



Diversity, Equity & Inclusion Report: 2021 Survey Key Takeaways

SURVEY OVERVIEW

Meritas conducted a digital survey in August 2021 to assess the Diversity, Equity, & Inclusion (DE&I) activities of member firms. We asked respondents 27 substantive questions about their DE&I practices. Topics included:

- Data collection.
- The existence, structure, and perceived success of recruiting, training, and professional development/retention strategies.
- Budgets, hours, and incentives tied to DE&I initiatives.
- Specific commitments to DE&I, both internal and external.
- Client perspectives, including interest in firms' DE&I practices, promotion of those strategies to clients, and DE&I efforts' role in client retention and acquisition.
- Metrics for tracking results.

Part I offers an overview of our firms' responses to these questions on a global, Meritas-wide basis. We also correlated the responses to firm size and to region, and that data appears in Parts II and III of this report, respectively.

We also asked respondents if they would be willing to share any materials created or used in their DE&I strategies. We are using this information to build a library of resources to share with member firms.

METHODOLOGY

The survey sought input from each of our 185 firms. We received 172 responses. Some respondents skipped some questions, meaning there were less than 172 responses on many individual questions.

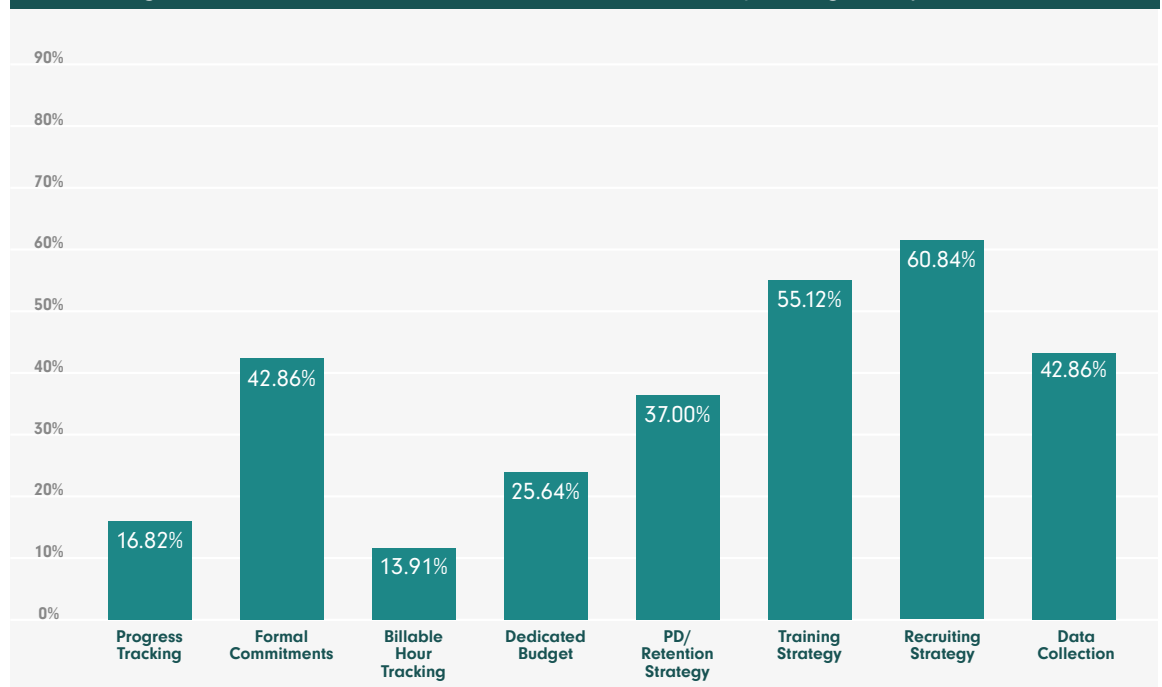
The geographic breakdown of the responses was 48.84% from the U.S., 19.19% from Europe/Middle East, 12.79% from Latin America/Caribbean, 6.98% from Asia, 5.81% from Canada, 4.65% from Australia/New Zealand, and 1.74% from Africa. This reflects the structure of Meritas as an organization.

Respondents skewed toward smaller firms. Altogether, 33.53% of responses were from firms with 26-50 lawyers, 28.32% from firms with 25 or fewer lawyers, 13.29% from firms with 51-75 lawyers, and 9.83% from firms with 76-100 lawyers. The remaining 15.03% of responses were from firms with more than 100 lawyers. Again, this reflects the composition of Meritas.

Part I: Global Results

Majorities of Meritas firms globally have implemented recruiting efforts intended to improve diversity within the firm (with 60.84% of firms saying so) and launched training programs meant to increase diversity, equity, and inclusion (55.12%). But less than half of firms globally say they have implemented any of the other initiatives about which they were questioned in the survey.

Percentage of Meritas firms with various DE&I initiatives in place, globally.

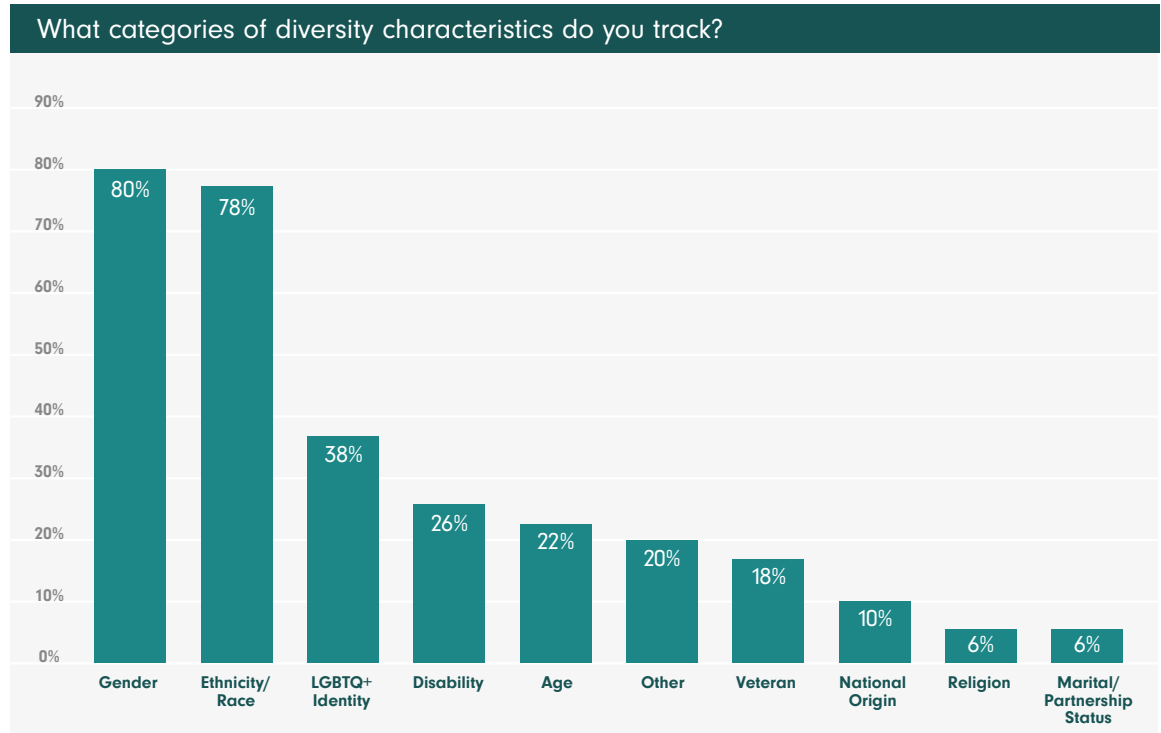


Less Than Half of Firms Collect DE&I Data

Significantly less than half (42.86%) of Meritas firms globally collect data about the diversity characteristics of their professionals.

Those who track data were asked, in an open-ended question, what categories they track, and more than nine categories were named. The top two were gender (cited by 80% of respondents who answered this question) and race/ethnicity (78%). Thirty-eight percent of respondents track LGBTQ+ status.

The remaining categories cited by a significant percentage of respondents were disability (26%), age (22%), and veteran status (18%). Smaller numbers cited nationality/national origin (10%) and religion and marital/partnership status (6% each). Twenty percent, collectively, cited a variety of other categories, which included parenthood status and languages spoken, among others. Several respondents noted that all of their data collection is done voluntarily.



Recruiting Strategies Are Often in Place, But Specific Practices Vary

A majority of respondents globally (60.84%) said they have a recruiting strategy in place, either formal or informal, to increase or improve diversity. It does not seem as if there are universally accepted best practices adopted by our firms; the techniques used vary widely, according to respondents who answered an open-ended question about what recruitment strategies they utilized to increase diversity in the firm.

Many focus on building relationships with outside organizations. These include law schools with diverse student bodies and bar associations with diverse memberships or programs focusing on diversity. Some of their relationships are formal, such as sponsoring a summer associate program or a fellowship with a university, while others are informal, such as having alumni of local higher education institutions get the word out about openings.

Attracting diverse young lawyers through internships, fellowships, summer associate programs, clerkships, and the like is another common strategy. Some of these are in partnership with the organizations mentioned above, while others are implemented internally by the firm. One firm is involved with a project that strives to fill the pipeline for diverse legal minds at the high school level (ages 14-17/18).

One Meritas firm, which said it had participated in local diversity job fairs and forged relationships with local universities that have diverse student bodies, called out one challenge for small and mid-sized firms when participating in these opportunities. "We've found it hard to compete with larger firms in our area," the firm's respondent noted.

Some firms concentrate on expanding the pool of applicants through postings on job boards that cater to diverse populations, exhibiting at specialized recruitment fairs, and/or using specialized recruiters or ensuring that their existing recruiters are aware of their desire to increase diversity, in addition to the methods above. One firm said it offered to pay its recruiters bonuses if they recommend lateral diverse candidates who are hired.

Many Meritas firms' initiatives that are identified as recruitment and hiring strategies are currently focused on changing the culture in-house and setting up internal infrastructures and processes. These include:

- Ensuring the application review process is blind. One firm went further, conducting the first interview by phone (without video) to try to keep the blind process going into the next round.
- Improving diversity on the recruitment committee or having the DE&I committee work more closely with the recruitment committee. One firm mentioned giving unconscious bias training to those responsible for hiring.
- Setting up targets for recruitment. Examples mentioned included reserving 25% of the recruiting pool (for any position) for applicants from underrepresented communities; striving for a 50/50 balance of male and female lawyers; and ensuring there are multiple diverse candidates for every open position, even if that means keeping recruitment open for a longer time period until that happens.
- Tracking results, either of overall diversity within the firm over time or of specific initiatives.

Several firms noted they were in the process of creating a strategic plan to improve diversity hiring or were updating their internal policies and procedures.

Some respondents said they were implementing strategies to make their firm more enticing to diverse lawyers and staff. Some of the steps they have taken include broadening applicant criteria, depicting diverse lawyers on their recruitment and other materials, supporting diversity events so applicants know the firm values diversity, creating policies that are attractive to diverse applicants, and setting up training programs for diverse applicants.

A few firms follow the lead of their governments. A small handful of U.S. firms specifically mentioned that they follow the guidance of the Equal Employment Opportunity Commission (EEOC), while a firm in Asia noted that it was prohibited from implementing recruitment strategies tied to age and gender due to anti-discrimination ordinances in its home country.

One impression painted by the responses to the survey is that Meritas firms skew more toward informal than formal policies when it comes to recruitment. Some firms have formal strategies with several defined layers and components. But others offered descriptions of their strategies that suggested informality, such as:

- “Consciously considering diversity in the process.”
- “Encouraging employees to refer their diverse connections.”
- “Actively encouraging our departments to broaden their reach.”
- “Discussion of the need [for diversity] when considering candidates.”
- “Personal connections.”
- “We seek candidates that will add diversity to the firm.”

In addition to descriptions such as these, several firms described their recruitment strategy simply as informal. “Largely due to client demand, we informally look at diversity in hiring decisions,” said one.

Training Strategies Are Often Informal

A slightly lower percentage of Meritas firms said they have a training strategy, either formal or informal, than said they have a recruitment strategy. All told, 55.12% of respondents said they have a training program, versus 60.84% of firms that said they have a recruitment strategy.

According to responses to an open-ended question asking respondents to describe their training strategy to create a more inclusive environment, the most common response was some sort of formal training. These could take several forms:

- Material could be presented in the form of webinars, live sessions, videos, work shops, or small-group discussions, as well as written publications (e.g., monthly or weekly emails on DE&I topics). One firm had a dedicated page on its website with articles, videos, and other resources).
- Some trainings are mandatory, while others are encouraged, and several firms said they had a combination of both.
- Outside consultants often deliver the training. Alternatively, firms encourage or require lawyers and staff to attend a training or use training materials offered by an association or other outside group. Relatively few mentioned creating sessions in-house.
- Specific topics mentioned included implicit/unconscious bias, respectful workplace behavior, microaggressions, interrupting bias, imposter syndrome, inclusive leaders, hate crimes, allyship, police brutality, and understanding differences. Several mentioned trainings in diversity or inclusion topics generally, without providing specifics.

- Some of the trainings were annual, while others were monthly (with the latter often including several voluntary programs). Some were part of new lawyers' induction process.
- Some training sessions were firm-wide, while others were focused on certain populations, such as practice group heads or managers. A few offered training in a targeted manner, as needed, e.g., only in cases of problems or concerns.

Aside from formal training sessions as outlined here, the second most popular method of training mentioned was mentorship or related techniques. One firm assigned a training partner to each associate, with the mentor involved in their development toward partnership. One said all the partners work with all of the associates, instead of teaming up one-on-one long-term, to give a wider range of experience and relationships. Another paired associates with a senior lawyer who has common experiences, as a resource for discussing issues. Several firms mentioned setting up internal affinity groups or encouraging attendance in affinity groups set up by professional organizations.

A significant group of firms said they emphasized having lawyers of all backgrounds get to know each other on a more informal, social basis as a form of training. This included recreational activities; participation in events such as Pride, Black History Month, or International Women's Day; and social events (sometimes mandatory) where all lawyers could get to know each other

A large number of firms described their training strategy as "constant discussion" or similar phrases. Mostly these seemed to be informal but encouraged. Some firms took a more formal approach by setting up small-group discussions on specific topics. Some had periodic meetings (such as weekly) with all lawyers in the firm to ensure that everyone is sharing ideas and skills, that there is a focus on teamwork among all lawyers, and/or that every lawyer gets a chance to participate on projects.

Other firms in the survey cited their general diverse and inclusive culture as a form of training. That typically involved lawyers and staff "teaching by example," having a diverse culture and encouraging dialogue, including diversity in their good-practice and anti-harassment guidelines, encouraging dialog about diversity or sharing ideas with diverse colleagues, or just being "teamwork focused."

One respondent described the firm's training program as "promotion of respect, inclusion, courtesy, and trust in all relationships, reinforced as a foundation of the culture, with mandatory compliance," while another described that firm's program as a "consensus-building philosophy to ensure a maximum number of voices are heard."

A few firms noted that they are in the process of developing training programs, strategies, or materials on diversity.

Professional Development & Retention Strategies Are Few and Far Between

Relatively few firms (37% of respondents globally) said they had a professional development and/or retention strategy to increase or improve diversity and inclusion.

Respondents who have a professional development and/or retention strategy were asked to select the elements that were part of their strategy. The top answer, selected by 86.67% of respondents, was mentorship, followed by speakers and webinars with 75.56%. Lower on the list were affinity groups, selected by 48.89% of respondents, and books and informational materials, selected by 37.78%. The same percentage, 37.78%, selected "other."

Which of the following elements are part of your professional development and/or retention strategy to increase or improve diversity and inclusion? (Select all that apply)

MENTORSHIP: 86.67%	AFFINITY GROUPS: 48.89%	SPEAKERS/ WEBINARS: 75.56%	BOOKS & INFO MATERIALS: 37.78%	OTHER: 37.78%
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Respondents Consider Recruitment, Training, and Professional Development Strategies Moderately Successful

Respondents who have recruitment strategies for DE&I gave their programs middling grades. The largest group (29.17% of respondents) gave their programs a 3 on a scale of 1 to 5, with 18.06% giving theirs a 4 and 15.38% giving theirs a 2. At the high end, 6.94% gave their programs a 5, and on the low end, 9.72% gave their firm a 1 out of 5. More than one-fifth of respondents (20.83%) to this question said their diversity recruitment strategy was too new to measure or they were unsure about the success.

On a scale of 0 to 5, where 1 is low, 5 is highly successful, and 0 is too new to measure/unsure, please rate the success of your recruiting strategy in increasing diversity:

0 TOO NEW/ UNSURE: 20.83%	1 LOW SUCCESS: 9.72%	2 MODERATELY UNSUCCESSFUL: 15.38%	3 AVERAGE SUCCESS: 29.17%	4 MODERATELY SUCCESSFUL: 18.06%	5 HIGHLY SUCCESSFUL: 6.94%
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When it comes to their training programs, the opinion was slightly higher. Of respondents with training programs, 36.51% gave their program a 3 out of five, and a just slightly smaller group (31.75%) gave theirs a 4. More than one-tenth of respondents (11.11%) gave their programs a 5, while relatively lower percentages of 7.94% and 1.59% gave their training programs a 2 or a 1, respectively. Another 11.11% said theirs was too new to rank or that they were unsure of how to rate it.

On a scale of 0 to 5, where 1 is low, 5 is highly successful, and 0 is too new to measure/unsure, please rate the success of your training strategy to promote inclusion:

0	1	2	3	4	5
TOO NEW/ UNSURE:	LOW SUCCESS:	MODERATELY UNSUCCESSFUL:	AVERAGE SUCCESS:	MODERATELY SUCCESSFUL:	HIGHLY SUCCESSFUL:
11.11%	1.59%	7.94%	36.51%	31.75%	11.11%

Similarly, respondents view their retention and professional development programs to support diversity and inclusion, on balance, as neither strong nor poor, with responses leaning slightly to the positive side. A total of 44.44% said their retention programs should receive a 3 out of 5 as a measure of success, with 24.44% selecting a 4 out of 5. Another 8.89% selected 5 out of five, while low percentages of 4.44% and 2.22% selected 2 and 1, respectively. A total of 15.56% were unsure of the ranking or said their program was too new to measure. Note that the number of firms with professional development/retention programs for DE&I is lower than the numbers for firms with recruitment or training programs.

On a scale of 0 to 5, where 1 is low, 5 is highly successful, and 0 is too new to measure/unsure, please rate the success of your professional development strategy to increase or improve diversity and inclusion:

0	1	2	3	4	5
TOO NEW/ UNSURE:	LOW SUCCESS:	MODERATELY UNSUCCESSFUL:	AVERAGE SUCCESS:	MODERATELY SUCCESSFUL:	HIGHLY SUCCESSFUL:
15.56%	2.22%	4.44%	44.44%	24.44%	8.89%

DE&I Programs Are Not Typically Backed by Budgets or Financial Incentives

While majorities of firms have implemented some formal or informal strategies to strengthen diversity, equity, and inclusion, most do not back those strategies with funding. When asked if they have a budget dedicated specifically to DE&I efforts, only a quarter (25.64%) answered yes, with the remaining three-quarters (74.36%) answering no.

When asked the open-ended question of what the annual budget was, the few responses from firms globally ranged from \$4,000 to \$128,000 (in US dollars). Other responses, beyond citing a flat amount, included the following configurations:

- A variable number is spent each year, depending on specific initiatives.
- A percentage of revenue (e.g., 1%) is dedicated to DE&I.

One firm noted that it can be difficult to track spending in some firms because, in addition to a DE&I budget, some DE&I-related activities are included in other budgets.

Meritas firms globally are very unlikely to track the number of non-billable hours devoted to DE&I efforts, according to the survey, with just 13.91% of respondents saying they did, versus 86.09% saying they did not.

Other insights about billable hours devoted to DE&I efforts were all based on very small sample sizes and should not be extrapolated as representative across all of Meritas. More study is needed. Some takeaways included:

- The number of hours per year respondents estimated that their firms committed to DE&I efforts ranged widely, from five to 400. One firm was working on a plan for each lawyer to commit to 50 hours per year.
- When asked if they expected the hours devoted to DE&I to change in 2022 compared to 2021, 71.43% said they expected the number to increase, and 28.7% expected the number to stay the same. No respondents expected a decrease.
- Of those who predicted increases in billable hours devoted to DE&I at their firm in 2022, the percentages volunteered ranged from 5% to 100%.
- Almost three quarters of respondents (73.33%) said lawyers who participate in DE&I programs at their firm have some kind of incentive to help balance their non-billable efforts against billable goals.

Clients Are Driving Change

Clients are increasingly demanding their firms be working toward greater diversity, equity, and inclusion, and firms that promote their efforts have seen positive results in terms of retaining current clients and attracting new clients. But relatively few are promoting their DE&I efforts.

More than half (57.52%) of Meritas respondents globally said they had received surveys or RFPs from clients requiring diversity information about their firm within the past 12 months. Firms overwhelmingly said they responded to those requests, with 98.46% saying they did.

In addition, 57.27% of Meritas firms said they had had conversations with clients about diversity, equity, and inclusion in the past 12 months, while the remaining 42.73% said they had not.

Despite the fairly high level of interest in the topic on the part of clients, only 38.18% of Meritas firms have actively promoted DE&I strategies or commitments to clients or industry groups in the past 12 months, while 61.82% had not.

Of the firms that had promoted their DE&I efforts, 57.58% said these efforts increased firm revenues by helping their firm retain clients. A lower but still significant portion (47.06%) said the efforts had increased firm revenues by helping them recruit new clients.

Less Than Half of Firms Have Made a Formal Commitment to DE&I

When asked if their firm has established specific commitments regarding diversity, equity, and inclusion, 42.86% said they had, versus 57.14% who said they had not.

Of those firms globally that had made specific commitments, 58.33% said they made those commitments publicly available, while 41.67% had not.

Firms Rarely Track Their Progress on DE&I

While firms are increasingly establishing commitments toward DE&I and implementing formal and informal DE&I efforts, most are not tracking the results of these efforts. Just 16.82% of respondents to the survey globally said they tracked the results of their DE&I efforts, versus 83.18% who said they did not.

Among those who do track their efforts globally, some of the data tracked includes:

- General feedback about the program from inside and outside the firm.
- Firm diversity data over time (with various degrees of specificity and frequency), including ratios of males to females, percentages of various employee groups within the firm, or number of partners from different groups.
- Internal surveys, or firm data in comparison to industry surveys.
- Retention and attrition data.
- Attendance at diversity-related events.
- Invitations to participate in DE&I efforts with clients and community partners.
- The number of DE&I efforts per year.

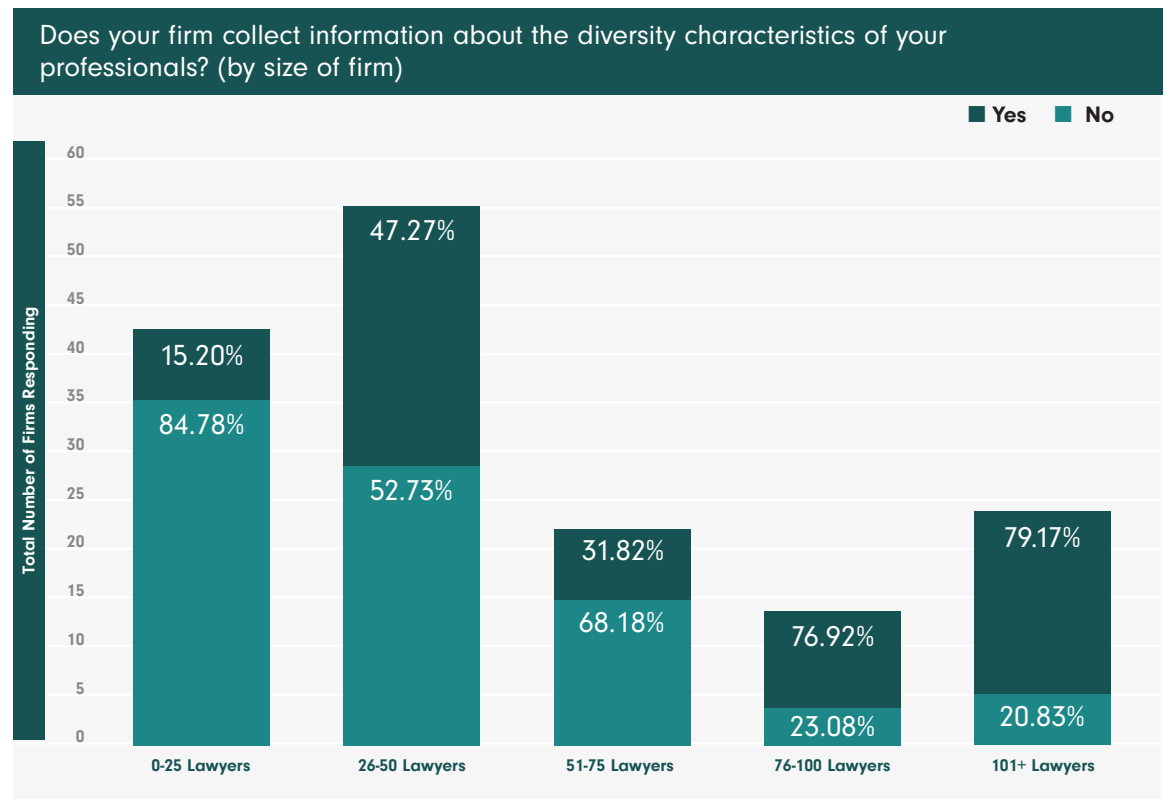
Part II: Results by Size of Firm

The existence of DE&I-related programs, across all types of initiative, correlates strongly with size of firm. According to the survey, larger firms universally are more likely, often significantly so, to collect data and to implement programs for recruiting, training, and developing diverse lawyers. While less than a majority have dedicated budgets for DE&I or track results, they are more likely than smaller firms to have implemented both practices.

Note that the numbers of firms responding in some of the firm-size tiers are relatively low, which skews the comparisons somewhat.

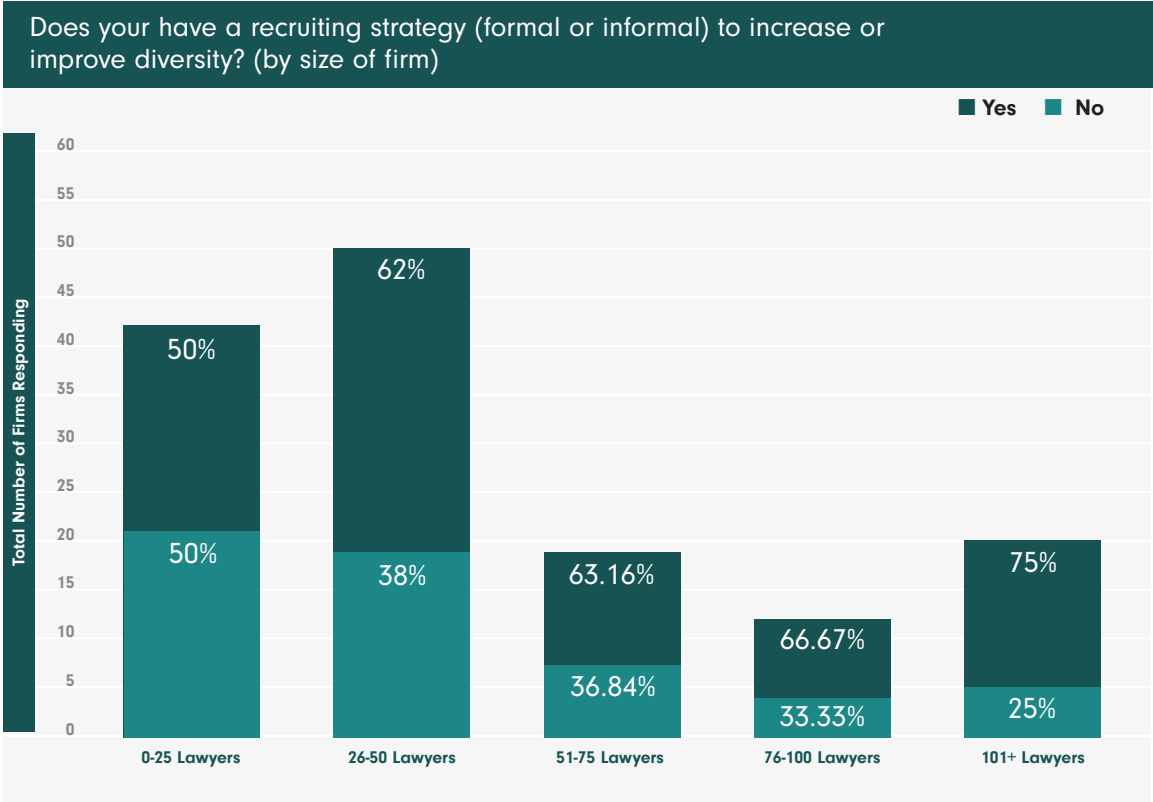
Data Collection

Large firms are much more likely to collect information about the diversity characteristics of their professionals than smaller firms, with 79.17% of firms with 101 or more lawyers saying they do, versus 15.20% of those with 0-25 lawyers and 47.27% of those with 26-50 lawyers.



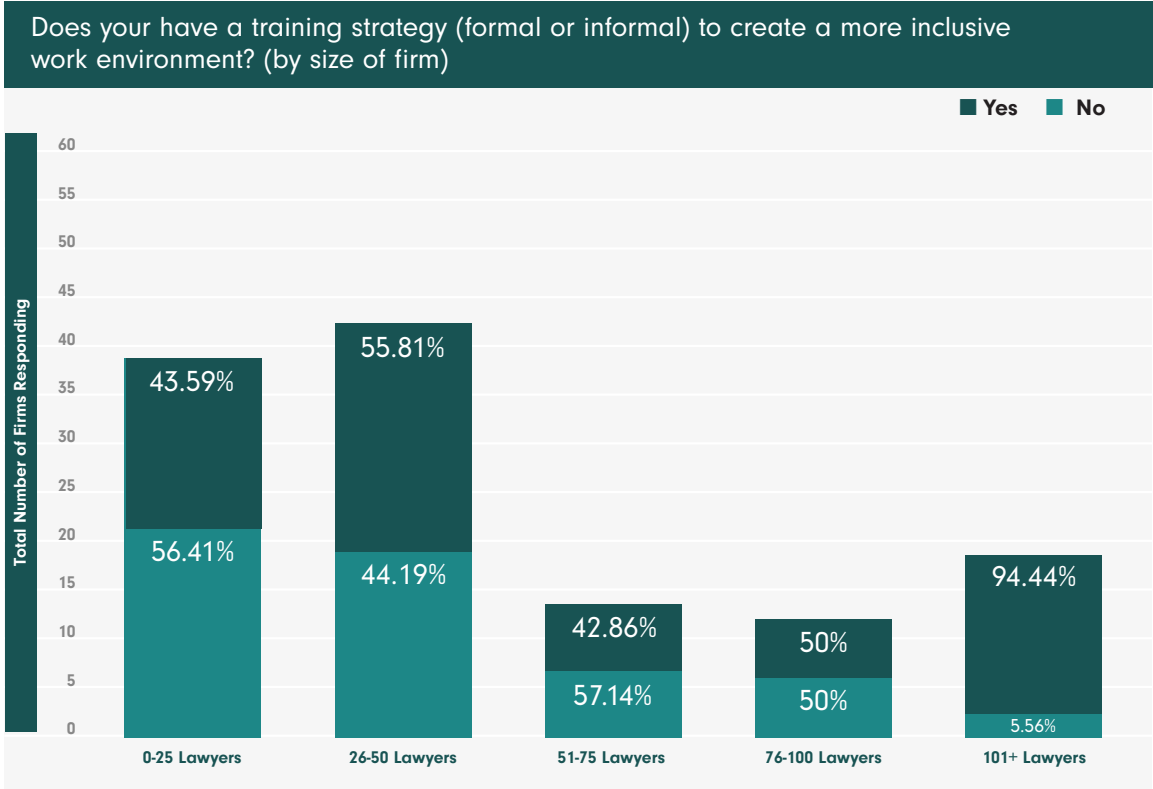
Recruiting

Firms with 25 or fewer lawyers have a 50/50 chance of having a DE&I recruiting strategy in place, while 75% of firms with 101 lawyers or more said they have a diversity recruiting strategy. The numbers rise consistently through each firm-size tier.



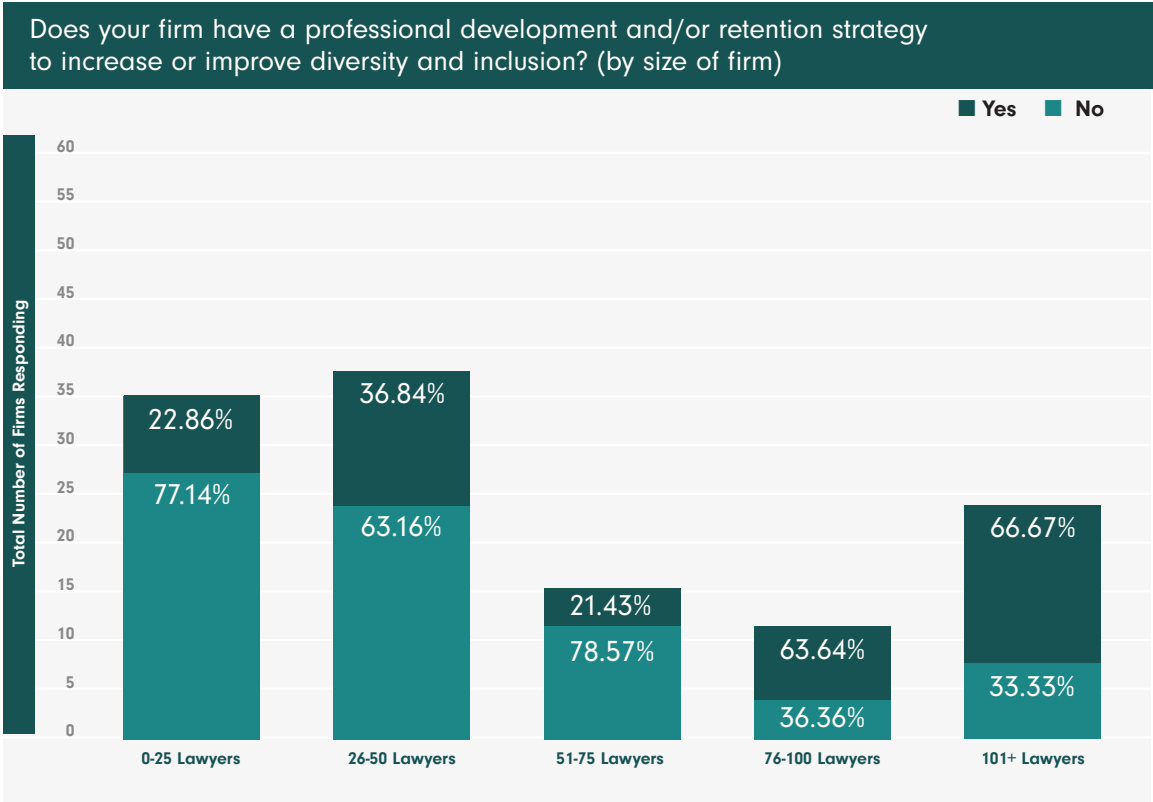
Training

The largest firms are by far the most likely to have a formal or informal training strategy to create a more inclusive work environment. Of firms with 101 or more lawyers, 94.44% of respondents said they had such a training strategy. All other firm sizes hovered within 8 percentage points of the 50% mark.



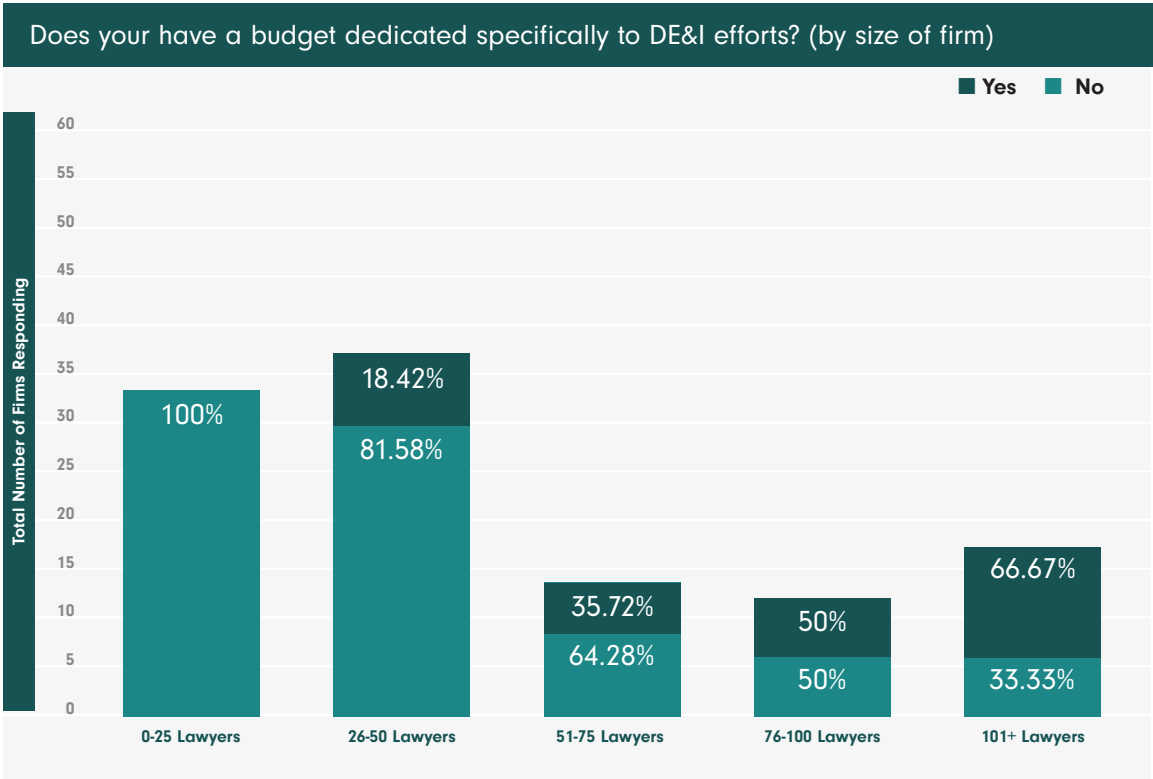
Professional Development and Retention

Two-thirds of firms with 101 or more lawyers have professional development and retention strategies focused on DE&I, while more than three-quarters of the smallest firms, with 25 lawyers or less, said they did not.



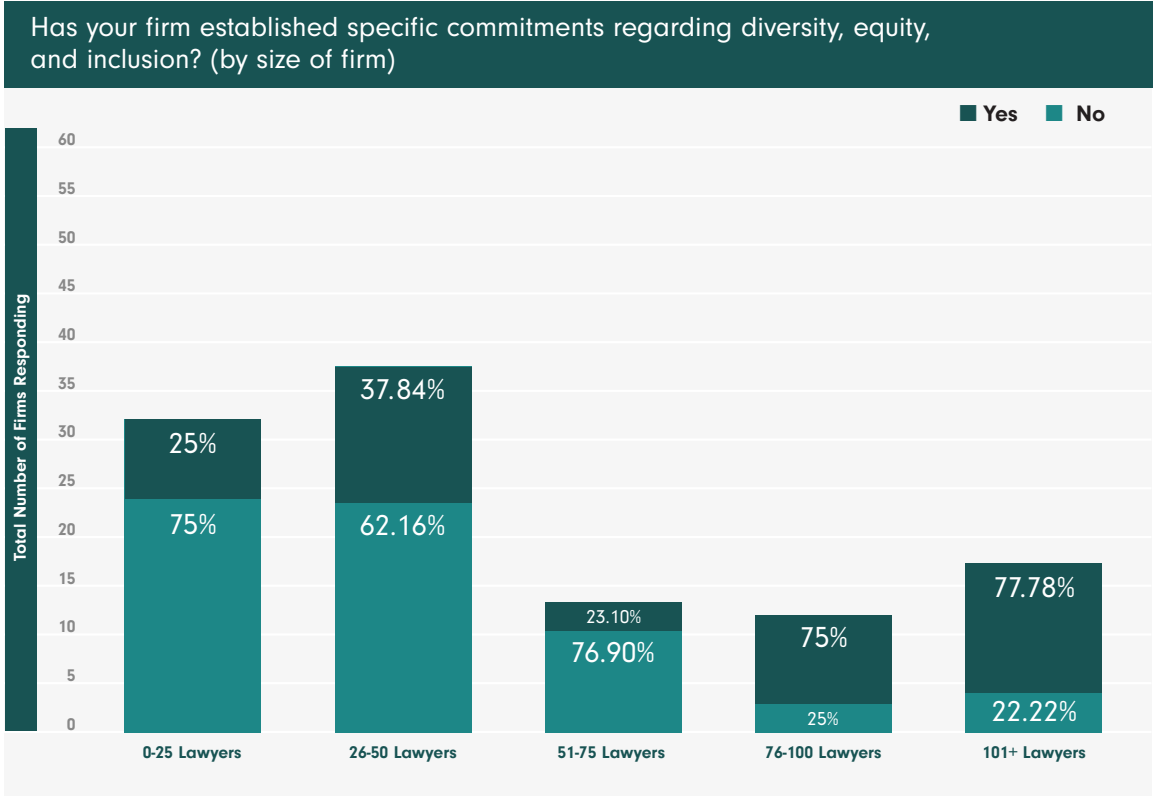
Budgets

Two-thirds (66.67%) of firms with 101 or more lawyers say they have a dedicated budget for DE&I initiatives, while zero firms with 25 lawyers or less said they had one. The percentage having a budget dedicated to DE&I rises consistently with each firm-size tier.



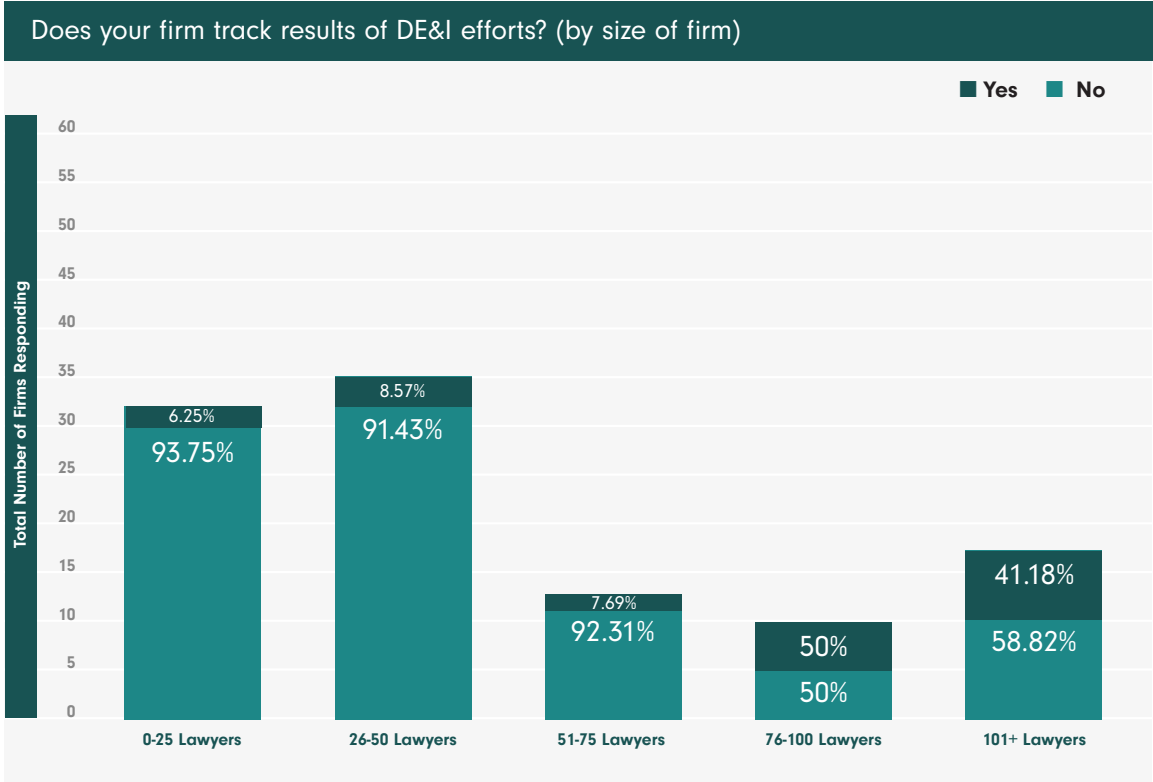
Commitments

Fully 75% of firms with 76-100 lawyers and 77.78% of those with 101 or more lawyers have put commitments to DE&I in place. That compares to just 25% of firms with 25 or fewer lawyers and 37.84% of those with 26-50 lawyers.



Tracking

Firms with 75 or fewer lawyers were very unlikely to track the results of their DE&I efforts, with between 6.25% and 8.57% of firms in each of those tiers saying that they monitor their efforts. While larger firms do not track their efforts often, they are much more likely to gauge the success of their DE&I efforts than smaller firms. Of firms with 101 or more lawyers, 41.18% say they do track their initiatives, a rate more than six times higher than reported by firms with 25 or fewer lawyers.



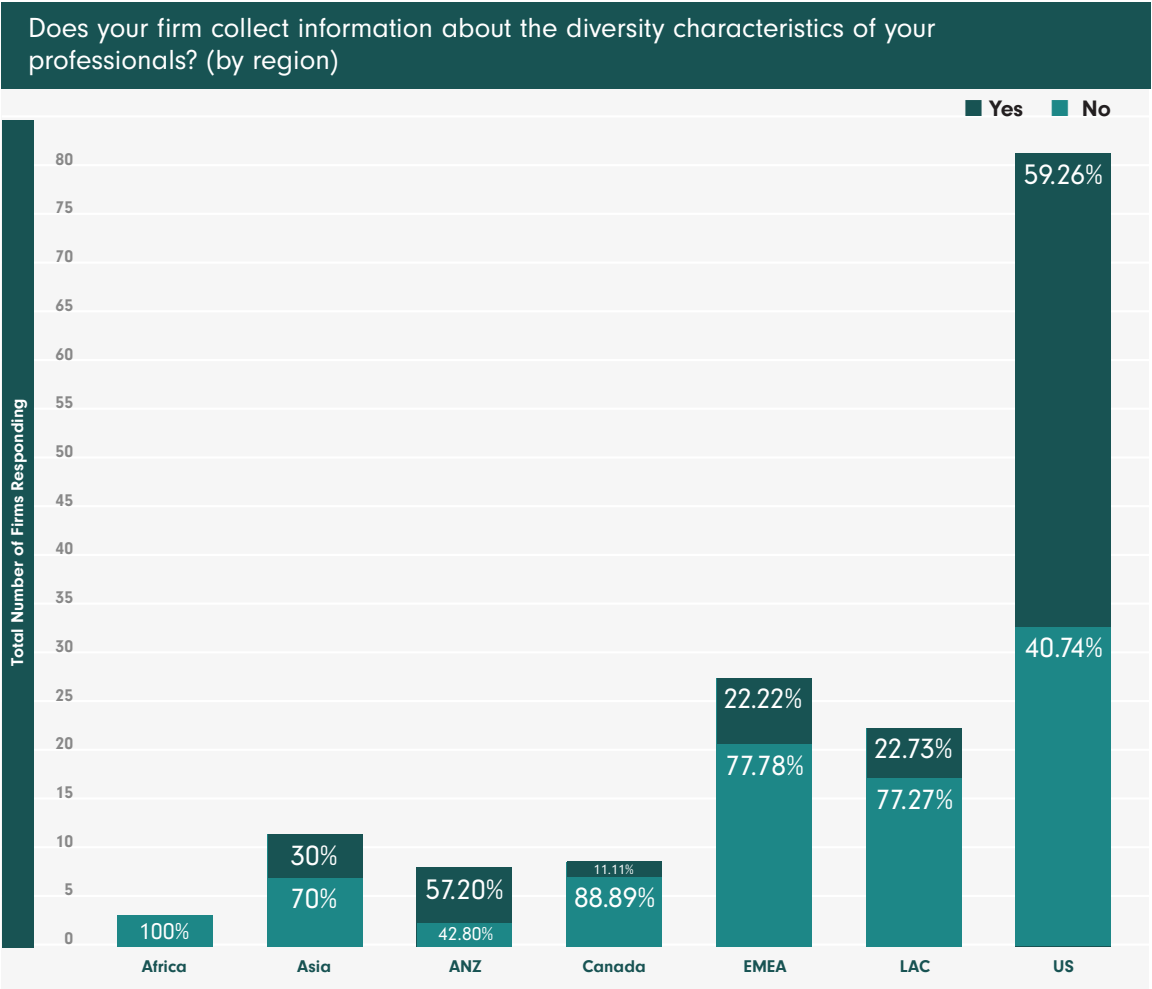
Part III: Results by Region

Little correlation was found between region and DE&I activities. Results vary dramatically by region, depending on the question asked.

Note that the numbers of firms responding in many regions is very low, in keeping with the structure of Meritas. Thus it is difficult to make direct comparisons between regions with many firms participating in the survey, such as the US, and those with few firms responding, such as Africa.

Data Collection

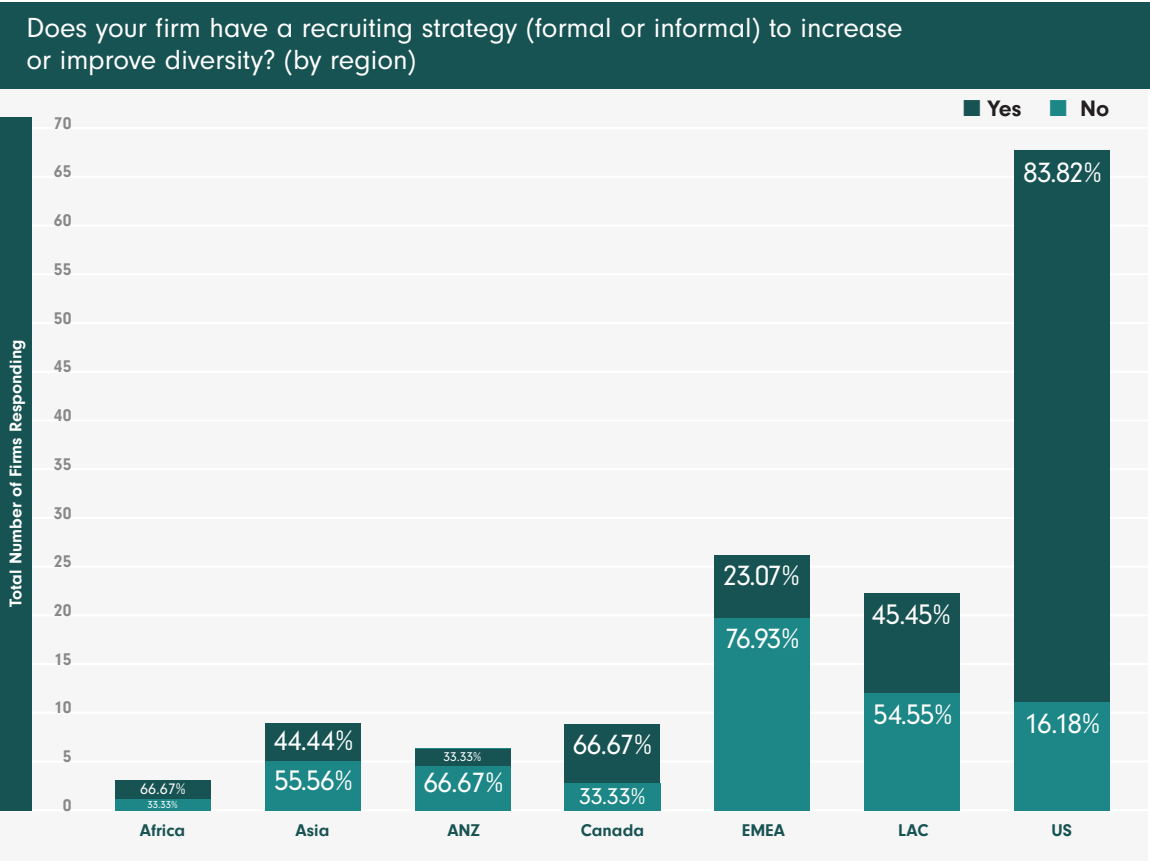
Australia/New Zealand and the US were the only regions where more firms said they collected data on DE&I than said they did not.



The type of characteristics measured varied by region as well. Firms located outside the US collected data on gender more often than any other characteristic, although some collected other data, primarily race, nationality, disabilities, and age. In the US, on the other hand, the firms that collected age data and race/ethnicity data were roughly equal. US firms also tended to collect a wider range of demographic data, from LGBTQ+ identity to veteran status.

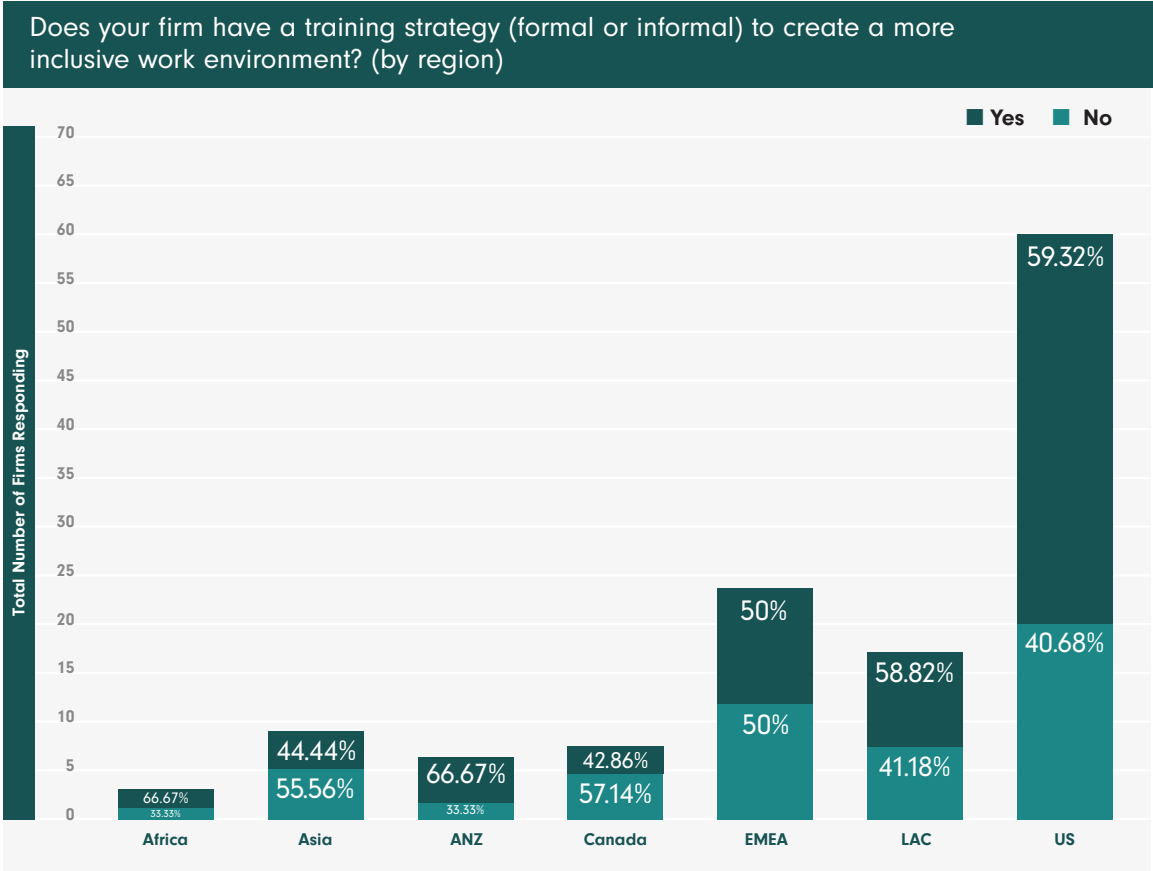
Recruiting

African, Canadian, and US firms were more likely than not to have recruiting strategies focused on improving DE&I, while all other regions were more likely not to have them. In EMEA, more than three times the number of firms did not have recruiting strategies as did have them, according to the survey.



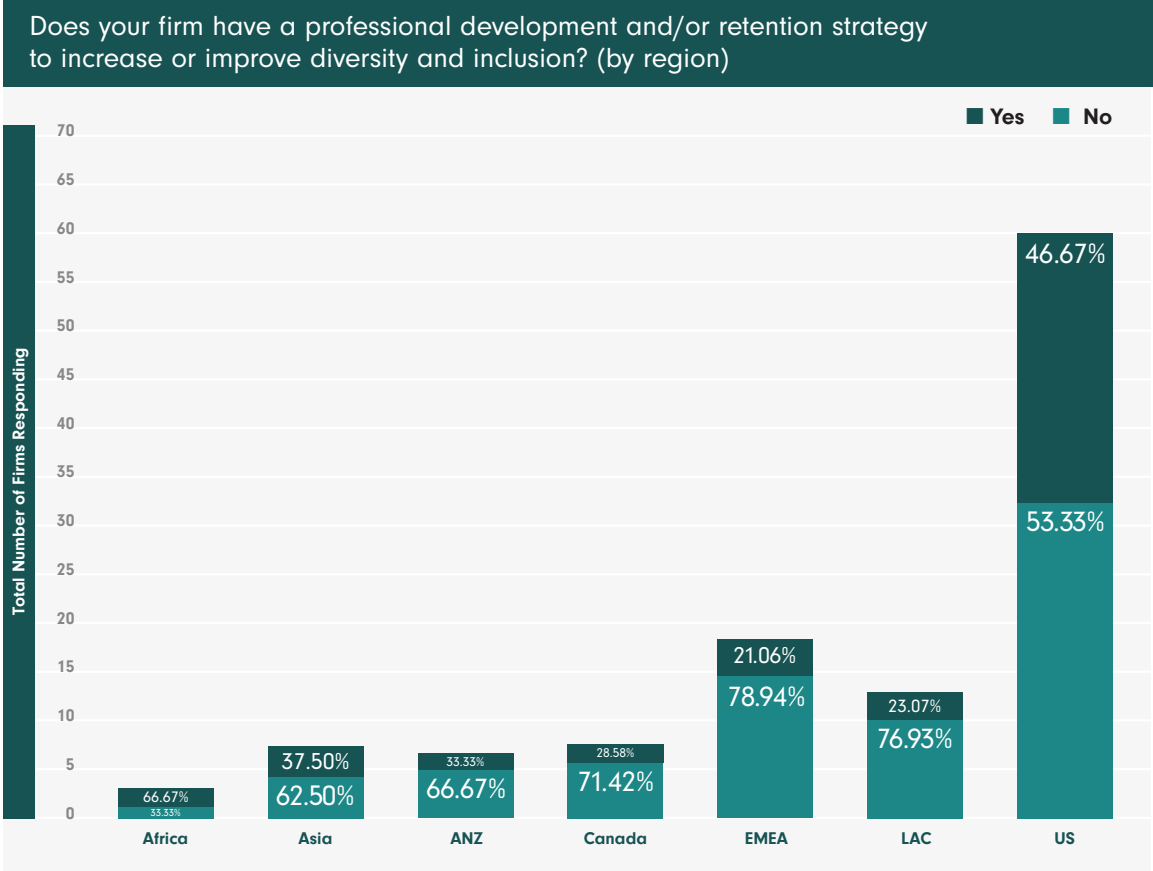
Training

Firms in Africa, Australia/New Zealand, Latin America/Caribbean, and the US were more likely than not to have a training strategy, while Asia and Canada were more likely not to have one. The EMEA region was split down the middle.



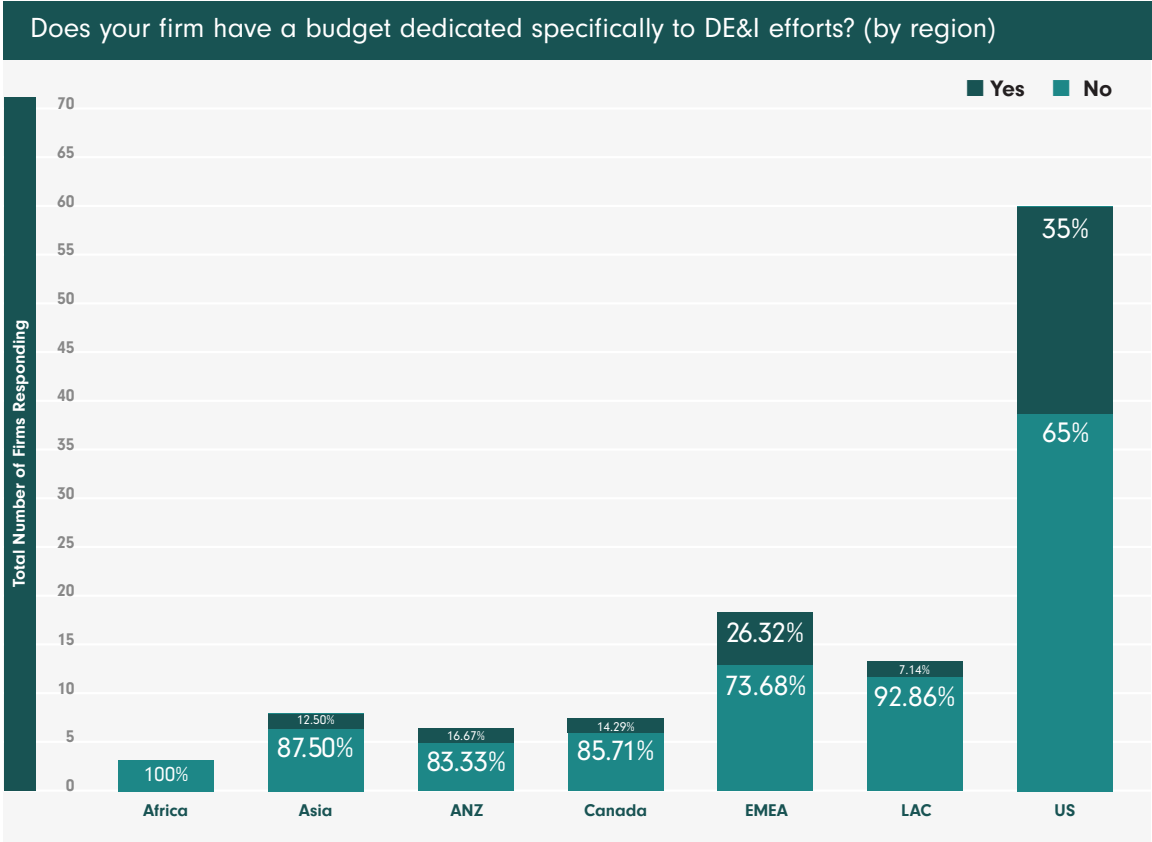
Professional Development and Retention

Africa is the only region with a majority of firms reporting a retention strategy, while close to half of US firms (46.67%) say they have one.



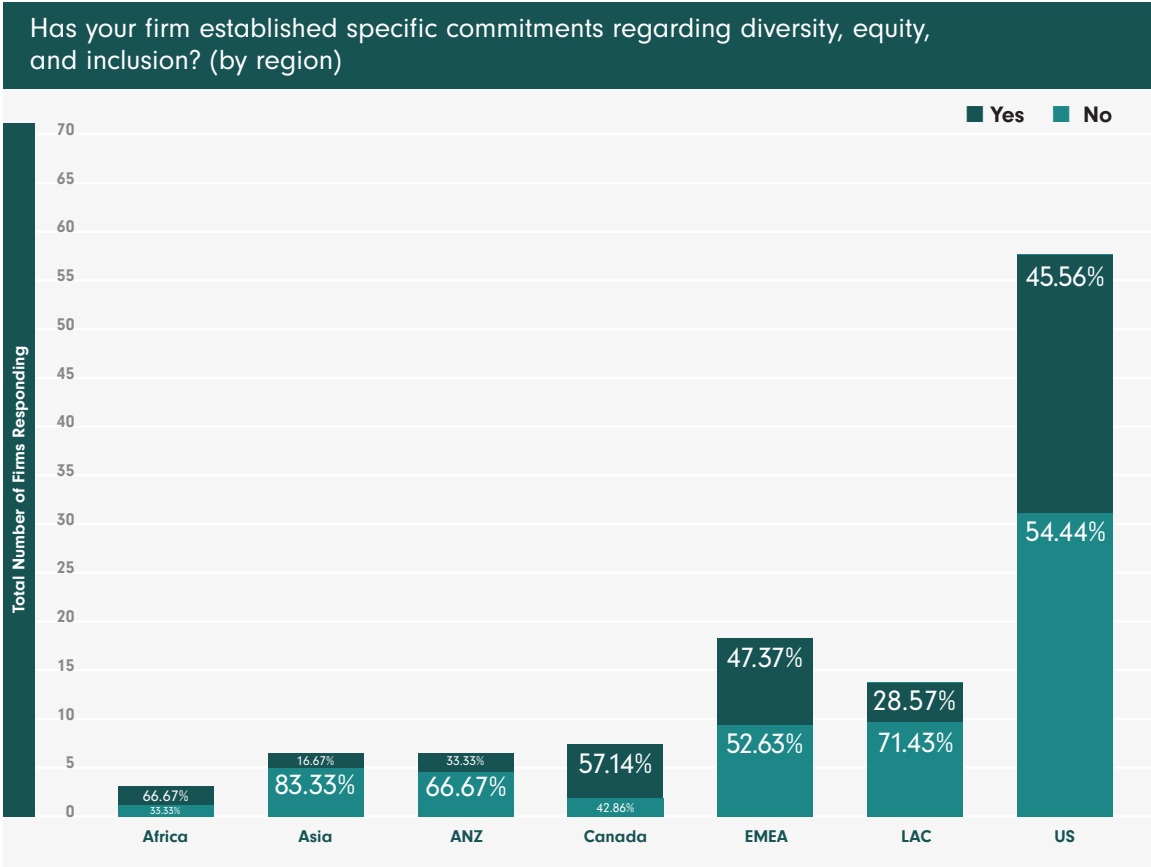
Budgets

Firms from the US and EMEA regions were most likely to have a budget devoted to DE&I initiatives, with 35.00% and 26.32% of firms from each region, respectively, saying they do.



Commitments

Firms in Africa and Canada are the most likely to have made a commitment to DE&I, with 66.67% and 57.14% of firms in these regions, respectively, saying they did. They were followed by EMEA with 47.37% and the US with 45.56%.



Tracking

Almost a quarter of US firms (24.07%) say they track DE&I results. In EMEA, 15.79% track results, as do 14.29% in Canada and 7.69% in Latin America/Caribbean. No firms in Africa, Asia, or Australia/New Zealand report tracking their DE&I results.

