



The State Bar of California

OPEN SESSION AGENDA ITEM JANUARY 2023 AUDIT COMMITTEE III.B

DATE: January 19, 2023

TO: Members, Audit Committee

FROM: Justin Ewert, Manager, Office of Finance
Theresa Bruece, Principal HR Analyst, Office of Recruitment & Retention

SUBJECT: Discussion of Organizational Audit Focused on Diversity, Equity, and Inclusion

EXECUTIVE SUMMARY

This agenda item relates to the organizational audit focused on diversity, equity and inclusion (DEI) that is part of the Audit Committee's work plan. This agenda item furthers the discussion from the November 2022 Audit Committee meeting by providing additional information on blind recruiting and the DEI Leadership Seal.

BACKGROUND

To strengthen the Board committee process, each Board committee, with staff assistance, develops a work plan summarizing the annual, recurring, and time-limited items to be undertaken, the strategic goal(s) and objective(s) furthered by each item, and an estimated timeline for the completion of this work.

The work plans were updated in July 2022 to incorporate the State Bar's 2022–2027 Strategic Plan. A foundational principle of the Strategic Plan is DEI and the organizational audit with that principle in focus was added to the work plan. At the November Audit Committee meeting, staff gave a presentation on the DEI initiatives at the State Bar. The extensive discussion on blind recruiting resulted in the committee requesting further information at its next meeting.

DISCUSSION

BLIND RECRUITING

Blind recruiting is a diversity-focused recruiting approach that removes certain information from an applicant's resume for the purpose of eliminating bias in the recruiting process. The removed information includes identifying demographic characteristics such as race, ethnicity, age, gender, schools attended, or dates that may reveal the applicant's age (graduation dates and/or dates with former employers).

Although blind recruiting is a tool that will help the State Bar meet its goal of a more diverse and inclusive workforce, it is recommended that the entire employee life cycle be reviewed to identify additional opportunities that may help the State Bar achieve its goal.

The PowerPoint provided as Attachment A outlines studies that support the concept of blind recruitment, as well as examples of biases that blind recruitment can help avoid. A list of issues that the Audit Committee may want to consider in helping to determine whether the State Bar should move forward with blind recruitment is also included in the presentation.

DEI LEADERSHIP SEAL

On January 12, 2023, the State Bar launched a DEI Leadership Seal program to all legal employers with California attorneys, including law firms, in-house legal departments, legal academia, nonprofit organizations, and government agencies with attorney staff. Participating employers will be required to commit to a series of up to 10 action items and will receive a DEI Leadership Seal commensurate with the number of Action Items they complete.

Participating organizations must commit to implementing the first two Action Items and select at least three of the remaining eight. Employers that implement five Action Items will be recognized as bronze-tier seal recipients; employers that implement seven Action Items will be recognized as silver-tier seal recipients; and employers that implement nine Action Items will be recognized as gold-tier seal recipients. Participating employers will have one year after applying to the program to implement the Action Items. DEI Leadership Seal recipients may use the seal on their own website and materials to help illustrate the actions they have taken to improve DEI in their respective workplaces.

The following are the 10 Action Items for the DEI seal. The Audit Committee will discuss which Action Items the Bar should focus on implementing. If added to the audit scope, the audit will follow the implementation of these Action Items and any changes because of that implementation.

1. Collect and maintain data on the demographics of attorneys, non-attorney legal staff, management, and the board, where applicable. Make this data available to staff or clients should they request it. Data may be aggregated to protect the privacy of staff and board members. The State Bar recommends collecting the following demographic

categories to facilitate comparisons between your organization's workforce and the broader California attorney workforce: gender, race, ethnicity, age, LGBTQ+, disability status, and veteran status.

In Progress:

- Adding employee demographic information around race, ethnicity and gender to current HR reports

Completed:

- Updated system to enable employees to self-identify race, ethnicity and gender information in the HR system.
2. Create a strategic DEI plan for your organization with specific objectives, metrics, and benchmarks over short-, medium-, and long-term timeframes. Make the plan available to all staff and to clients that request it. Detail specific plans to advance equity and inclusion, including initiatives to support retention and advancement, plans to regularly report and discuss progress, methods for attorneys and staff to provide feedback, and adequate resources to support DEI efforts.

In Progress:

- Though some tasks within the plan have been completed, the entire plan is in development, with a target date of Q1, 2023.
3. Calculate, at least annually, staff turnover and promotions by position, tenure, and demographics. If turnover among certain demographic groups is disproportionately higher, incorporate steps to reduce these differences in the strategic DEI plan. Similarly, if promotions are disproportionately lower among certain demographic groups, incorporate steps to mitigate these differences in the strategic DEI plan.

In Progress:

- Working with HR to collect data on reports and create a dashboard. Proposed target date of Q2, 2023.
4. Compare the demographics of attorney hires to the demographics of all California attorneys annually. If your organization primarily hires entry-level attorneys, compare the demographics of attorney hires to the demographics of new licensees published in the State Bar's Diversity Report Card and the State Bar's Diversity, Equity, & Inclusion: Biennial Reports to the Legislature. Assess how your attorney population compares to the greater California attorney population and incorporate steps to address disparities in the strategic DEI plan, if appropriate.

In progress:

- Tied to collecting demographic data from employees through reports and dashboards. Proposed target date of Q2, 2023.

5. Create a DEI statement articulating the organization's commitment to diversity, equity, and inclusion. Post it on your organization's website and include it in job postings.

In Progress:

- Proposed target date of Q1 2023
6. Conduct stay and exit interviews with staff; include questions on organizational culture, sense of inclusion and belonging, and areas where the employer can improve.

Completed:

- New questions have been finalized and will be asked during stay and exit interviews for 2023.
7. Survey staff, at least biennially, to gather their thoughts and feedback on DEI at your organization. Include questions related to workplace satisfaction, climate, and sense of belonging. Share survey results with staff. Survey results should be used to inform your organization's DEI strategic plan.

In Progress:

- Questions will be incorporated into the 2023 Employee Survey, with a target date of Q1 2023.
8. Require all employees to participate in annual training on recognizing and reducing implicit bias in the workplace. Trainings should be provided by a presenter with significant professional or academic experience related to the training's content.

Completed:

- State Bar implemented a biannual Unconscious Bias training requirement for all employees in 2021.
9. Incorporate substantive DEI work into performance evaluations and metrics that impact advancement and compensation decisions. Note that pro bono hours and contributions should be tracked separately from DEI contributions.

Completed:

- State Bar updated performance evaluations for supervisors in Q3 of 2022. Supervisor performance evaluations now include a category on Inclusiveness and Belonging.
10. Integrate DEI responsibilities into leadership team members' formal job duties. For larger organizations (those with more than 100 California-licensed attorneys), also establish and maintain a leadership level DEI professional position. This DEI professional need not sit on the legal team specifically, but should have meaningful oversight of DEI programs and initiatives for the legal team.

Will Not Pursue:

- The State Bar will not be establishing a leadership DEI professional role. The State Bar believes that DEI is owned by all employees, not by one person or Office.

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Goal 2. Protect the Public by Enhancing Access to and Inclusion in the Legal System

RECOMMENDATIONS

Should the Audit Committee concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Audit Committee directs staff to pursue the gold-tier DEI Leadership Seal to set an example for other legal organizations and to affirm the State Bar's commitment to diversity, equity, and inclusion.

ATTACHMENT LIST

- A. Presentation: Blind Recruitment



The State Bar *of California*

ATTACHMENT A

Blind Recruitment

Justin Ewert, Finance Manager, Office of Finance

Audit Committee, January 19, 2023

Overview

- Overview
- Studies
- Examples of Biases
- State Bar Considerations



Blind Recruitment

- A process used during recruitment to help reduce bias by removing personal information from candidate resumes and applications.
- **Examples include:**
 - Name
 - Schools
 - Affinity memberships
 - Address
 - Dates of education or work experiences



Studies

Name Study (2003)

With identical applications, applicants with "white sounding" names were 50% more likely to be contacted for an interview

[2003 National Bureau of Economic Research \(Univ of Chicago and MIT\)](#)

Name Study (2022)

With identical applications, applicants with "Black sounding" names were called back 10% fewer times

[2022 Study \(UC Berkeley and Univ of Chicago\)](#)

Orchestra Study (Published 2000)

Almost 50% of women made it past first audition when gender was concealed

[American Economic Review \(Harvard and Princeton\)](#)

Law Partners – Legal Memo (2014)

Reviewers scored the same memo 30% higher when told the author was a white man (vs a Black man)

Found 40% of errors in the White man's work vs 83% of errors in the Black man's work

[Nextions Study](#)



Examples of Biases



Halo Effect

"If they worked at _____, they must be a strong candidate."



Affinity Bias

"I completed that certification too. They must be a hard worker. I know how hard that was to complete."



Stereotype Bias

"They graduated 20 years ago. I don't know how familiar they would be with the latest trends in the industry."



Groupthink

"Well, my (manager, director, colleague, etc.) thinks they're the strongest candidate, so...."





Considerations

- Effectiveness still not clear
- Celebrating vs masking diversity
- Blind Recruitment is only one component of increasing diversity
- Review of structure and people development to ensure built-in approach
 - Recruitment
 - Training for hiring managers
 - Diverse interview panel
 - Blind assessments
 - After Recruitment
 - Retention
 - Promotions



Questions & Discussion

