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# **ACC Corporate Social Responsibility Series: Incorporating Diversity and Inclusion Programs into Your Corporation**

**Presented by:**

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# What is Diversity & Inclusion?



- **What is Diversity?**
  - Diversity is the presence of differences that makes each person unique and can be used to differentiate groups and people from one another.
- **What is Inclusion?**
  - Inclusion is the process of involving others or leveraging the power of the many dimensions of diversity to achieve common objectives.

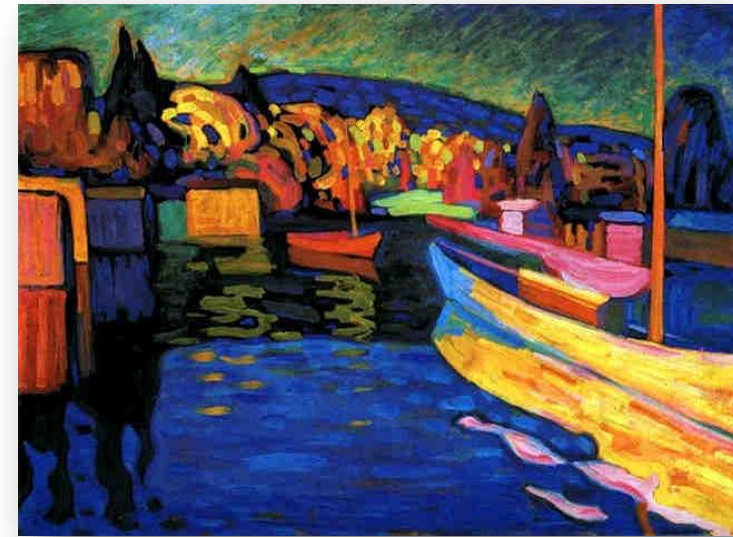
## Diversity

Representation



## Inclusion

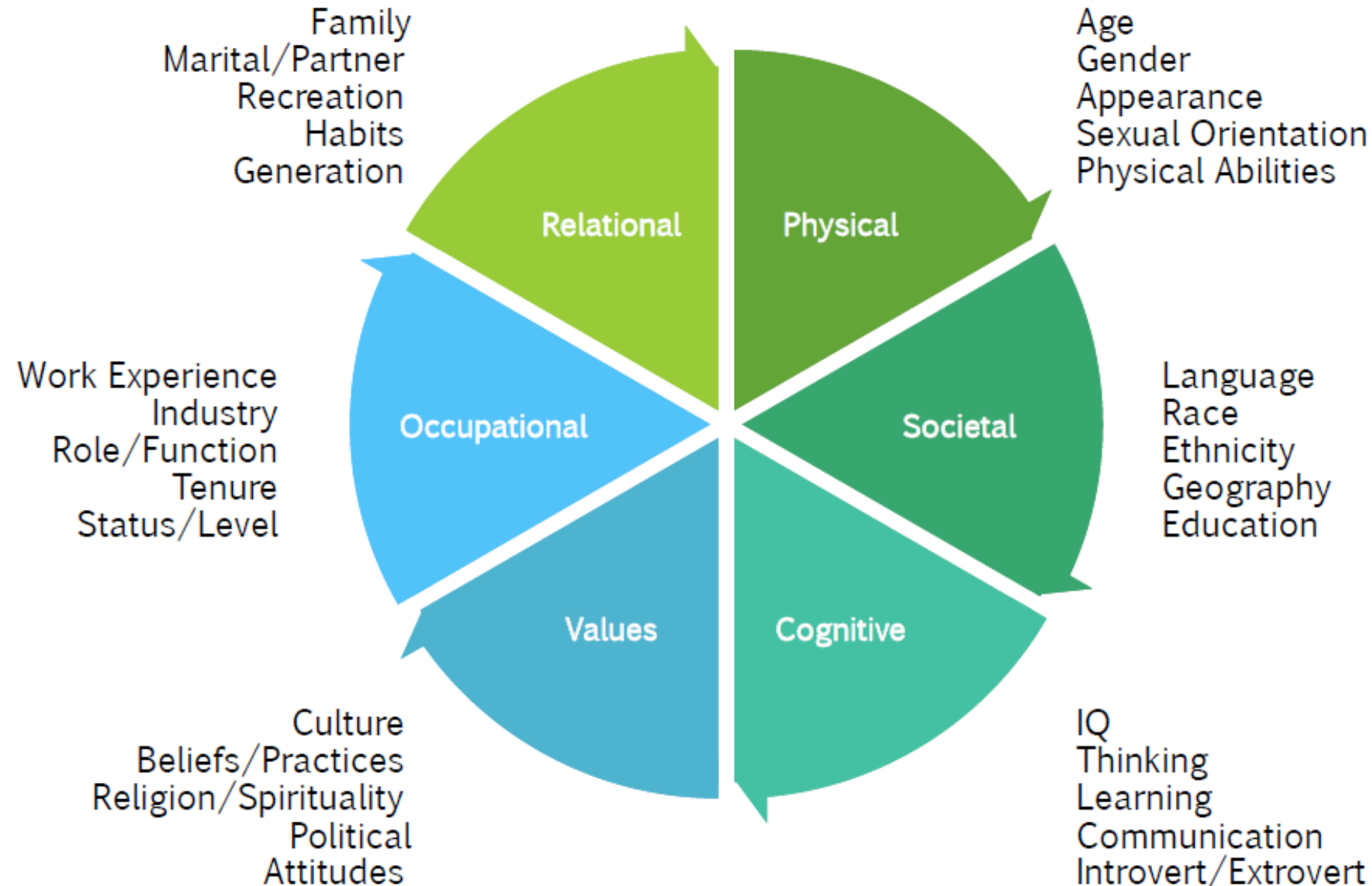
Equitable access to opportunities  
for success for all



# What is Diversity & Inclusion?

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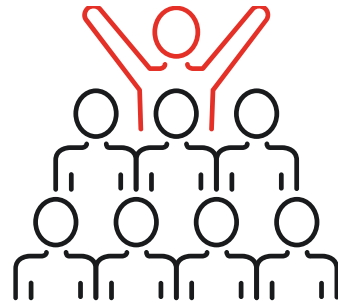
# The Business Case for Diversity & Inclusion

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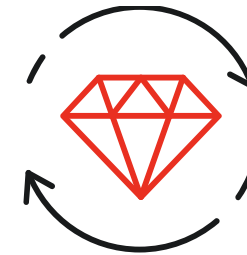
## Recruitment & Retention

Attract and keep top talent



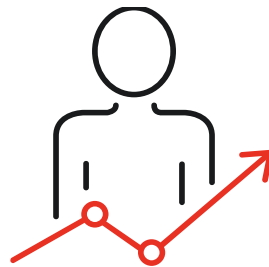
## Quality

Diverse teams and perspectives improve work products



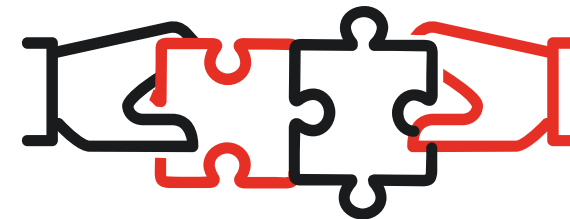
## Credibility & Relevance

Diverse teams may connect better with clients



## Culture

Diversity and inclusion enriches the workplace culture





## Client Expectations

Clients and potential clients expect to work with diverse teams

## Litigation Risk

Diversity and inclusion minimizes litigation risk

## Competitive Advantage

Diversity and inclusion initiatives become a competitive advantage over peer firms

## Walk Your Talk

Important to align your workplace with your diversity and inclusion goals

# Why Diversity Matters

**“We know intuitively** that diversity matters. It’s also increasingly clear that it makes sense in purely business terms.”

Drives stronger financial results

Improves innovation & creativity

Helps to attract & retain top talent

More effective decision making



# Market share is shifted toward more diverse companies

Companies in the top quartile for **racial and ethnic** diversity are

**33%**

more likely to have financial returns above their respective national industry medians

Companies in the top quartile for **gender** diversity are

**21%**

more likely to have financial returns above their respective national industry medians

The **unequal performance** of companies in the:

- same industry
- same country implies that diversity is a

**competitive differentiator**

shifting market share toward more diverse companies.



## New Research: Diversity + Inclusion = Better Decision Making at Work

(Forbes, September 2017)

[Source: <https://www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work/#5234cbca4cbf>]

# Elite Law Firm's All-White Partner Class Stirs Debate on Diversity



**Paul, Weiss Announces Election of New Partners**

paulweiss.com

[Source: <https://www.nytimes.com/2019/01/27/us/paul-weiss-partner-diversity-law-firm.html>]





GCs for Law Firm Diversity

### An Open Letter to Law Firm Partners:

We are General Counsels and Chief Legal Officers of more than 170 companies. We represent public and private companies, start-ups, and non-profit organizations. Our businesses span industries from advertising to technology, business and consumer facing products and services to retail and manufacturing, healthcare to software, publishing to life sciences, and hospitality to financial services. We engage law firms to help us launch IPOs, safeguard customers' privacy and data protection rights, litigate "bet the company" suits, bring life-saving drugs to market, navigate challenging regulatory obstacles, and engage in high stakes mergers and acquisitions. Collectively, our companies spend hundreds of millions of dollars annually on legal services and we are committed to ensuring equality in the legal profession.

We expect the outside law firms we retain to reflect the diversity of the legal community and the companies and the customers we serve. We applaud those firms that have worked hard to hire, retain, and promote to partnership this year outstanding and highly accomplished lawyers who are diverse in race, color, age, gender, gender orientation, sexual orientation, national origin, religion, and without regard to disabilities. You and your firms have shown leadership by putting into place practices, policies, and priorities to ensure that a broad spectrum of attorneys are attracted to your firms, have a chance to demonstrate their talents, are able to successfully navigate both their professional and personal lives, and are rewarded for their exemplary performance. We believe that a diverse workplace is evidence that you have created an environment where all employees feel they belong and are accepted. We appreciate and acknowledge that effort and investment.

At the same time, we are disappointed to see that many law firms continue to promote partner classes that in no way reflect the demographic composition of entering associate classes. Partnership classes remain largely male and largely white. We have no doubt that these lawyers worked hard to earn partnership and deserve the success they have obtained at your firms. We also know that there are women, people of color, and members of the LGBTQIA community and others who are no doubt equally deserving, but are not equally rewarded. We are left to wonder if you and your partners value diversity enough to put into place programs to develop, promote, and retain talented and diverse attorneys. It is not enough to commit your firm to diversity during the recruiting process or to hire a diversity and inclusion officer and expect that person can effect change without the full commitment of each member of the firm. Instead, the reality is that you must consciously and personally invest in diversity and inclusion and interview, hire, mentor, support, sponsor, and promote talented attorneys who don't always look like you or share your background.

We, as a group, will direct our substantial outside counsel spend to those law firms that manifest results with respect to diversity and inclusion, in addition to providing the highest degree of quality representation. We sincerely hope that you and your firm will be among those that demonstrate this commitment.

# 170 GCs Pen Open Letter to Law Firms: Improve on Diversity or Lose Our Business

[Source: <https://www.law.com/americanlawyer/2019/01/27/170-gcs-pen-open-letter-to-law-firms-improve-on-diversity-or-lose-our-business/>]

# Why Inclusion Matters



- More than 35% of population is considered multi-cultural
- Last year the 50% threshold was reached wherein most babies born in the U.S. are non-white
- By 2020 more than half of all children will be a part of a minority race or ethnic group
- By 2044 no one racial or ethnic group will dominate the U.S. in terms of numbers

[Source: U. S. Census Quick Facts: [www.census.gov/quickfacts](http://www.census.gov/quickfacts)]





- From 2000-2013 buying power for African – American households increased by 78%
- For Latino household the increase was 142%
- For Asian American households it increased by 160%

[Source: Catalyst, *Buying Power: People of Color in the U.S.* New York: Catalyst, May 20, 2015  
[www.catalyst.org/knowledge/buying-power-people-of-color-us](http://www.catalyst.org/knowledge/buying-power-people-of-color-us)]

## Generally

- Demographic changes
- Societal changes
- Impact on corporate culture
- Value of diversity & inclusion

## Why Inclusion Matters

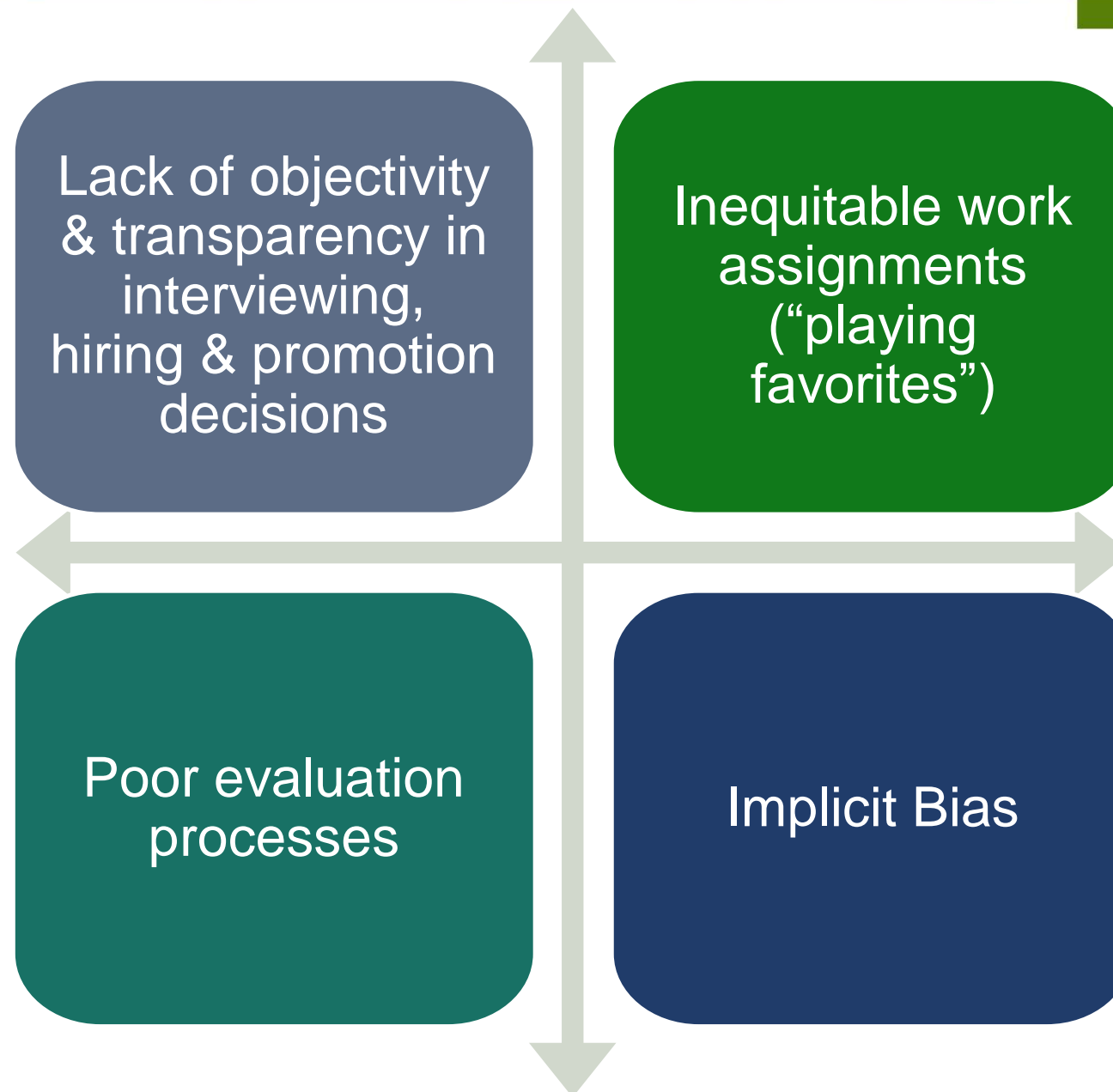
- Changing demographics in the judiciary
- Expectations of regulatory bodies
- Diverse member base & geographic footprint

## Barriers to Inclusion

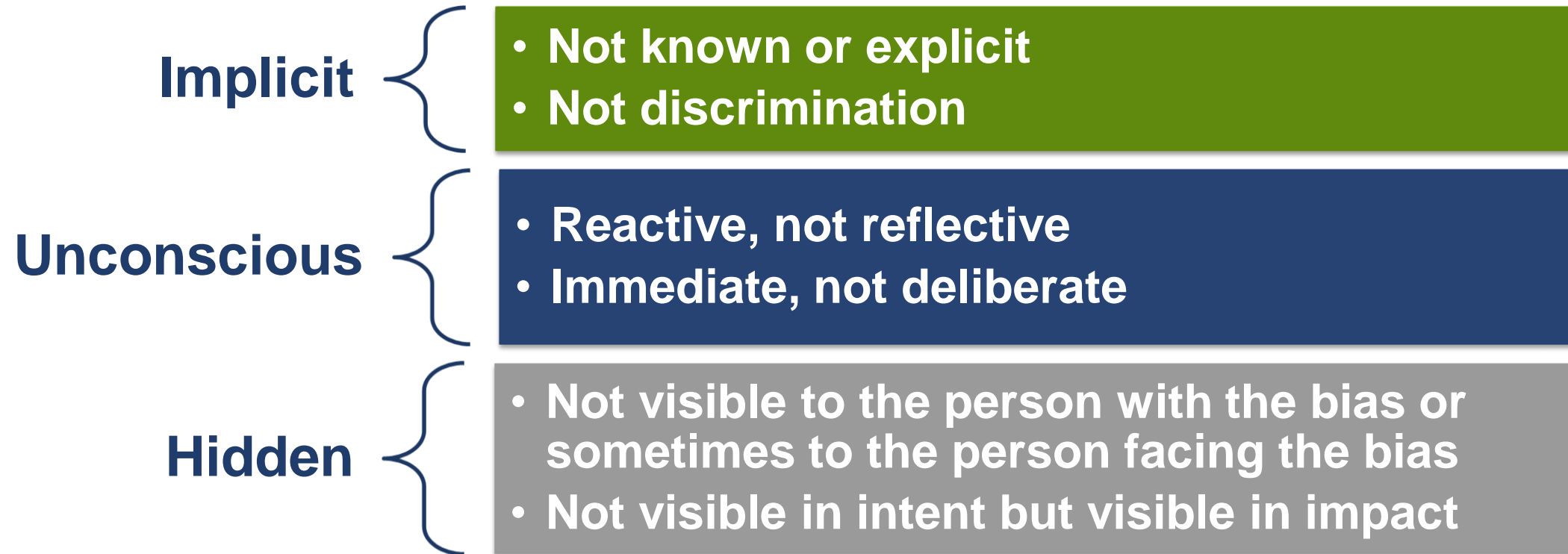
- Lack of objectivity & transparency in interviewing, hiring & promotion decisions
- Inequitable work assignments (“playing favorites”)
- Poor evaluations processes
- Implicit Bias

## Solutions

- Continued commitment from Leadership
- Evaluation of effective practices
- Implementation of appropriate processes



# What Is Implicit Bias?





- Google employee wrote memo asserting that genetic differences explain why there are more men than women in tech jobs.
- Employee was fired. Statement by Sundar Pichai, Google CEO:

*“To suggest a group of our colleagues have traits that make them less biologically suited to that work is offensive and not OK.”*

## WALL STREET JOURNAL:

*What Google Controversy Misses: The Business Case for Diversity. August 13, 2017.*

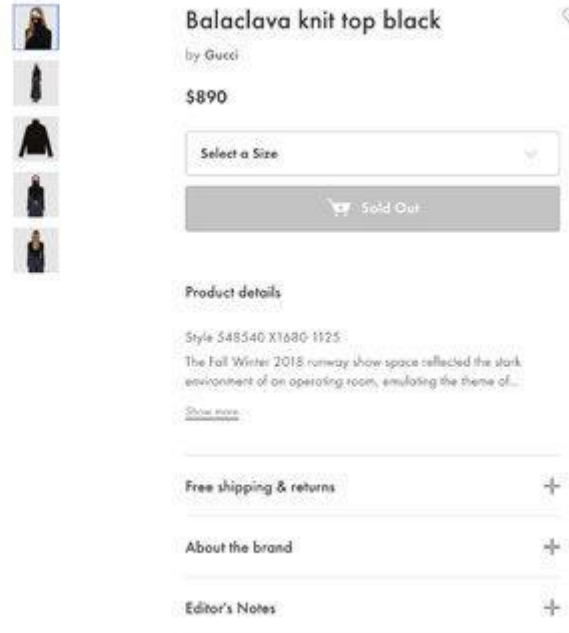
**“More diverse companies have better financial returns, are more innovative and are just plain smarter than their more homogenous competitors.”**



- Starbucks apologizes for arresting two African-American men in one of its Philadelphia stores
- Starbucks Corporate closes all stores for nationwide training on May 29, 2018

[Source: <https://www.nytimes.com/2018/04/15/us/starbucks-philadelphia-black-men-arrest.html>]





- Less than a week into Black History Month, Gucci apologized and pulled one of its items from its shelves.
- The sweater included bright red lips ringing an opening for the mouth, a detail widely denounced on social media as evoking blackface imagery.

[Source: <https://www.nytimes.com/2019/02/07/business/gucci-blackface-adidas-apologize.html>]

## Fill In The Blanks

Paula \_\_\_\_\_

Matt \_\_\_\_\_

Harvey \_\_\_\_\_

Les \_\_\_\_\_

Kevin \_\_\_\_\_

Bill \_\_\_\_\_

## Fill In The Blanks

Paula Deen

Matt Lauer

Harvey Weinstein

Les Moonves

Kevin Spacey

Bill Cosby

# What Triggers Implicit Bias?

## Visual

Race

Ethnicity

Gender

Age

Height

Weight

Appearance

Identity

Signifiers

## Audial

Tone of Voice

Volume of Voice

Accent

Colloquialisms

## Information

Known History

Known Habits

Shared Facts

## 3rd Party

Rumors

Gossip

Hearsay

## INFORMAL CONTEXTS

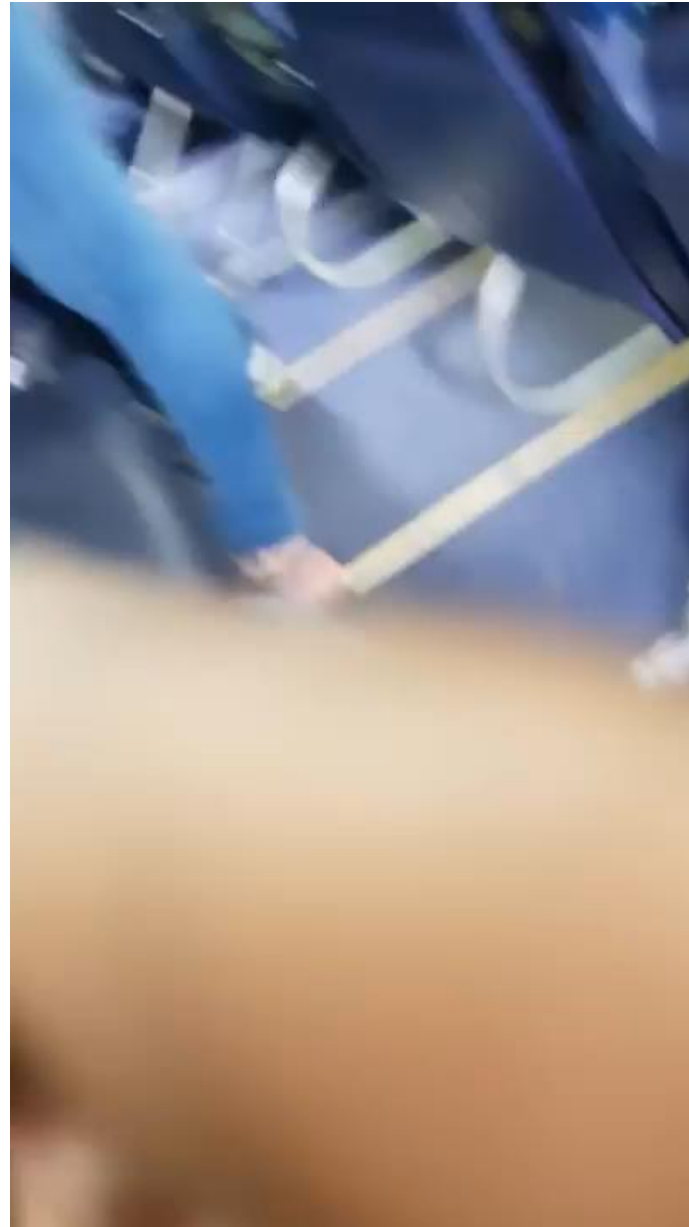
- ✓ Informal Feedback
- ✓ Informal Networking
- ✓ Informal Mentoring
- ✓ Hallway/Elevator Interactions

## FORMAL CONTEXTS

- ✓ Formal Firm Wide Events
- ✓ Formal Evaluations
- ✓ Formal Compensation Decisions
- ✓ Formal Promotion Decisions
- ✓ Formal Sponsorship/ Advocacy
- ✓ References

- Dr. Tamika Cross, a black female physician, was on a Delta Airlines flight when a passenger became sick. The flight attendant asked for a physician, but when Dr. Cross rang her call button and attempted to help, the flight attendant said, “Oh no, sweetie put your hand down. We are looking for actual physicians. We don’t have time to talk to you.”
- After producing her credentials, Dr. Cross still was not believed. A white male passenger walked up, said he was a doctor. Flight attendant told Dr. Cross, “Never mind we don’t need you now.”
- **Who was harmed?**
  - The patient
  - Dr. Cross
  - Delta





## Awareness

- Trainings, readings, etc.

## Dialogue

- Trainings, lunch-n-learns, small group discussions

## Individual Change

- New connections, going deeper in current relationships, paying attention to surprise

## Organizational Change

- Infusion of transparency, objectivity in hiring, evaluation, compensation and promotion processes

## Continuous Improvement

- Identifying more processes & systems that can be scrubbed for implicit biases

1. Continued strong commitment from leadership and collective ownership of inclusion dynamic.
2. Consistent communication/signaling of importance of inclusive workplace.
3. Introduction of accountability and mitigation of bias into processes at each point of the career trajectory
  - Including diverse interview teams; rotating work assignments; blind work evaluation systems; more transparent evaluation and promotion processes.
4. Casting broad nets in recruiting practices; addition of diverse team members in interviewing process.
5. Top/Down Infusion of inclusiveness into the DNA of the Organization.



6. Review of work assignment processes to ensure equitable allocations of stretch assignments.
7. Proper formal mentoring/sponsorship program to ensure equal opportunity for growth and development.
8. Respect for individual contributors and embracing differences.
9. Candid 360 degree feedback loops.
10. Reward contributions to diversity and inclusion efforts.



1. Don't Walk on Eggshells - provide feedback in a consistent fashion.
2. Colorblindness is not a solution – Saying “I don't see color” is not only disingenuous, it means you choose not to see the whole person.
  - Understand and appreciate other people's culture, differences, etc.
3. If you stumble...recover.
4. Before you make a decision, ask whether your bias is influencing you in any way.
5. Engage in active listening.

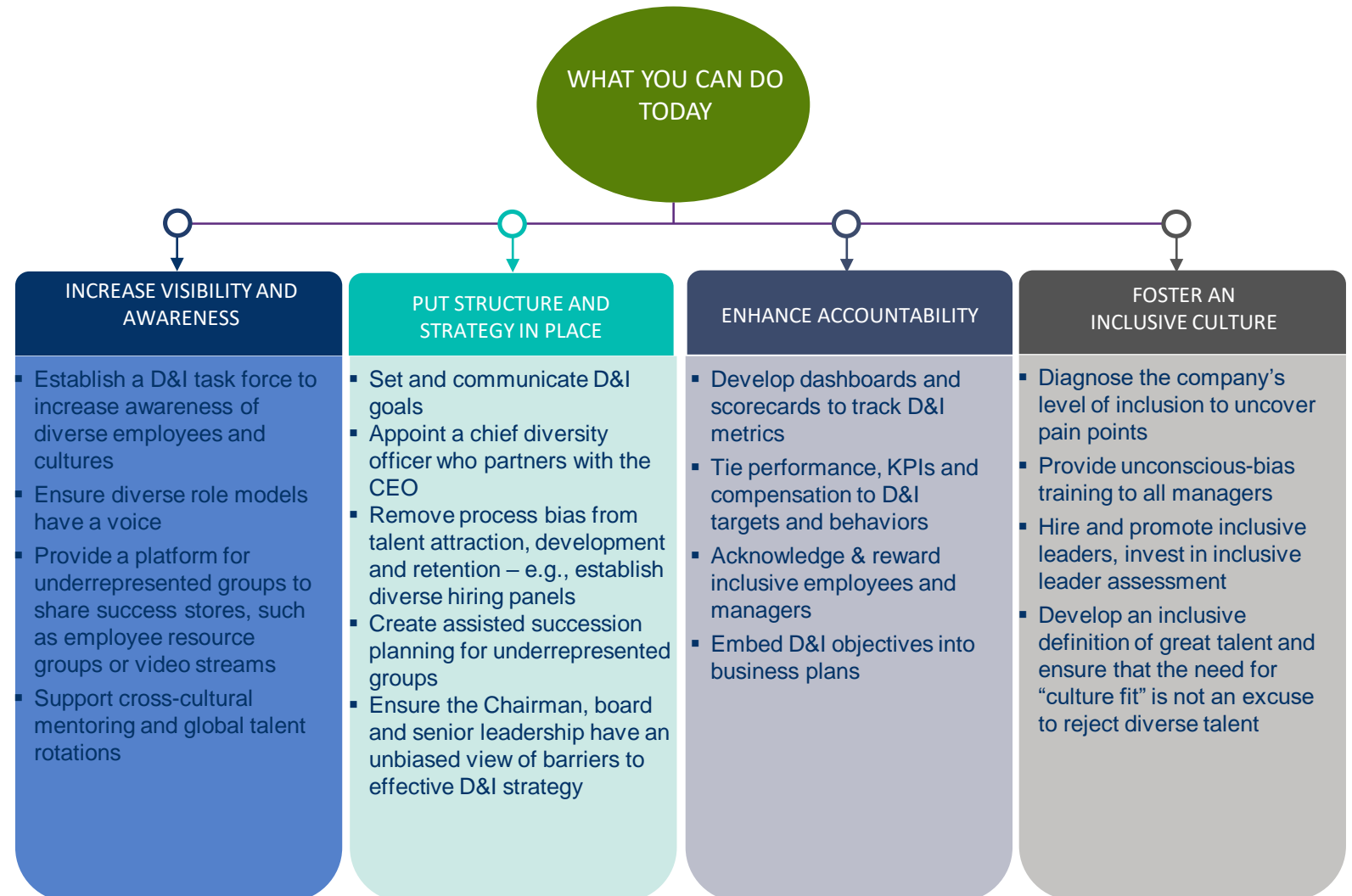


6. Embrace your discomfort and push through it.
7. Don't attribute the failings of one person to an entire group.
8. Don't check familiarity at the door – actually recognize your colleagues when you see them in other settings.
9. Ask yourself if the person you are evaluating, judging or interacting with is the “only one” and if so, how that might play into what's happening.
10. Don't assume...!





# What steps can you take to implement a culture of D&I?



# Diversity & Inclusion Strategic Plan

- **Inventory**
  - Comprehensive assessment of past, present and future initiatives to determine efficacy of each
- **Information**
  - Establishing the template and protocol for communicating, both internally and externally, the value of diversity and inclusion and ensuring full and consistent saturation of messaging
- **Accountability**
  - Identifying barriers to inclusion in existing practices, policies and procedures; eliminating those barriers and connecting reward with results
- **Business Case**
  - Maximizing business opportunities through a meaningful approach to diversity and inclusion

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