

Do the Math

“I don’t get it Annabelle,” hiring partner Sherwood Corrigan confided to his Director of Recruitment, Annabelle Under-Appreciated.

“You don’t get what, Sherwood?”

“Why we didn’t hire the number of summer associates we were shooting for this fall. In this tight economic market, everyone thought that our acceptance percentages would skyrocket.”

“Not *everyone*, Sherwood.”

“Actually, that’s right. You didn’t think that would happen, did you?”

“No, I didn’t.”

“I wonder why we didn’t listen to you.”

“You didn’t listen to me for the same reason that you always don’t listen to me. I’m not a lawyer, so what can I know?”

“Oh, c’mon now, Annabelle, you know that’s not it.”

“Oh, c’mon now, Sherwood, you know that is it.”

“Okay, so maybe it is. But we are where we are now. And the Executive Committee is going to think that we really screwed things up. I’m never going to be able to explain it to them.”

“Well, there are two possibilities, the way I see it. Either the Executive Committee is right and we did screw things up. Or we didn’t screw things up, in which case there ought to be an explanation for what happened.”

“Right you are, Annabelle. But what is the explanation?”

“It’s simple, you just do the math.”

“That’s the problem. The Executive Committee is going to do the math. They’ll see that the number of summer associates that large law firms were looking for dropped significantly, which means that our percentage of acceptances should have increased.”

“I said that it was simple, Sherwood, not simplistic.”

“Okay, then, explain to me what’s wrong with my assessment.”

“There are two basic hidden assumptions in your assessment, both of which happen to be wrong, and both of which throw the calculus off substantially.”

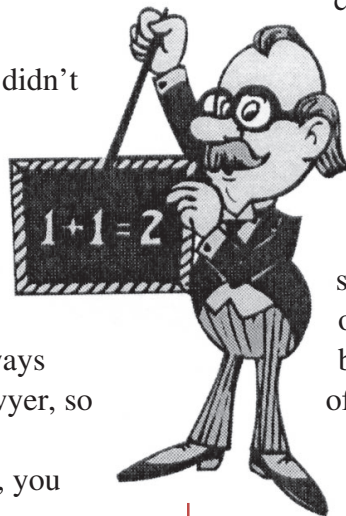
“Give them to me, one at a time.”

“That’s the way I always give them to you, Sherwood. The first assumption is that we occupy the same position in the recruitment market this year that we did last year.”

“Well, with the merger we pulled off earlier this year, I would have thought that we’d actually be in a stronger position in the market than we were last year.”

“I think that you are probably wrong in that assessment, but that even if you are right, it may have the opposite effect on recruitment that you attribute to it.”

“Wait a minute, Annabelle, are you ar-



(con’t pg. 4)

Carol's Column

This column draws on Carol Kanarek's unique perspective as an advisor to law students and consultant to large law firms. Carol can be reached at 212-371-0967 or ckanarek@aol.com.

Many large law firms are now forced to deal with practice group imbalances, especially at the junior and mid-level associate level; they have too many corporate lawyers and too few litigators. Consequently, these firms find themselves in a simultaneous hiring and firing mode, which can lead to poor associate morale and recruiting problems—not to mention expensive headhunter fees when they need to replace those fired corporate lawyers in a year or two. Although there is no “one size fits all” solution to this problem, several of my more open-minded clients have discovered that they can successfully transition some corporate associates to litigation on a permanent basis, and that they can lend others to the litigation department on a temporary basis. The two key elements to making this work are: (1) identification of suitable candidates, and (2) placement of transitioning and “borrowed” lawyers in the proper class year.

Most law school graduates are more prepared to be litigators than corporate lawyers, and many associates who are currently in corporate practice groups are there not by their own choice, but because of the needs of their firms when they graduated. Indeed, some marginal performers in corporate practice may become stars in litigation. The best candidates for such a transition are those who have significant legal research and writing experience (e.g. work on a law journal, a clerkship, or a clinic), a personality that is conducive to your firm's litigation practice, and the maturity to accept the reality that they may need to move back in class year in order to achieve success in their new practice group.

Appropriate class year placement is a function of each individual's skill set, but the most successful approach is generally to give transitioning lawyers a first-year billing rate, salary, and training at the outset, and then “fast forward” those who show the ability to move up to their former class year.

This approach, when sensitively employed, can be highly successful. Indeed, one of my former colleagues from the large law firm where we were both employed as corporate associates is now the head of the litigation practice group at another large law firm, having stepped back two class years twenty years ago to move into litigation.

clientSell

This crassly commercial section ballyhoos a consulting service, which could prove very useful to you (and, of course, profitable to me). Here's this issue's suggestion. Call (847) 864-7657 or e-mail arnie@kanterprofessional.com if you're interested.

In a cautious step into the 20th, if not the 21st, century technologically, I now have developed a website, www.kanterprofessional.com. That means that instead instead of touting just one service here in this issue, I can tout a whole bunch of services merely by referring you to the website.

I'd be very interested in (and grateful for) your reaction to, and suggestions about, the site. In fact, the person who makes the best suggestion will win a valuable prize, which will be described in the next issue. Among other things, you will now be able to read issues of *clienTell* online. And, of course, let me know if any of the services described on the website sound intriguing to you.

A Matter of Fact

The world of lawyer recruitment and management often seems so nebulous that it's comforting to hear a good, hard fact once in a while. Here's this quarter's fact:

According to NALP statistics reported in *The American Lawyer*, 2000 attrition rates for minorities in each year of practice (first through eighth years) exceeded attrition for white lawyers. As an example, by the third year of practice the following percentages had left large law firms: white men (34.5), white women (39.5), minority men (55.7) and minority women (46.5). Those figures are not good news, and seem to confirm the anecdotal impressions of most hiring partners.

In a similar vein were the results reported regarding attrition for women associates. For white lawyers, the percentage of women who left exceeded the percentage of men each year. For minorities the percentage of men leaving exceeded the percentage of women for the first four years, and the percentage of women leaving exceeded the percentage of men for the next four years.

The Longer View

Most people involved with recruiting and managing lawyers feel they have enough to do dealing with what's on their plate today. This column will try to stimulate you to view things on a longer continuum, and to look to the future.

Large law firms have traditionally not been good at bringing their associates along in their careers. Though they tout their training to law students, in one way or another most firms have a sink-or-swim mentality. This is particularly so in difficult economic times, when in order to improve their bottom lines firms tend to make snap judgments and write people off quickly.

This type of thinking is short sighted and leads to a big waste of talent. Instead of writing them off, identify the associates in your firm who are slow starters and target them for particular help to bring them along. This may result in preserving talent that would otherwise be lost. And just as importantly, this type of treatment of your associates will make for much better relations with these potential future clients when and if they leave the firm.

Ask Arnie

Please submit your questions about recruitment or life. The swami will reply.

Are law firms rewarding associates for participation in recruitment?

Yes. Firms have adopted a wide range of approaches to rewarding participation. Some give billable hour credit, at least up to specified amounts, for time spent on recruitment. Some firms limit this credit to members of the hiring committee. Other firms offer small rewards to people who participate in recruitment, such as free dinners at local restaurants, or passes to movies or theater tickets. Still other firms have paid significant bonuses (in several cases, \$5,000) to a number of associates who have been singled out for their extraordinary recruitment efforts. All of this is in addition to the practice many firms have adopted of paying bonuses to their associates for locating lateral candidates.



The Whole Truth

In interviews at firms around the country, I'm often struck by the way lawyers say things to me. Because I think they help bring home some truths, I use quotes in my reports.

"The firm has never recruited for client development potential, but perhaps we ought to be attempting to do so."

"Recruitment takes an inordinate amount of time and people who participate are being hurt because of lower billable hours."

"Recruits stay the same age and we get older."

"As in client development, we need to be more aggressive."

"If you're good, people go to you directly with assignments, otherwise, you languish and you begin to question your self-worth."

"There is a mushroom cloud around this place. A lot of people said that if the market was better they would leave."

"The firm has become more internally competitive. The people who control work are a lot more intense here. Partners call you into their office and tell you that four associates in your group had higher hours than you in the last four months, even though you've billed 700 hours."

"It's a time issue. There's no time to manage people and no incentive to manage."

"There's a perception that when we were young lawyers, we got a lot of informal training and that doesn't happen as well today."

"The informal training doesn't happen because of the pace of the practice and the demand. I see it not happening. With the faster pace I hear myself saying 'get me this, get me that.'"

Idea of the Quarter

To test an on-campus interviewer's prejudgment of candidates, ask the on-campus interviewer to review the resumes ahead of time and to predict the order in which he would rank all of the people he is about to interview. After conducting the on-campus interview, have the interviewer do the ranking again. Compare the results of the before and after. If there are significant differences, this should be a good caution against prejudging candidates. If there is little to no difference, either the interviewer made good judgments based on the resume or was unduly influenced by the resume in his post interview ranking.

(con't from pg. 1)

going in the alternative here? Where do you get off doing that?"

"I've hung around lawyers too long, I guess, Sherwood, and picked up some of their nasty habits, I mean techniques."

"Well, we certainly have had a positive client reaction to the merger."

"I'm glad that's true, Sherwood, because it should mean that there's more money in the bonus pool for your topflight administrative staff. But the fact that the merger has been greeted positively by clients does not mean it will be by students."

"Why not?"

"To clients, the merger means that you'll be able to provide services of types and in places that you couldn't before. To students, the merger means a big uncertainty. And law students hate uncertainty when it comes to their careers. Otherwise they would have become investment bankers."

"But you said that even if I was right about a positive reaction in students it might not lead to an increased acceptance rate in our summer program. Would you care to explain that?"

"Charmed. You may be right that because the merger got a lot of press it put our firm on the radar screen of students we might not otherwise have seen. Just our increased size after the merger might have done that, since a lot of students equate quality with size. Indeed, the weak market may also mean that we are seeing some better students, since those near the tops of their classes are no longer so certain that they'll be getting a lot of offers and may hedge their bets by interviewing with firms that they might not have seen in a stronger market. So, what all of that means is that we may be seeing a higher caliber student than we have in the past."

"That's good, isn't it?"

"It may be very good, but it's not necessarily calculated to increase our acceptance percentage. In past years, our acceptance percentage was about 25%, one in four. If we see better students, they are likely to have more offers, so the likelihood that they would accept our offer may go down, especially if we are the "new kid" in the echelon of students that we are now seeing."

"That makes sense, Annabelle. You said, though, that I had made two assumptions that were

incorrect. What's the other one?"

"That the pond in which we are fishing is the same size. Let's make some assumptions here. Take a hypothetical law school, call it 'Corrigan Law.'"

"I like that."

"Thought you would. Let's assume that Corrigan has a second year class of 200 students and that in past years firms seeking a total of 500 students for their summer program had interviewed at Corrigan and selected their summer associates from the top 30% of the class, or from among 60 students. So there were a little over 8 times the number of offers as students being sought."

"But now, because the economy is in the doldrums, instead of seeking 500 students, the firms are seeking only 400. Looks as if there are now only between 6 and 7 times the number of offers as students being sought, so our percentages ought to improve."

"That's exactly what the Executive Committee will be saying."

"The problem is, though, Sherwood, you and I know that this is not what happens. We and other firms lower the number of students we're looking for and, at the same time, ratchet up the standards we apply, to say the top 20% of the class. That means that we and our competitors will be looking for 400 students from among 40 qualified students so that the odds will actually worsen to one in ten."

"Egads, Annabelle, I think you may be right. And if both of our assumptions were wrong and both of those errors led to a tougher recruitment market, it stands to reason that our acceptance percentage might decrease even in a tight market."

"Exactly, so you ought to be able to do the math and explain that to the Executive Committee, right?"

"Yes, but there is one problem."

"What's that, Sherwood?"

"With all of that operating against us, how did we manage to do so well this fall?"

"Personally, I'd attribute it to a crackerjack recruitment staff. Though I suppose there may be other possible explanations."