How Lawyers Are Working to Change Their Industry's Diversity Problem

By Ellen McGirt August 30, 2017 Fortune.com

Forty-four major law firms and 55 corporate legal departments are teaming up to boost diversity in the legal profession by drawing on two inspirational figures: the late Dan Rooney, beloved owner of the Pittsburgh Steelers, and Arabella Mansfield, a 19th century women's rights activist who became the first American woman admitted into the legal profession in 1869.

The 'Mansfield Rule' is a data-driven, modified version of the Rooney Rule, which was proposed by Dan Rooney and adopted by the NFL in 2003. At first, the rule required NFL teams to interview at least one minority candidate to fill head coaching vacancies. In its first 10 years the Rooney Rule ushered in some real gains — but over time, its impact began to wane.

The new rule takes the old rule's shortcomings into account. It was clear the Rooney Rule didn't go far enough, says Caren Ulrich Stacy, the CEO of Diversity Lab, a research outfit that is experimenting with ways to improve diversity ratios in the legal profession. The Mansfield Rule, which is one of the diversity initiatives the Lab has helped shape, will measure whether firms are actively considering diverse candidates for at least 30% of open leadership and governance roles. In other words, if you have a slate of 10 potential hires, three need to be people of color or women. "Research shows that 30% in a candidate pool is a real tipping point," says Stacy.

The new rule is clear about what a "governance role" actually is. Stacy ticks off a list: "Managing partner, chairperson, practice group leader, office head, compensation committee, policy committee, executive committee, equity partner — anything that has governance and leadership responsibilities associated with it has to hit the 30% consideration threshold," she says.

Stacy spent 25 years as the head of talent for various law firms before heading out on her own "Other industries are doing a lot of research and development around talent, so why not apply that thinking to the law?" she said

It's a big issue. While the gender balance for first-year lawyers is roughly equal, "by the time they get to equity partnership, about nine or 10 years down the road, only about 16% are women." Attorneys of color, particularly women, are up against a more substantial problem. "It's not so much a leaky pipeline, though we lose plenty of attorneys of color along the way," she says. "It's that there is no pipeline."

One of the best aspects of the Mansfield Rule is that it was designed, in part, by actual lawyers. Last year, Diversity Lab held a Women In Law Conference in search of new, scalable inclusion ideas. Some 54 senior-level partners from law firms across the U.S. worked in virtual teams of six for six months. The teams presented their ideas in a high-energy pitch event in front of big league judges, including Tony West, Pepsico's General Counsel and Alan Bryan, Walmart's senior associate general counsel. While the Mansfield Rule was the big winner, four other ideas presented that day are also being developed at the Diversity Lab.

Because so many firms participated in the Conference, the Mansfield Rule had a built-in, receptive audience from the get-go. The inaugural participants now have 12 months to prove the idea's merit. Any firm that can demonstrate they adhered to the guidelines throughout the year will become Mansfield Rule certified. This distinction comes with a real perk: the candidates hired or promoted through the process are eligible to attend a two-day client forum in 2018, attended by 55 corporate in-house legal honchos there to network, mentor and perhaps offer lucrative new business. "We believe that diversity delivers better results," said Julie Gruber, executive vice president and global general counsel of Gap Inc. said t. "We've worked for years to help drive meaningful diversity at our preferred law firm providers, and supporting the Mansfield Rule Client Forum is an important next step in this work."

This same corporate cohort is working with Diversity Lab to adapt the Mansfield Rule, which is law firm specific, to traditional corporate structures. And just in time. "Since we announced this, I've gotten calls from financial services firms, manufacturing, healthcare and tech firms asking about it," says Stacy. The plan is to study the results from the first year and share everything they learn. "We'll see where it moves the needle and where it falls short," she says. "And then iterate from there."