challenge the status quo, there is inclusion in the department, I have an opportunity to grow and succeed."

When it comes to increasing diversity in hiring, Sutherland recommends a planned approach. "Inventory the recruiting resources that are being used before you start to hire, because it allows you to see where some of the areas of underrepresentation are," she says. "And unless you have a really small department, take the time to get demographic data on your department. What are the tenures of the people? What are their skill sets? Understand the lay of the land before putting those job descriptions out on the street."

Sutherland also says that it's important to support diverse hires once they are on board. "I work extremely hard to make sure people are not seen as a 'diversity hire,' talking about their credentials and interests and making them three-dimensional people, not just 'the Black attorney," she says. "After going through the hard work of finding good people, you want to make sure their entry is done smoothly and authentically." And the head of legal is in a good position to have those conversations. "GCs are usually in a position of trust and respect," she says—and they can use that to continue an open dialogue about diversity.

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Sutherland notes high scores in categories like 'I feel heard, I am allowed to challenge the status quo, there is inclusion in the department, I have an opportunity to grow.'"

# **Fannie Mae:** A Track Record of Developing Talent





**Terry Theologides** GC, Fannie Mae

**Maritza Okata** Deputy GC, Fannie Mae

N EARLY 2020, TERRY THEOLOGIDES, executive vice president, general counsel, and corporate secretary at Fannie Mae, needed to hire a new legal executive for the company's multifamily mortgage business. "We saw that as an opportunity and went into the searches keenly focused on ensuring that we had a very diverse slate of candidates to consider," he says.

Theologides conveyed that message to recruiters, telling them to look for passive candidates—those not currently seeking a job—and to extend their search to include candidates from other industries. "We were very intentional at the onset about not going with the path of least resistance, where we would consider only people in our industry," he says.

That effort led him to Maritza Okata, whom he brought on as senior vice president and deputy general counsel for Fannie Mae's multifamily mortgage business. Okata did not have specific experience in multifamily mortgages. But as a partner at Vinson & Elkins, she had worked on everything from private equity and mergers to complex cross-border transactions for Latin American businesses. "I thought, if she can figure out project financing in Brazil, she can learn about this," says Theologides.

Okata says that Theologides approaches diversity "from a distinct problem-solving perspective, emphasizing open dialogue, critical self-assessment grounded in data analytics, and a culture of engagement and continuous improvement." At the same time, she says,



**Gregg Smallwood** GC, Caliber Home Loans



Duane Holloway GC, U.S. Steel

he and others at Fannie Mae have "empowered me to rethink and refashion my role with my business clients and within the legal department, and have set a high bar for what it means to be an effective and inclusive people leader and change agent."

Theologides also emphasizes the importance of developing Black attorneys within the organization. "You have to have a farm system to build and develop strong attorneys, and create an opportunity for diverse attorneys to progress to more senior roles."

He has relied on that philosophy throughout his career, and over the years, more than a dozen of his previous employees have gone on to become general counsel, including Black attorneys he worked with in his last two jobs. Gregg Smallwood, who worked for Theologides at Saxon—Morgan Stanley's mortgage business at the time—is now executive vice president and general counsel at Caliber Home Loans, one of the country's largest non-bank mortgage companies. And Duane Holloway, who was Theologides' deputy at CoreLogic, is now senior vice president, general counsel, chief compliance officer, and corporate secretary at U.S. Steel.

Theologides' track record on diversity and developing people is an important asset in his efforts to drive diversity. "I am big believer in the development of internal talent, leavened with external hires," he says. "Even if people eventually move on from your organization, the fact that you helped people progress and are welcoming of diverse points of view, makes it that much easier to recruit. So it can be a virtuous cycle as you try to build diversity."





# **3 BIHC at the Forefront** of Anti-Black Racism

By focusing both internally and externally and working to create safe spaces to learn and grow, Black in-house counsel are developing bold initiatives to move the needle and bring about lasting change. By Donna Marbury

THERE ARE MANY REASONS WHY CORPORATIONS take action against anti-Black racism. They may be reacting to demands from employees, suppliers, and customers. They may be looking to respond to the larger reckoning we've all been wrestling with since the murder of George Floyd and the realization that it's time to take action. And when change happens, it has many champions, each of whom comes to it for a host of reasons, many of them deeply personal. Following are stories of three young Black corporate attorneys who have drawn on their own experiences with discrimination, isolation, and unconscious bias to support programs in their companies that, as one of them, Conagra's Uche Ndumele, puts it, "raise awareness and facilitate change" through "uncomfortable conversations." Creating "a diverse and valued workforce isn't just the right thing to do," he adds. "It's the smart thing to do." But, of course, it's not easy—and it can be tiring. Still, as Union Pacific's Tonya Conley says, "As exhausting as it is, the reality is it has to get done."

# Making a Stronger Impact

abbvie

Karen L. Hale, Vice President, Deputy General Counsel, AbbVie

IKE MANY WOMEN and people of color, Karen Hale would go to meetings early in her career and find herself the only Black or woman present. "In some ways, that's a barrier. But I worked hard on connecting with others on other aspects—the work we were doing or a commitment to our customers—to ensure that I was able to contribute in a meaningful way," says Hale, vice president and deputy general counsel at AbbVie, a Chicago-based biopharmaceutical company.

In response to the nationwide protests against police brutality and institutional inequalities, AbbVie has pledged \$50 million over the next five years to address racial justice efforts through expanding quality jobs, education, and healthcare. Hale is leading the multifaceted program, partnering with AbbVie's corporate responsibility group and its philanthropic arm to make sure the program will have long-term impact.

Hale, who reports directly to AbbVie's CEO on diversity initiatives, says that when she's working alongside the C-suite on racial justice initiatives, she draws on-

32% of AbbVie's U.S. employees are from underrepresented populations. both her career and her personal experiences.

"We have existing diversity and inclusion programs, but certainly the events of June 2020 renewed our focus and interest," Hale says. "I would say we're looking at improving our programs across the company internally, as well as externally."

Nearly half of AbbVie's management positions are held by women, and 32 percent of its U.S. employees are from underrepresented populations. Still, even with established employee support groups, diversity and inclusion trainings, and inclusive benefits, the leadership at AbbVie wanted to increase its impact on its employees and the communities it serves.

Hale says initial steps to enact this massive initiative include bringing the right partners to the table—partners with a proven track record of making an impact.

"We are first identifying all the areas of need.

And yes, that can be very overwhelming, because there are so many areas where there are disparities based on race," she says. "I think we start by focusing on who we are as a company, and what's important to us is education and healthcare. That's our space, our area of expertise."

Hale joined AbbVie's parent company, Abbott Laboratories, in 1997, in the litigation department, and she has since held a number of key legal and compliance leadership positions, including working as an ethics and compliance officer for the company's medical products group. Before moving into her current position, she was vice president, chief ethics and compliance officer, leading AbbVie's global compliance program.

"I know Black lawyers bring unique and diverse perspectives," she says. "We're able to assist leadership teams with those delicate and emotionally fraught conversations about race, which then can lead to conversations about other issues, such as gender or sexual identity."

# **Educating Our Allies**

Tonya Conley, Senior General Attorney, Union Pacific Railroad

66 T HIS IS A LEARNING process for everyone. We're all going to grow, but nobody's going to change instantly," says Tonya Conley, senior general attorney for Union Pacific Railroad. "We have to create safe spaces for people who want to learn, and to learn safely and not feel lesser or smaller. We're actively working to make sure we can educate as many allies as we can, because they are going to be some of our best advocates in spaces we don't necessarily get invited into."

Union Pacific has 37,000 employees in 23 states, Canada, and Mexico. Conley says last year's social unrest caused the company's leadership to take stronger steps to ensure those employees know their voices are being heard and valued.

"We are in a period of change corporately, and there's a lot that our employees are feeling right now," says Conley, who has been with Union Pacific for 14 years. She is also president of the Omaha chapter of the company's Black Employee Network, which focuses on recruiting and

retaining Black employees. As head of the chapter, Conley engages Black employees through events and multiple communications. Most important, she takes their questions and concerns directly to Union Pacific's decision makers.

"Working within several departments over the years, those experiences and relationships allow me to have candid conversations and listen. There's respect that has been built over time through those working relationships," Conley says.

At the beginning of the COVID pandemic, the company's CEO held a remote town hall and invited Conley to discuss diversity and inclusion. Since then, she has been



working alongside the diversity and inclusion department to create ambitious initiatives for the organization.

"At this point, we're determining the bold initiatives that are really going to move the needle-what's really going to be impactful to people, to our organization," she says. Initial changes include setting up listening sessions between board members, leadership, and employees, and creating a diversity book club.

Conley notes that the work she is doing at Union Pacific reflects the life work that she and many Black people commit to: bringing attention to social justice in all facets of life.

"As exhausting as it is, the reality is it has to get done," she says. "It is important enough that I'll just have to be exhausted right now. The goal I have and that a lot of Black professionals have is to make that real change happen."

going to move the needle—what's going to be impact-We're determining the bold initiatives that are really ful to people, to our organization." — Tonya Conley

# Uncomfortable Conversations Facilitate Change

**Uche Ndumele,** Vice President and Chief Counsel, Employment Law and Corporate Finance, Conagra Brands

N A RESPONSE TO last summer's social unrest, Uche Ndumele, vice president and chief counsel of employment law and corporate finance for Conagra Brands, participated in a speaking series hosted by his company, where he reflected on his experiences coming of age as a Black attorney in corporate America.

"People need to feel as though their company is investing in them," he says. "When I think about diversity on the whole, diversity speaks to the excellence, thoughts, and perspectives of people in all demographics. I think it's critical to success in any organization. A diverse and valued workforce isn't just the right thing to do. Frankly, it's the smart thing to do."

Ndumele, who has worked at law firms, a tech company, and food brands, says he has been able to make progress on equity and inclusion everywhere he's worked.



"People of color can move the needle at organizations based on our talent, experiences, and unique perspectives," he says. "Now there's a broader audience who may recognize that they want to utilize diverse talent to fill some of those gaps that currently exist. I believe that people have been capable and continue to be capable. Society is catching up to see that there are a number of people who deserve these leadership opportunities."

In his current role, Ndumele says, he is able to connect with employees at both Conagra's corporate offices and its plants.

"Uncomfortable conversations raise awareness and facilitate change," Ndumele says, noting that

Conagra continues to address unconscious bias, mentoring, investing in underrepresented employees, and hiring and retaining diverse talent at all levels of the organization. "Silence has never been a catalyst for change, and courageous conversations can't be one-sided. They aren't strictly the responsibility of those who have been negatively impacted by systemic conditions."

Before coming to Conagra, Ndumele was vice president and associate general counsel for Pinnacle Foods and, earlier, assistant general counsel at AOL. He says that having a network of people willing to invest in his talents has allowed him to thrive in his career.

"When people recognize your potential and provide opportunities for you to cultivate that potential, it can play a significant role in your development," Ndumele says. "I've had the privilege of learning from individuals at critical times in my career, and those circumstances allowed me to grow. I am committed to fostering similar experiences for others." ■



# THE FORCES BEHIND DAY EQUITY

DESPITE THEIR COMMITMENT to advancing Black and other minority attorneys in their ranks, and despite efforts at pushing past what we have identified as performative diversity in creating their corporate strategies, organizations miss the mark if they don't address a key metric: compensation. Progress aside, women and minorities are still paid less for the same job than are their white male counterparts, both in house and at law firms. In this section, we seek to understand some of the reasons for the disparities—and we take a close look at what we have called the "equity continuum." Moving beyond the outward manifestation of equity—compensation—this continuum examines other key factors that influence the jobs that workers at all levels are called upon to do, starting with recruitment and hiring and including development, promotion, and sponsoring. Finally, we take a look at a revolutionary new internship program that started when a young Black attorney told a company reluctant to hire him that "I will work for free!"





# Pay Equity: Only the Bosining

Compensation is important. Fair compensation is critical. But pay is only one indication of equity. True pay equity depends on a host of other factors. **By Mike Winkleman** 

WHEN IT COMES TO MEASURING THE PROGRESS that Black attorneys have made in both corporate and law firm environments, two metrics are usually applied: numbers and compensation. What percentage of law department leaders or law firm partners are Black? How has that percentage changed over the years? In both cases, as we document elsewhere in this publication, those numbers are improving, though perhaps less quickly and less evenly than they should.

Compensation for these Black attorneys, especially as compared with the compensation earned by their white counterparts, is a different matter. As the articles that follow explain, much of the evidence of a lack of pay equity is anecdotal. Unlike research into gender differences, there has been little direct focus on how the pay of Black, Hispanic, and Asian attorneys compares with what white attorneys are paid. And when that research has been done, the findings are often skewed, not only because of regional or industrial differences in pay levels, but also because, in comparison to white attorneys, there are so few minority attorneys in either BigLaw or big business. That causes any extremes in compensation to loom larger

PAY EQUITY



# **Equity: A Continuum**

In the search for real equity in the workplace, pay equity is only one factor in the process.



than they would if there were a larger sample.

However, there are signs, such as the practice of steering Black law firm attorneys into lower-paying non-equity partnerships, that, a lack of hard data aside, compensation between white and minority attorneys is not consistent.

But that, says at least one expert, is only the beginning of the problem.

#### THE EMPLOYMENT LIFE CYCLE

Dr. Randal Pinkett, CEO of the consulting firm BCT Partners, sees compensation as part of a continuum through which Black employees—attorneys and others—are developed. In a talk addressing what he calls the "Seven Myths of Racial Equity," Pinkett exhorts employers to use "mentorship, sponsorship, or advocacy on behalf of a Black employee to help them overcome certain obstacles."

This means, he says, "you must look across your organization's entire life cycle—from recruitment to hiring to development to retention to advancement—in order to determine exactly where advantage and disadvantage are at play" (see chart, above). In doing this, and in addressing what he sees as the four dimensions of racism—internalized, interpersonal, institutional, and structural—he believes a company can "root out the inequities." And that, by extension, will translate into greater equity in compensation.

#### THE IMPORTANT BOOK OF BUSINESS

While Janice Brown, who recently joined the San Diego-based law firm of Meyers Nave after 17 years of running her own labor and employment firm, agrees with the need for corporate commitment to an equitable employee life cycle, she also believes in self-reliance and resilience, both of which have served her well throughout her career.

"There are a whole lot of barriers to equity if you look internally for help," she says. "Some people will inherit equity from a partner who anoints a junior partner and passes on a book of business. But that doesn't happen often for people of color." For her part, in joining her current firm, she came in, she says, with two advantages. First, three of the nine partners in the firm are in a diverse category, and, of the firm's 10 practice groups, seven are headed by women or people of color.

But perhaps more important, she arrived with her own significant book of business. "Economics is the name of the game," she says. "If you have business, you have power, and if you have power, you can make changes. Economics is more than the right thing to do; you need to have leverage, and that's easier if you're contributing to the bottom line."

Brown has found it advantageous to take matters into her own hands. Understanding the power of economics, she founded her own separate business, Beyond Law, in

## PAY EQUITY

While many attorneys, both in house and in law firms, concentrate on compensation, Dr. Randal Pinkett suggests that the problem of equity itself runs deeper, that without attention to all aspects of development, pay equity can not be reached.



order to learn about business development. "I needed to learn sales from other environments," she says. "I needed to be taught how to sell." With this knowledge, and the skills she has honed, she's already had an impact on her new firm, bringing in both new clients and new attorneys, people to whom she might bequeath her book of business when she eventually leaves.

#### **RESILIENT SELF-RELIANCE**

It's a combination of self-reliance and resilience that Brown insists can make the difference for Black attorneys in search of real, comprehensive equity. "The challenge," she says, "is not easy, but it's not insurmountable." It's not difficult, she notes, to find people like her, "people who are willing to have a conversation, people who may or may not be of color who will give you the time," be supportive, help to mentor you, help you take risks and advocate for yourself. However, she notes, it's critical to be resilient. "If you're of color in the legal profession," she says, "you can't be afraid of hard."

Her own resilience Brown says, was fostered by one of her earliest mentors, a white woman who, as Brown puts it, "had a higher opinion of me than I had of myself, than even my parents had of me. When someone shines a light on you like that, it can be transformative. There are people who are willing to do that for you, but you have to be willing to take a risk."

And both taking and sharing that risk, in Pinkett's equation, can be the key to promoting equity across the spectrum, for both employers and employees. In response to people who claim that when it comes to hiring, sponsoring, promoting, and more, they are color-blind, he says it's not a question of color-blindness. Thinking that way "can lead you to thinking that the workplace is a pure meritocracy and that your company only hires the best and the brightest. The data shows that Black people are underrepresented on many levels." What's important, he says, is viewing the full continuum of equity and, in the process, "having candid conversations about race, fully seeing color, and treating people fairly." ■



If you have business, you have power, and if you have power, you can make changes. Leverage is easier if you're contributing to the bottom line." —Janice Brown

# Pay Equity in Legal Departments

Disparities exist, but further research will determine how great they are.

HILE THERE HAS BEEN much talk about pay equity between white attorneys and attorneys of color, comprehensive research has been lacking. In contrast, as in most fields, the pay gap between men and women has been carefully examined, with women usually coming up short.

In September 2019, the executive recruiting firm Major, Lindsey & Africa (MLA) launched a full-scale In-House Counsel Compensation Survey. They received responses from 3,900 in-house counsel in 39 countries and sought to identify trends by position, gender, and race. They also compared results by region, within regions, and by industry.

As the charts below indicate, pay equity by gender among in-house counsel is similar to that found in most industries: For most job titles—and especially those at the top—men make considerably more than women. This is especially true at the larger companies.

MLA found that men and women were equally represented across the board. This was not the case with ethnic and racial representation. As the chart on page 139 indicates, only 7% of all of the respondents were Black, 9% were Asian, and 5% were Hispanic, while 79% were white.

At the highest job titles, a significant disparity between Black and white compensation appears to exist. This is less evident at lower job titles. However, MLA cautions, some of the results, such as higher pay rates for Hispanic GCs and senior counsel/associate GCs, may be the effect of skewing due to regional and industrial disparities.

The bottom line: While pay equity in legal departments could improve, the data doesn't yet shed enough light on the dimensions of the problem. *—Mike Winkleman* 



While men and women are proportionately represented in GC and CLO positions at high-revenue companies, women earn less than men in these roles, with the exception of companies with revenue less than \$1 million. At the highest revenues, the gap is the greatest. For instance, at companies with revenue over \$10 billion, men's average total annual cash compensation if \$1.1 million, as compared to their female counterparts, who earn \$739,436 on average. SOURCE: 2020 IN-HOUSE COUNSEL COMPENSATION SURVEY

## **PAY EQUITY**

## Pay Equity in Legal Departments by Ethnicity



# Pay Equity in Law Firms

The non-equity partner track appears to reduce Black compensation.

**RE BLACK LAWYERS** at law firms paid equitably? The evidence is not conclusive—but it is troubling. The latest Partner Compensation Survey from legal recruiter Major, Lindsey & Africa (MLA) suggests that not only is Black partner compensation lower than that of other ethnicities, it has also declined since 2010 as other ethnicities' compensation has increased (see chart below). One caveat, however: With only 24 Black partners responding to the survey, MLA concluded that the figure isn't statistically significant.

Despite the small sample size, the circumstantial evidence is hard to ignore. Law firms have increased the proportion of non-equity partners in their ranks, and a disproportionate number of these partners are minorities. According to a study by *The American Lawyer*, "Minorities are joining the non-equity ranks at three times the rate of their white colleagues." Non-equity partners earn about one-third of what equity partners earn, and that gap is growing (see charts, next page). Since the number of Black partners is already so low, shunting them to non-equity status hurts even more. But Black lawyers offered equity partnership sometimes hesitate, says Merle Vaughn, managing director and National Law Firm Diversity Practice leader at MLA. Some firms demand a high capital contribution of equity partners and provide a low draw until profits are distributed. (Of course, some white lawyers may find it easier to live on that draw because family wealth provides a cushion and reduces their educational debt.)

Law firms portray non-equity partnership as a training ground for lawyers seeking to build a book of business. But firms also cite failure to bring in business as the reason Black lawyers don't make partner in the first place. In either case, insiders say senior partners (usually white) are less likely to sponsor Black lawyers, so they don't get the needed client exposure. As usual, the ultimate issue is bias. And when the criteria for achieving equity partnership is highly subjective, Vaughn says, that bias has room to grow. —*Richard Sine* 



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**PAY EQUITY** 

## Average Equity and Non-Equity Partner Compensation Trends



While non-equity partners earned 59% less than equity partners in 2010, that gap grew to 67% by 2018.

SOURCE: MAJOR, LINDSEY & AFRICA



As law firms have increased the proportion of non-equity partners in their ranks, a disproportionate number of these non-equity partners are minorities. At the same time, the earnings gap between equity and non-equity partners has been growing, putting minority partners at an increasing disadvantage. SOURCE: NALP





**PAY EQUITY** 

# **'I Will Work for Free'**

Rewarding grit, passion, and perseverance with an unprecedented BLM Internship Program. **By Peter Haapaniemi** 

HEN DEJAUN TEMPLE was finishing up at the University of Missouri-Kansas City School of Law, it was not the best time to be looking for a job. COVID-19 had changed the work world, the economy had become uncertain, and protests against racial injustice were sweeping cities across the country. But instead of waiting for a better time, Temple decided to do some cold-calling and reach out to GCs at large companies via LinkedIn. "I wasn't really expecting people to get back to me," he admits.

For the most part, he was right—but somebody did respond. LaTanya Langley, vice president and general counsel at BIC in New York, emailed back a fairly standard response, explaining that it was a tough time for companies and that BIC didn't have anything at the moment. Still, she said, she would keep him in mind.

While it wasn't a job offer, Temple says, "I thought that I at least have her attention. So I wrote back saying, 'If you do have anything in the future, I would be willing to work for free, as a volunteer.' I thought that if I could just get some experience, it might help me get a job." As he said in his email, "I just want to get better and be knowledgeable."

"Something about that message just resonated with me," recalls Langley. She talked to Temple and heard his story. His father had been incarcerated and he had been raised by his mother and grandmother. He was married and raising a daughter and son. And before going to law school, he had sold life insurance and started an underwear company to make money. "I was struck by the fact that this law student had so much grit and passion and perseverance for his long-term goals that he was willing to do anything just to get some experience," she says.

Langley, who is on the board of the National Bar Association's Commercial Law Section (CLS), brought up Temple's story at the board's next meeting. The CLS had been considering making a donation and issuing a statement in response to George Floyd's death, says Andrew Nunes, chair of the CLS and a partner at the law firm Fasken. "But LaTanya said, 'No, let's do something more meaningful—something that's going to have a reallife impact on the lives of the people who we're trying to help,' " he says. "She had the wonderful idea to do an internship program, and right away, the entire group wanted to find a way to get it done."

The result was the CLS's #BLM Internship Program, which places law students with law firms and corporate legal departments to give them training, experience, and exposure in a professional setting. To start the program, CLS put up \$40,000 in seed money, which companies and law firms could use to offer each of four students a \$10,000 salary for internships lasting eight to 10 weeks.

"We were hoping for a good response," says Nunes. "What we got was a phenomenal response." The plan was to place students into internships from late July through September 2020. By the end of September, more than 60 corporations and law firms had expressed interest, with most participants funding their own internships rather than taking the CLS's money. And the program had placed 24 young people—including Dejaun Temple, who landed an internship at DaVita, a Denver-based healthcare company. Additionally, due to the overwhelming response including donations, CLS was also able to grant scholarships to three additional students.

The #BLM Internship Program was conceived as a one-time effort in response to 2020's converging issues of COVID-19 and racial injustice. However, says Langley, with the success of the program—and the ongoing challenges facing Black law students—the CLS will be repeating it in 2021. "It's a good fit with our stated mission to increase the diversity of outside counsel ranks and expand the pipeline of Blacks entering the legal profession," she says. "We did both with this program, and we can actually see individuals' lives and the pipeline being advanced by our work." ■



# **MOVING FORWARD**



Catherine Dargan, Covington



Elisa Davis, Adtalem



Janine Jjingo, Skadden Arps



LaKeisha Marsh, Akerman



Vanessa Jackson, Davis Polk

# The Big Deal: 'People Who Look Like Me'

An M&A attorney describes an experience unique in her career: working with an all-Black team. **By Elisa Davis** 

**'VE BEEN PRACTICING LAW** since 1997, and I've been in house for the past 17 years. But this is the first time in my career that I've had an experience that I know my white male counterparts—and even my white female counterparts—have almost every day of the week: I have finally had the opportunity to work with an M&A team led by people who look like me—something that was very apparent during each of the many video calls we held throughout the process.

Diversity and inclusion is definitely a top-down priority at our company. Last year, after sending out and reviewing responses to a request for proposals from law firms, we selected primary firms to work with based partially on their commitment to ethnic and gender diversity.

So when a major M&A transaction—valued at \$1.48 billion—came in, we felt we had a chance to demonstrate our own commitment to D&I. We started by looking at Covington, which has both a tremendous reputation in M&A and a tremendous commitment to the type of diversity we value. We tapped **Catherine Dargan**, who co-leads the firm's M&A practice and who, coincidentally, had gone to law school with our GC, Chaka Patterson.

LaKeisha Marsh, a partner at Akerman with extensive experience in the higher education sector, was an easy choice. She had been doing work with Adtalem for a number of years, and she is very familiar with the sorts of institutions and organizations with which we work.

When it came to financing, we looked specifically for a person of color to represent us. Our GC led us to **Janine Jjingo**, a banking partner at Skadden Arps. And then, since this is leveraged financing and we are paying for the lender's counsel and, therefore, have a say in who is representing the lenders, we requested **Vanessa Jackson**, who is a finance partner at Davis Polk.

Looking back on this experience, I would, without question, engage each of these lawyers again. And I'm sure they feel the same way about the great experience of working on this particular team.

While we've been very intentional at Adtalem in working with firms that have diverse partners, and while we have these sorts of relationships in other areas of the legal department—especially litigation—M&A is not an area where we've had as much experience working with partners of color. It would be great to find a way to re-create this experience.

Elisa Davis is associate general counsel at Adtalem Global Education, an educator and workforce solutions provider.





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