

GEN-Z: SHAPING TOMORROW'S LAW FIRM CULTURE

NATHAN PEART, Managing Director
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Dear Friends and Colleagues,

We are excited to share the findings of our survey, *Gen-Z: Shaping Tomorrow's Law Firm Culture*.

It's important to note that this survey occurred pre-COVID-19. A few short weeks ago, there was no global pandemic, people were grumbling about their daily commute to work and handshakes were common place. Much has changed in a short time.

This survey was originally intended as a test case with a larger survey planned for 2021. Given that we are in truly unprecedented times, we believe that the impact of COVID-19 has likely shaped Gen-Z's perspectives in new ways. Our future survey will aim to capture these new perspectives.

In the meantime, we still believe this survey remains relevant and provides great value to law firms. Understanding what motivates Gen-Z is extremely important, because by the end of 2020, Gen-Z will make up 36% of the workforce.¹

This generation is currently graduating law school and attracting this talent pipeline will impact long-term law firm success. We believe the data in this survey can help law firms:

- › increase their brand with Gen-Z lawyers
- › attract the best talent through OCI and summer programs
- › better understand how to retain Gen-Z talent
- › take advantage of a key time-period where reflecting on improvement, growth and innovation.

Major, Lindsey & Africa
Associate Practice Group

¹How Generation Z Is Transforming the Workplace, *FEI Daily*, 08/22/2019.

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Introduction

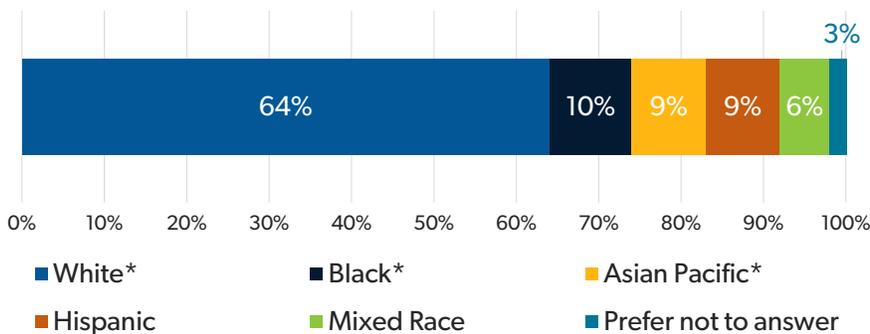
As the legal profession anticipates the entry of “Gen-Z” into the workforce, Major, Lindsey & Africa wanted to know — directly from them — their thoughts about, expectations for and future priorities regarding their professional lives.

To that end, MLA created a questionnaire centered around culture, development and career expectations. This questionnaire was then sent via an email link to the career offices of the top 20 law schools (as ranked by U.S. News & World Report in 2019), with a request to send it to their current law school students. In addition, students at the top 20 law schools were invited to participate via direct messaging through LinkedIn.

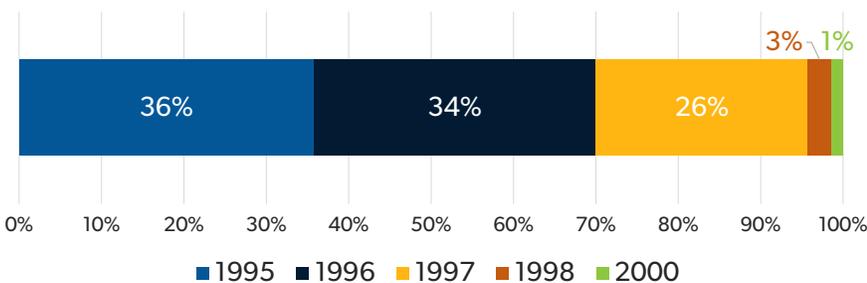
WHO RESPONDED

All students were born between 1995 and 2000. The majority expect to graduate from law school in 2022, and for 74%, a bachelor’s is the highest degree currently held.

Ethnicity



Year You Were Born



*Not Hispanic.

What makes Gen-Z unique:

- Born between 1995 and 2012
- Represents 24.3% of the U.S. population
- Is the most diverse generation in U.S. history²

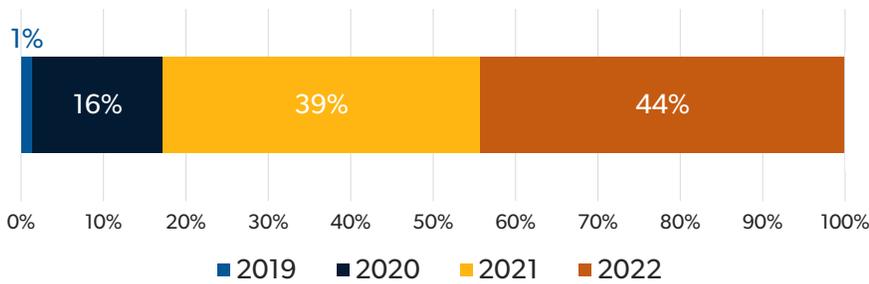
Their worldview has been shaped by certain realities:³

- The Great Recession and the slow recovery that followed
- Watching parents lose jobs and older siblings move back home
- The growing wealth gap between income groups
- Rising expenses for necessities such as housing, transportation, food and health care
- A dramatic rise in higher education tuition and student debt, making this generation the most indebted to date

²“Welcome to Generation Z,” page 4, published by Network of Executive Women and Deloitte, 2019.

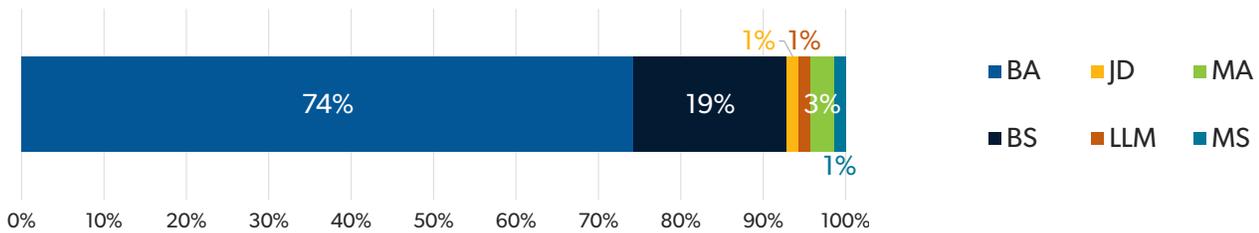
³“Welcome to Generation Z,” page 9, published by Network of Executive Women and Deloitte, 2019.

Year Expected to Graduate Law School



One respondent wrote in 2031; an error was assumed and they were counted as 2021 year of graduation.

Highest Degree Currently Held



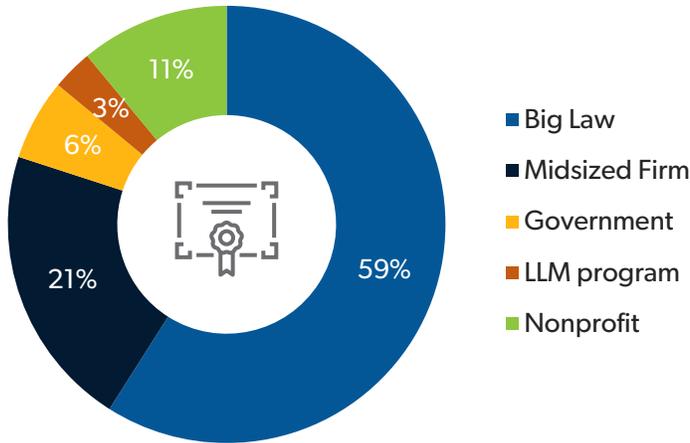
Employment After Law School

Respondents were asked a series of questions about their plans after law school. Key findings:

- Gen-Z is still interested in the traditional path, with 59% saying they would like to join Big Law, no doubt motivated by the high-caliber training and compensation. Twenty-one percent are looking to join a mid-sized firm, perhaps motivated by a desire for work-life balance, which is a top priority indicated by our respondents. A small but not insignificant number, 11%, plan to join a nonprofit after law school.
- Government ranks as the #1 industry choice for 26% of the students and as the #2 choice for 19%. Financial services/banking/private equity comes in second place among those ranked as the top choice, at 13%, followed by renewable energy at 10%.
- As a generation that saw their parents lose jobs in the Great Recession and are burdened with school debt, it is no surprise that respondents are looking to work with clients in stable (government) and lucrative (financial services) industries.
- This group's long-term goal also may reflect a desire for stability in employment as well as perhaps a desire to find meaningful work: 31% want to go into government/nonprofit work, 30% want to go in-house and 23% want to become a partner at a law firm.
- In contrast, in [MLA's 2019 survey of millennial lawyers](#), when asked about 10-year goals, 40% indicated they planned on being a partner at their current or another firm, 18% indicated they planned on being in-house counsel and 10% planned to be in government or nonprofit work.⁴

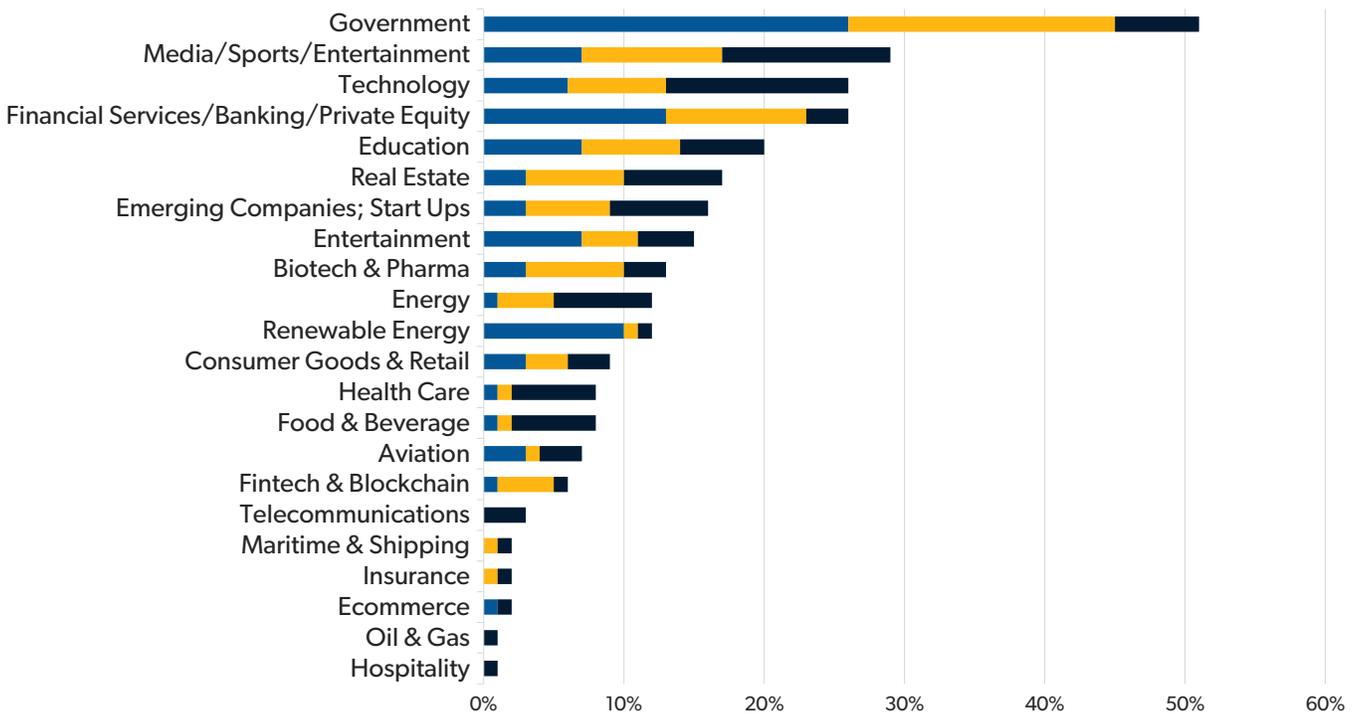
⁴New expectations, Evolving Beliefs and Shifting Career Goals; Major, Lindsey & Africa and Above the Law 2019, page 6.

After Graduating, Do You See Yourself Joining...



Fifty-nine percent of respondents plan to join Big Law, while 21% are looking to join a midsized firm. Somewhat surprisingly, 11% want to join a nonprofit.

What Client Industries Interest You Most? Rank Your Top Three Preferences in Order.



Rank 1

- › Government: 26%
- › Financial Services/Banking/Private Equity: 13%
- › Renewable Energy: 10%

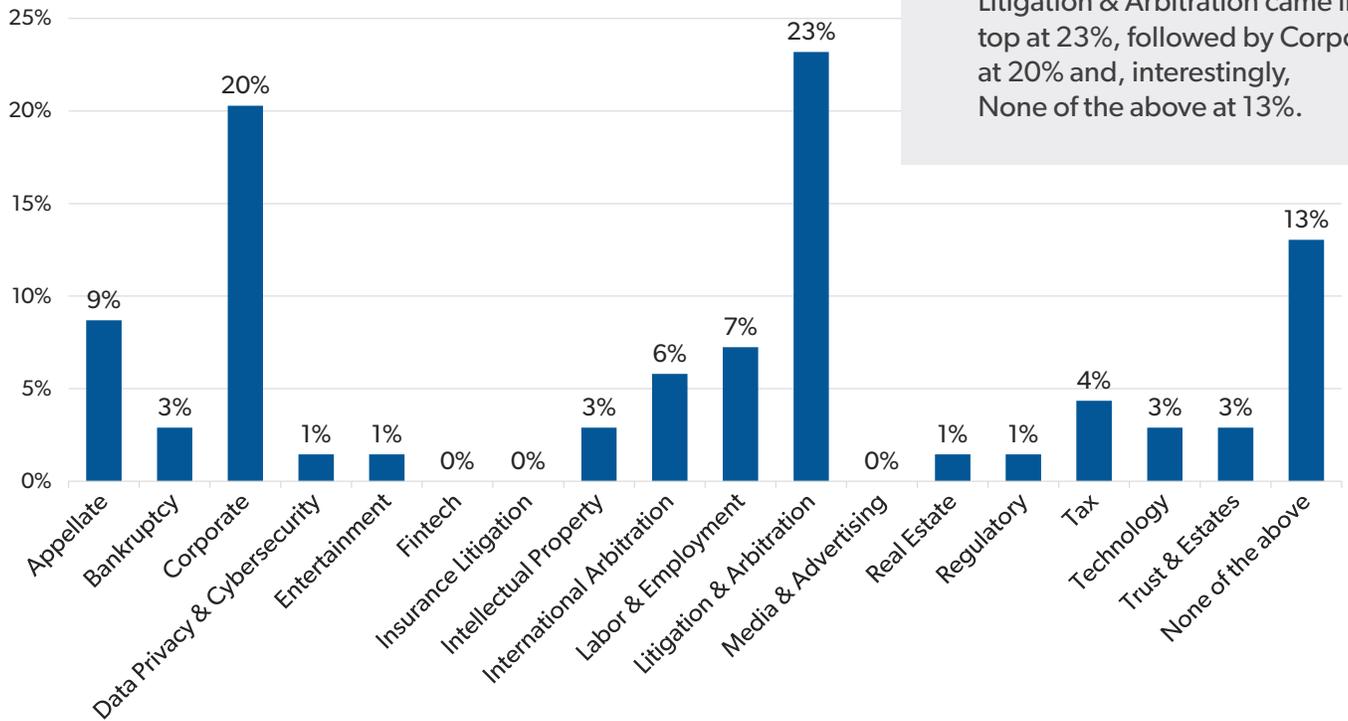
Rank 2

- › Government: 19%
- › Media/Sports/Entertainment: 10%
- › Biotech & Pharma/Education/Real Estate/Technology: 4-way tie at 7%

Rank 3

- › Technology: 13%
- › Media/Sports/Entertainment: 12%
- › Emerging Companies; Startups/ Energy/Real Estate: 3-way tie at 7%

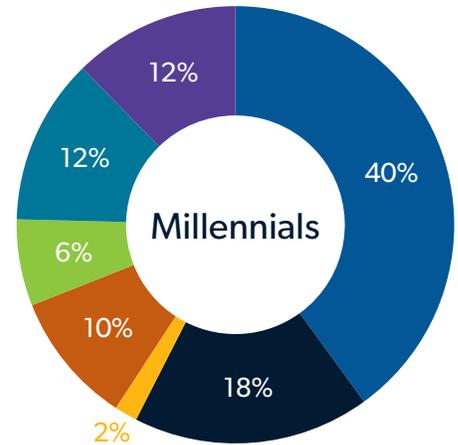
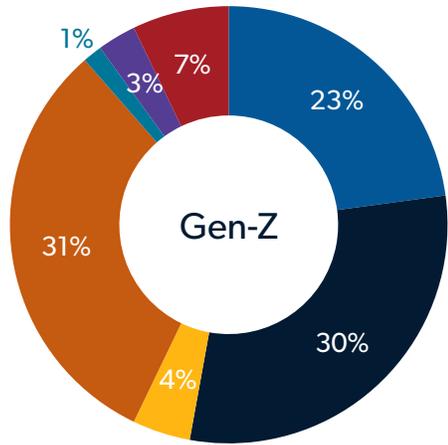
Which Area of Law Do You See Yourself Practicing In?



Litigation & Arbitration came in on top at 23%, followed by Corporate at 20% and, interestingly, None of the above at 13%.

What Is Your Long-Term Career Goal?

- Become a partner at a law firm*
- Go in-house
- Go into academia
- Go into government/ non-profit
- At a boutique or small firm
- Start my own firm
- Other law career
- Leave the legal industry



Thirty-one percent want to go into government/nonprofit, 30% want to go in-house and 23% want to become a partner at a law firm.

*For Millennials, combines original survey options: Partner at My Current Firm (27.7%) and Partner at Another Firm (12.3%).

Perceptions About Current Law Firm Culture

Respondents were asked to indicate whether they AGREE or DISAGREE with the following statements.

Key findings:

- ▶ Slightly more than half, 55%, of Gen-Z believes law firms and partners care about their associates. While the majority believe law firms **do** care about diversity, 62% **do not** believe that law firm social responsibility programs are authentic and valued.
- ▶ When asked about gender issues, 67% agree there is a sexist culture at law firms and 75% agree a gender pay gap exists. When millennials in the [2019 survey](#) were asked whether a gender pay gap existed, 62% AGREE. The belief that there is a gender pay gap in law firms appears to be increasing, not decreasing.
- ▶ Perhaps in part because of these challenges, the majority of Gen-Z, 62%, agree that law firm partnership is less desirable than it was a generation ago. Interestingly, 66% of millennials in their survey agreed that law firm partnership is less desirable than a generation ago.
- ▶ However, overall this generation is optimistic and sees the legal industry changing for the better. An overwhelming 79% DISAGREE with the statement: The legal industry is NOT changing for the better.

Law Firms and Partners Care About Associates



Law Firms Do Not Care About Diversity



Law Firm Corporate Social Responsibility Programs Are Authentic and Valued



The Legal Industry Is Not Changing for the Better



We asked the 21% who believe the legal industry is not changing for the better why. Three major themes appeared in their responses.

Many believe the attention paid to diversity and social responsibility are merely cosmetic changes motivated by a desire to look good on the national stage due to competition among firms. Respondents think the main motivation for firms is still money and profitability, and since that is not impacted, most firms are not changing their business models to truly reflect their publicly expressed concerns.

Extremely high billable hour requirements and the expectation to work constantly with no work-life balance was also identified by several as a reason for their belief that the legal industry is not changing for the better. And finally, continued sexism and the treatment of women in law firms is a key factor in a lack of perceived change for the better by the legal industry.

There Is a Sexist Culture at Law Firms



There Is a Gender Pay Gap at Law Firms



Law Firm Partnership Is Less Desirable Than It Was a Generation Ago



Importance of Factors When Evaluating a Potential Employer

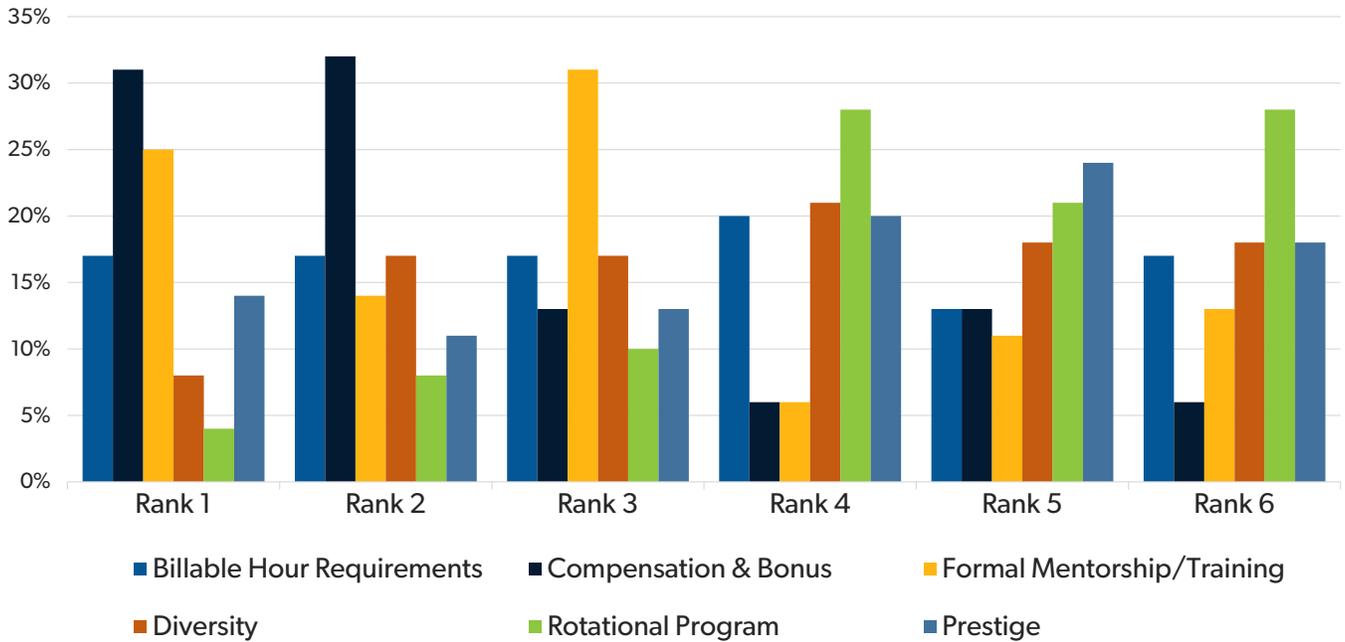
Respondents were asked to rank certain factors when evaluating a potential employer.

Key findings:

- › Compensation is still king, but mentorship and training also rank high. When asked to rank in importance various factors when choosing an employer, 30% ranked compensation and bonus as #1, 33% ranked compensation and bonus as #2, 25% ranked mentorship and training as #1, and 17% ranked billable hour requirements as #1.
- › Work-life balance in a career is key for Gen-Z, with 66% calling it “very important” and 0% saying it is “unimportant.” At the other end of the scale, 30% rank a casual dress code as unimportant.
- › Also important to Gen-Z are generous parental leave, with 73% calling it “somewhat important” or “very important,” and flexible face time requirements/work-from-home policies, with 69% calling that “somewhat important” or “very important.” As a generation that grew up with technology, this group is well versed in the tools that allow individuals to perform their job responsibilities from anywhere.
- › Gen-Z appears to be as business savvy as it is tech savvy: 75% indicate direct contact with clients is either “somewhat important” or “very important” when looking at potential employers.

Chart on next page...

Rank in Order of Importance — 1 Being the Most Important, 6 Being the Least Important — Each of the Following When Choosing an Employer



Top 3 Ranked #1

- › Compensation & Bonus: 31%
- › Formal Mentorship/Training: 25%
- › Billable Hour Requirements: 17%

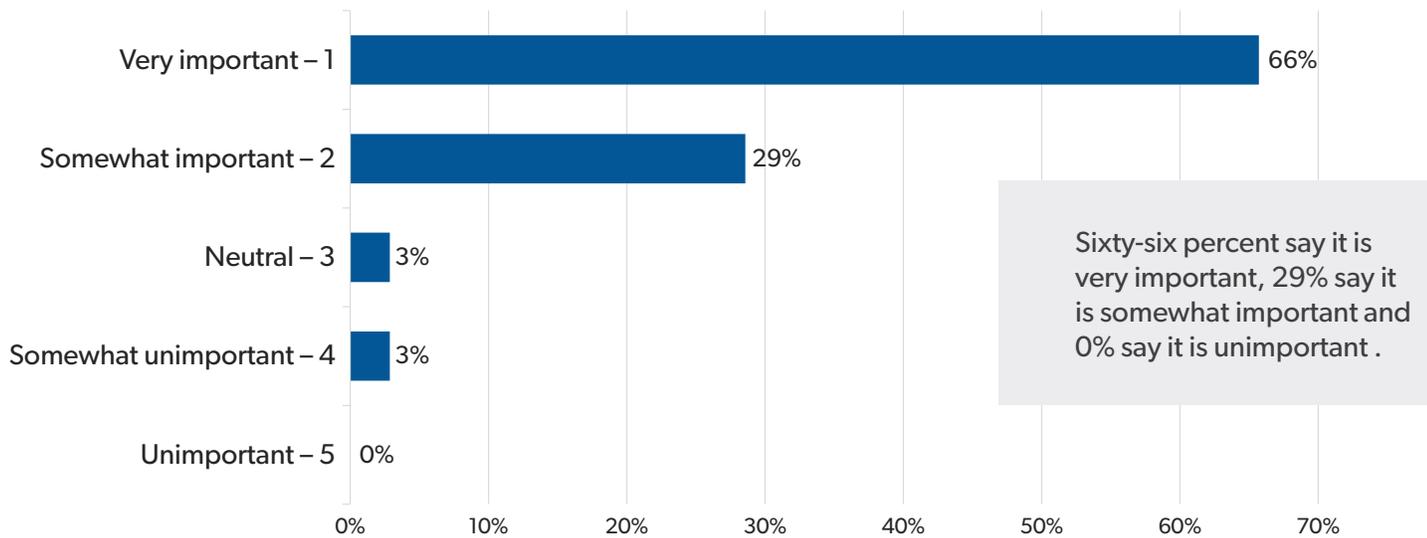
Top 3 Ranked #2

- › Compensation & Bonus: 32%
- › Diversity and Billable Hour Requirements: 17%
- › Formal Mentorship/Training: 14%

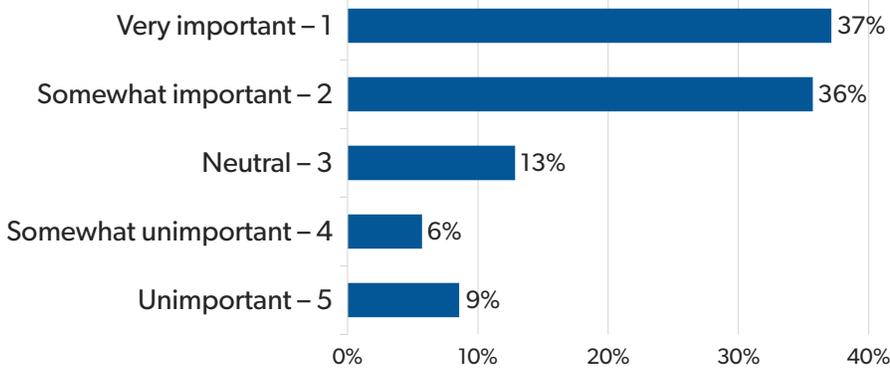
Top 3 Ranked #3

- › Formal Mentorship/Training: 30%
- › Diversity and Billable Hour Requirements: 17%
- › Compensation & Bonus and Prestige: 13%

On a Scale of 1-5, How Would You Rate the Importance of Work-Life Balance in Your Career?

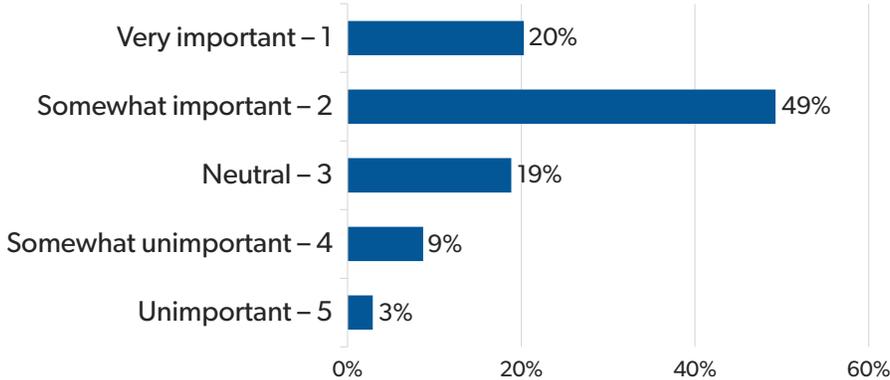


Generous Parental Leave



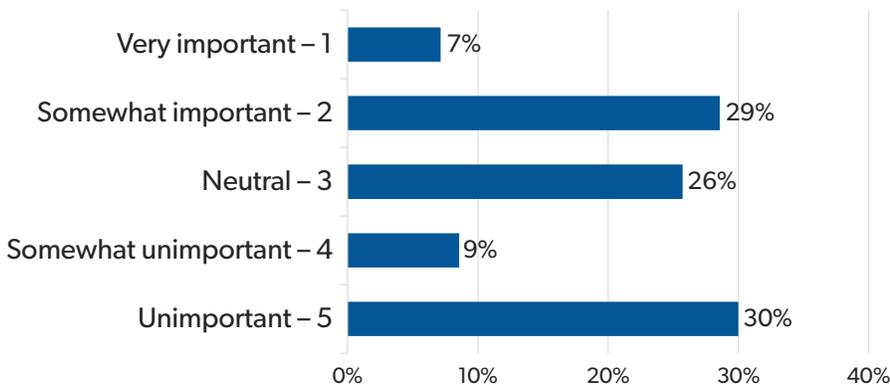
Thirty-seven percent say it is very important, 36% say it is somewhat important and 9% say it is unimportant.

Flexible Face Time Requirements/Work-From-Home Policies



Forty-nine percent say it is somewhat important, 20% say it is very important and 19% are neutral.

Casual Dress Code



Thirty percent say it is unimportant, 29% say it is somewhat important and 26% are neutral.

With regard to compensation, we asked Gen-Z: Which of the following, if any, would you trade a portion of your compensation for?

21%
More time off

30%
Flexible work schedule

17%
Cut in billable hours

4%
Better health benefits

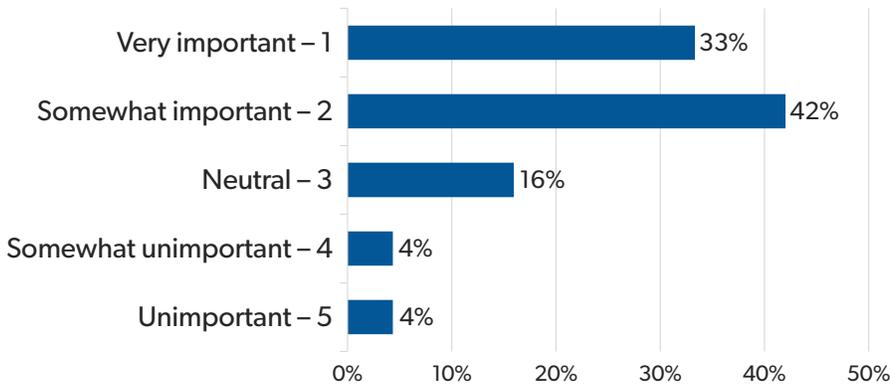
1%
More training/
professional development

4%
Time assigned for charity/
pro bono projects

20%
Student loan assistance

1%
I would not trade
a portion of my
compensation for
another benefit

Having Direct Contact With Clients



Forty-two percent say it is somewhat important, 33% say it is very important, 4% say it is unimportant and 4% say it is somewhat unimportant.

Expectations for Work Life

Respondents were asked to answer questions about their expectations for their work life.

Key findings:

- Gen-Z seems to have a realistic picture of what their working life will be post-law school: 55% expect to work many nights and weekends while 60% expect to work within a set number of hours. Meanwhile, 74% expect that they will be able work remotely occasionally and only 10% expect to have the flexibility to work remotely as desired.
- The majority of our Gen-Z respondents are looking for mentorship and training provided in an on-demand way. Informal training and mentorship are overwhelming preferred. No respondents expressed any interest in a formal training program with regular workshops, CLEs and mock programs.

Work Times

 **55%** expect to work **many nights and weekends**

 **45%** expect to work an **occasional night or weekend**

Work Hours

 **60%** expect to work **within a set number of hours each week**

 **40%** expect to **have the flexibility to choose the hours when I work**

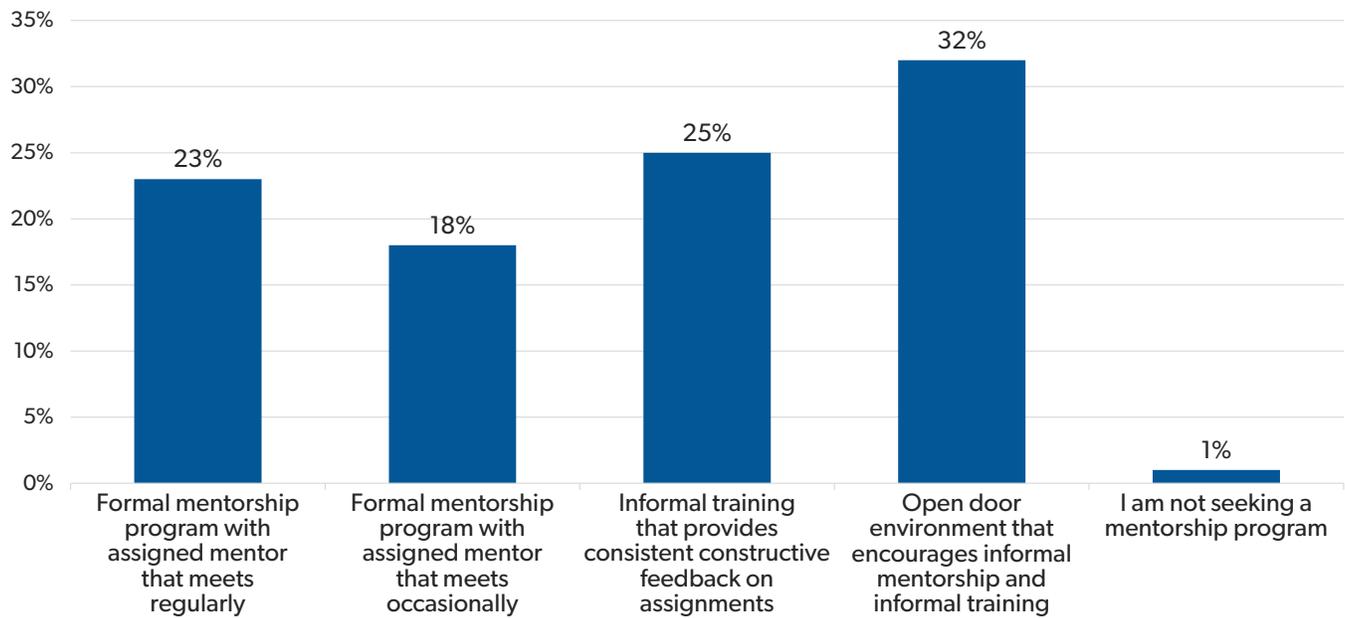
Work Location

 **14%** expect to **have the flexibility to work remotely as I desire**

 **74%** expect to work **remotely occasionally**

 **11%** expect to work **only in the office**

What Kind of Mentorship or Training Program Are You Seeking at Your Firm? (Select all that apply)



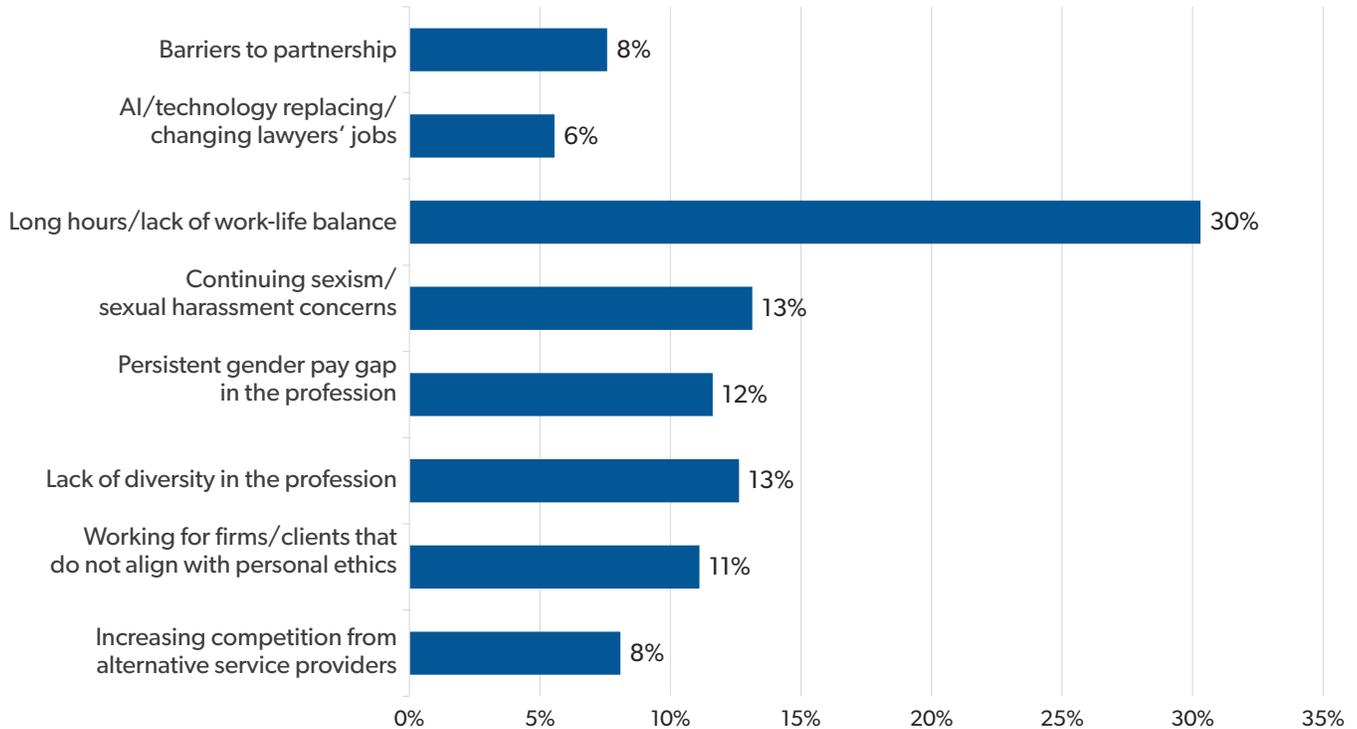
And finally, we asked respondents...

What are the top three challenges you see facing the legal industry/legal practice?

- › Long hours and a lack of work-life balance was far and above the #1 challenge, identified by 30% of respondents.
- › Continuing sexism/sexual harassment and lack of diversity in the profession both ranked as the second-biggest challenge, identified by 13% of respondents.
- › The third-biggest challenge, identified by 12% of respondents and related to #2 above, is a persistent gender pay gap in the profession.

Chart on next page...

Top Three Challenges Facing the Legal Industry/Legal Practice



Rank 1

Long hours/lack of work-life balance: 30%

Rank 2

Continuing sexism/sexual harassment concerns: 13%

Rank 3

Lack of diversity in the profession: 13%

Conclusion

Overall, this generation is optimistic and sees the legal industry as changing for the better. The majority plan to follow the traditional path of joining Big Law after graduation, though they recognize sexism and a gender pay gap are still issues. Compensation is still the priority, but mentorship and training also rank high for this group — preferring an informal and on-demand delivery — when looking at potential employers. Like the millennials before them, the elusive work-life balance is a top priority for this group, although they are realistic about what their work life will be like once they join the workforce. ▲

ABOUT MAJOR, LINDSEY & AFRICA

Major, Lindsey & Africa is the world's leading legal search firm. Founded in 1982, the firm offers a range of specialized legal recruiting and advisory services to meet the ever-changing needs of law firms and legal departments and to support the career aspirations of talented lawyers and legal and compliance professionals. With more than 25 offices and 200-plus search consultants around the world, Major, Lindsey & Africa uses its market knowledge and experience to understand and meet client and candidate needs while maintaining the highest degree of professionalism and confidentiality. The firm considers every search a diversity search and has been committed to diversity in the law since its inception. Major, Lindsey & Africa is an Allegis Group company, the global leader in talent solutions. To learn more about Major, Lindsey & Africa, visit www.mlaglobal.com.

This survey was created by Nathan Peart and Jacqueline Bokser LeFebvre.

Nathan Peart is a managing director in our Associate Practice Group based in New York. An expert in cross-border relocation, Nathan works closely with associates to help them make lateral moves into law firms, whether in New York City, on the East Coast or internationally. He is a regular writer and contributor to legal and national publications, including *American Lawyer*, *Forbes.com* and *Attorney at Law*. Originally from London, Nathan has traveled the world, living in Hong Kong, China and Moscow. He can be reached at npeart@mlaglobal.com.

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POST COVID ATTITUDES OF GEN-Z

NATHAN PEART, Managing Director
JACQUELINE BOKSER LEFEBVRE, Managing Director



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3 POST GRADUATION

4 DOES BIG LAW CARE?

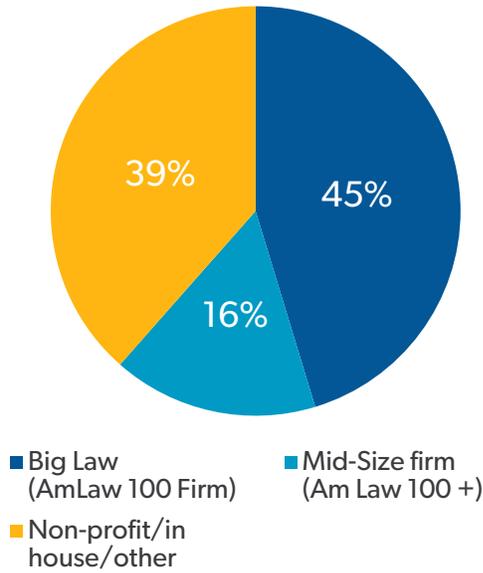
5 GEN-Z AND THE FUTURE OF WORK

7 HOW GEN-Z EVALUATE
FUTURE EMPLOYERS

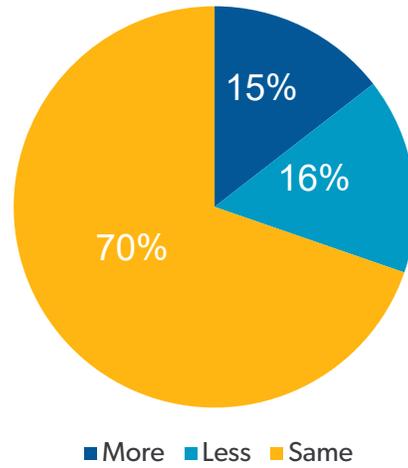
8 ABOUT MLA

Post Graduation

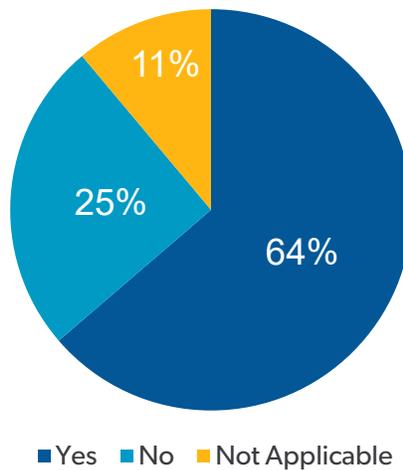
After graduating, are you interested in:



Is Partnership more or less attractive to you since the Covid-19 Pandemic?



Given Covid-19, would the public sector/government still be of interest to you?



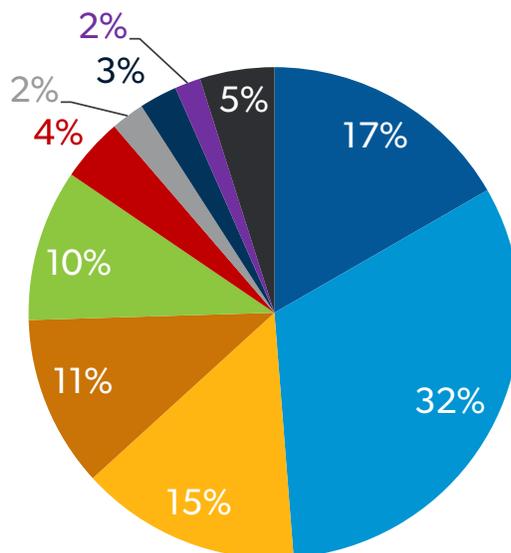
Does Big Law Care?

Do you think the Big Law firms cared about Associates during the Covid-19 Pandemic?



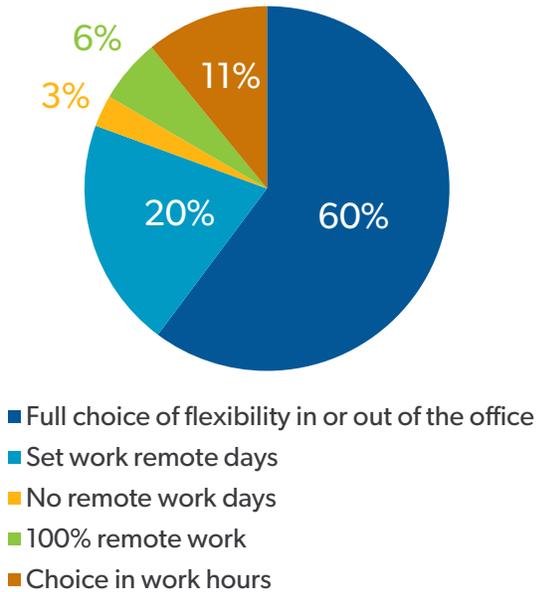
What austerity measures do you think were appropriate for law firms to take during the pandemic to ensure fiscal health?

- Associate salary cuts equal to law firm
- Associate salary cuts less than law firm
- Staff furlough
- Associate furlough
- Partner furlough
- Staff layoffs
- Associate layoffs
- Partner layoffs
- Stealth layoffs
- Other

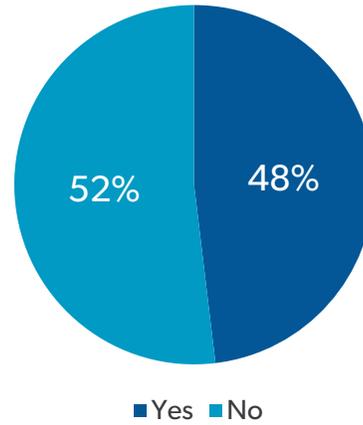


Gen-Z and The Future of Work

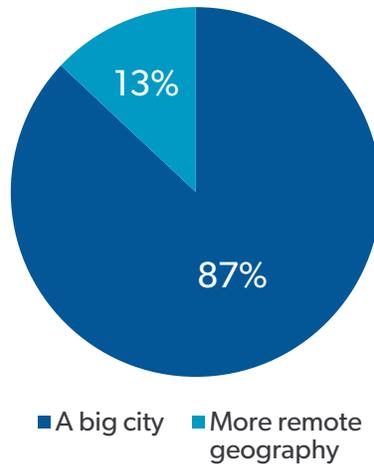
Since the pandemic resulted in flexible and remote work, what would your preferred model of flexibly be?



Would you take a cut in compensation for geographic flexibility?

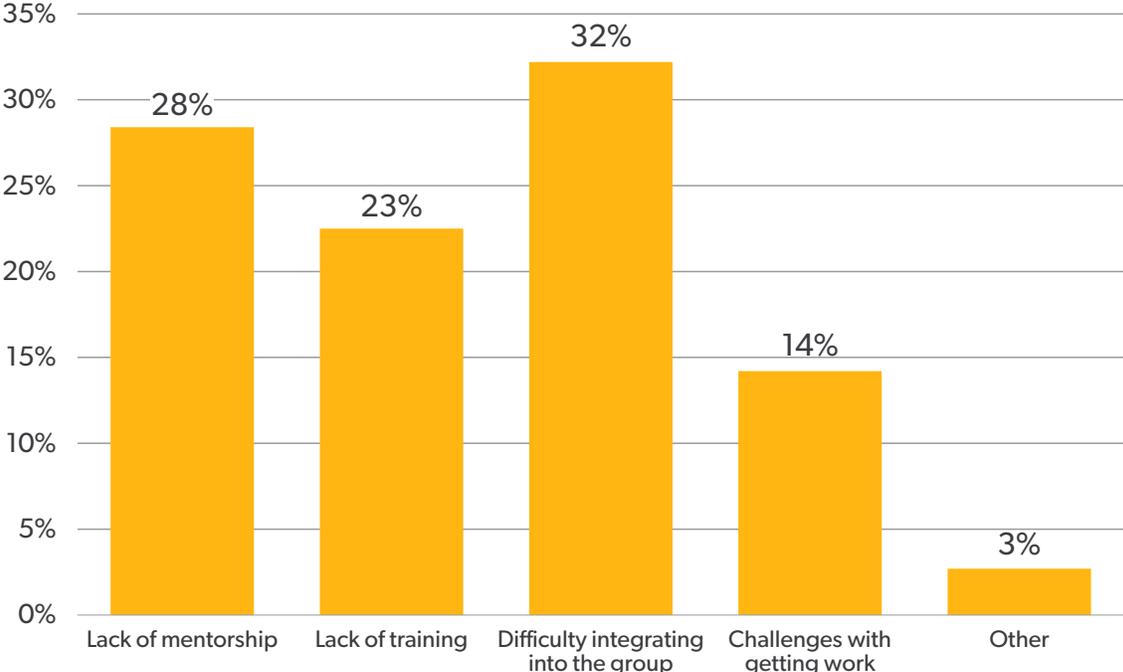


Post-Covid, do you still intend to live in:



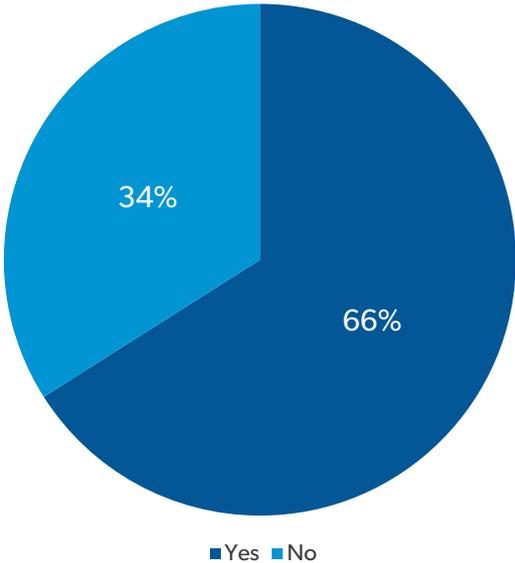
Gen-Z and The Future of Work

What are some of the challenges that have resulted from a remote environment?

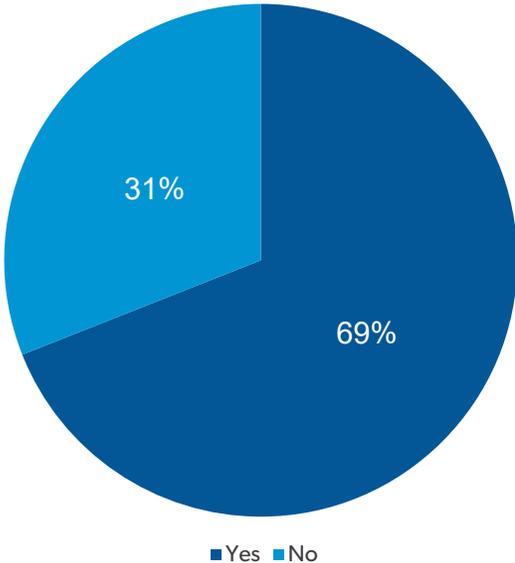


How Gen-Z Evaluate Future Employers

Have firm decisions regarding austerity measures (layoffs, pay cuts, furloughs, etc.) negatively affected your perceptions of these firms in evaluating a potential employer?



Have firms' decisions regarding reinstating salaries, paying bonuses etc, positively affected your perceptions of these firms in evaluating a potential employer?



ABOUT MAJOR, LINDSEY & AFRICA

Major, Lindsey & Africa is the world's leading legal search firm. Founded in 1982, the firm offers a range of specialized legal recruiting and advisory services to meet the ever-changing needs of law firms and legal departments and to support the career aspirations of talented lawyers and legal and compliance professionals. With more than 25 offices and 200-plus search consultants around the world, Major, Lindsey & Africa uses its market knowledge and experience to understand and meet client and candidate needs while maintaining the highest degree of professionalism and confidentiality. The firm considers every search a diversity search and has been committed to diversity in the law since its inception. Major, Lindsey & Africa is an Allegis Group company, the global leader in talent solutions. To learn more about Major, Lindsey & Africa, visit www.mlaglobal.com.

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Key Takeaways for Attracting & Retaining Gen-Z Talent



OCI & SUMMER PROGRAM

- › How can law firms control their messaging during OCI to tap into Gen-Z's desire for strong compensation and bonus?
- › How can law firms control their messaging during OCI to tap into Gen-Z's desire for informal training and mentorship?
- › How can firms pitch themselves as a lifestyle brand to Gen-Z and address their concerns about work/life balance?
- › How can law firms attract Gen-Z talent, the most in-debt generation, through compensation and benefit initiatives that address student debt concerns?

ON-BOARDING / TRAINING & DEVELOPMENT

- › How are firms going to get an early return from their Gen-Z training investment?
- › What can law firms do to tap into Gen-Z's desires for informal training and mentorship?
- › How can firms leverage these future desires of Gen-Z to increase their revenue?
- › How do Gen-Z's views impact change in law firm culture?
- › How do law firms ensure their commitment to diversity and inclusion is delivered in an authentic way to Gen-Z, given that Gen-Z is the most diverse generation to date?

RETENTION

- › What can law firms do to reduce future Gen-Z attrition?
- › How can we tap into associate's interest in specific industry sectors to help with retention and associate satisfaction?
- › How do firms generate interest in partnership among Gen-Z and prepare them for success on the partner track?
- › How can firms address Gen-Z's concerns about work/life balance to retain this generation of talent?
- › How can firms address Gen-Z's concerns about student debt to retain this generation of talent?
- › What can partners do to ensure that Gen-Z feel heard in the office, to help facilitate retention and ultimately the partner's bottom line?
- › How do firms ensure they are keeping up with and experimenting with technology trends to help Gen-Z work in the best way?
- › How can law firms address Gen-Z's concerns regarding sexism in the workplace?
- › How can law firms address Gen-Z's concerns regarding gender pay equity?
- › How can law firms address Gen-Z's mental health concerns and long-term psychological well-being?
- › How can firm address Gen-Z's concerns regarding whether taking parental leave will set them back in their careers?
- › How can firms incorporate sabbatical and leave policies that are specific to Gen-Z's personal circumstances?



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Key Takeaways for Attracting & Retaining Gen-Z Talent in a Post-Covid World



POST-COVID CONSIDERATIONS

- › How can you increase flexibility in the workplace?
- › What can law firms do to attract Gen-Z talent in a post-Covid world?
- › How can law firms attract and retain Gen-Z talent that are motivated by financial stability and student loan forgiveness?
- › How can law firms attract and retain Gen-Z talent that are motivated by public interest and social justice?
- › How can law firms attract and retain Gen-Z talent that are motivated by work-life balance?
- › How can Big Law balance its short term revenue stability v. it's long term goals in recruiting and retention?
- › How can Big Law communicate difficult decisions (salary cuts, furloughs..) and protect their reputation with future talent?
- › How can law firms offer geographic flexibility?
- › How can Big Law capitalize on Gen-Z's preference for remote and flexible working?
- › If remote work is here to stay, how does Big Law address Gen-Z's concern over integration?
- › If remote work is here to stay, how does Big Law address Gen-Z's concern over lack of mentorship?
- › If remote work is here to stay, how does Big Law address Gen-Z's concern over lack of training?



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