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## FOR IMMEDIATE RELEASE

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## Industry Leaders Discuss the Future of Lawyer Hiring, Development, and Advancement

Nineteen industry leaders met on June 24, 2009, for an invitation-only **Roundtable on the Future of Lawyer Hiring, Development, and Advancement** sponsored by NALP and The NALP Foundation and hosted by Arnold & Porter LLP. In nearly three hours of candid discussion, participants —

- Concluded that the economic slow-down will have a lasting impact on lawyer hiring and development, including a move away from lock-step lawyer advancement models by many law firms;
- Agreed that beginning on-campus interviewing of second-year law students in August is problematic and that different models should be considered;
- Explored the ways in which the economy and client needs may change traditional law firm leverage models;
- Expressed great interest in development of an apprenticeship model of lawyer training;
- Concurred that commitments to diversity would withstand the impacts of the recession;
- Concluded that increased competition will create new demands for lawyer training; and
- Agreed that where *associate* retention was once the impetus for lawyer professional development, the new impetus is *client* retention.

### Lawyer Recruiting and Hiring

On the topic of recruiting and hiring, the timing of on-campus interviewing was a subject of considerable discussion. “The essential element of the model that I think has to continue to exist,” said Tom Milch, Chairman and CEO of Arnold & Porter, “is the ability to be able to introduce ourselves to lawyers early in their career in law school, or very shortly after law school, so they can begin to understand who we are.” But exactly what the timing of that introduction should be drew a great deal of comment.

“The economic situation to me is the Rahm Emanuel line that no crisis should be wasted,” said Howard Ellin, Global Chair of the Hiring Committee at Skadden, Arps, Slate, Meagher & Flom LLP. “I think it’s the opportunity to change things,” he continued. “... I think what needs to be done is ... a holistic rethinking of how we get people in the door, what the law schools do with them and say to them, how we meet them, how we get them to their firms, how we train them, how we develop them. ... No rational person would hire their people two years in advance if they had a choice.”

While there was considerable discussion about moving on-campus interviewing to the spring, Bill Henderson, a professor at the University of Indiana Maurer School of Law, raised more fundamental questions about the current large law firm recruiting model. “Law firms have essentially been on autopilot for ... several decades, maybe half a century, in terms of where they recruit,” he noted. Henderson proposed an apprenticeship model where “you find people that really want to grow in your model.” The concept of an apprenticeship model continued to be a topic of discussion throughout the Roundtable’s exploration of recruiting, hiring, and professional development.

What will “recovery” look like for large law firm recruiting? Wally Martinez, Managing Partner of Hunton & Williams, offered this observation: “I think ... once we get out of this downturn ... the shadow will be with us, and you will see growth, but it will not be growth anywhere near the type of growth we’ve seen over the past five to ten years. ... I would posit that what we’ve seen over the past five years is not normal. We’re not going through a blip. [The last five years] was the blip.”

### **Leverage Models Going Forward**

Moderator James Leipold, NALP’s Executive Director, noted that there has been much recent discussion of problems with the traditional large law firm leverage model — a pyramid model with a large number of entry- and junior-level associates at the bottom — and the discussion has fueled suggestions of alternative models.

Fred Krebs, President of the Association of Corporate Counsel (ACC), pointed to the dissatisfaction of clients “as they look at a model and they see ... one that not only is highly leveraged but seems to encourage attrition...,” a concept at odds with the goals and successful models of many of his association’s members.

David Van Zandt, Dean of Northwestern University School of Law, urged the need “to look more broadly at recruiting models that other institutions have.” This might include consideration of recruits with more previous experience, whether through prior work experience or practical experience added to the law school curriculum.

### **Will the Pipeline of Students Entering Firms Look Different After Recovery?**

Carol Sprague, Director of Associate/Alumni Relations and Attorney Recruiting for Skadden and the President-Elect of NALP, noted that the current model of large firm recruiting seems too deeply embedded to be likely to be abandoned. “But I do see,” she noted, “that with the smaller intern classes ... the associates really have to hit the ground running. So besides having the basic legal education that they’ve gotten and good legal reasoning skills, they have to be self-starters, they have to have these practical skills.” Echoing Dean Van Zandt, she commented that she favors students having a year of work experience before law school.

Tom Milch added, “I think for associates, there is going to be more emphasis not only on experience ... before law school, but also on emotional intelligence.” He also noted his belief that “the bar for being successful in law firms is going up — has gone up and is continuing to go up. And,” he continued, “it’s really important that people understand that’s not just a bar for associates. It’s a bar for partners. There is no longer such a thing as tenure in the partnership in a major law firm anymore.” At the same time, he pointed to legal fields where work is likely to grow, such as the new world of financial regulation and also environmental law related to climate change. “There will be areas where new lawyers, younger lawyers, are going to have a leg up,” he said.

### Implications for Lawyer Training

Roundtable participants engaged in wide-ranging discussion of the move away from lockstep advancement, models for lawyer training, and changes in what is driving lawyer professional development.

“What you have is a situation where you have roughly the same number of lawyers going after less work,” commented Wally Martinez. “So how do you win that competition? You win that competition by, at every level of your organization, having the best team on the field, the best trained team, the most practical team. So I think that what law firms will need to do during this downturn is focus even more intensely on associate training and development, but it has to be practical training. And I happen to think that the biggest change that we’ll see is that what was driving a lot of ... the work ... around professional development and associate training was *associate* retention concerns. ... I think what training and development will be driven by now ... is *client* retention concerns.”

Participants specifically focused on a predicted move to more merit-based core competency driven systems, and the need for incoming associates to hit the ground running. Caren Stacy, Director of Professional Development for Arnold & Porter, observed that “if we’re moving to ... a merit-based system, you’re no longer going to be able to slot mid-levels into their fifth year because they are a fifth year. You’re going to have to slot them based on core competencies.” She also pointed to the importance of ensuring that associates get the kinds of work assignments that develop the needed competencies and, when they’re not, finding pro bono, externships, secondments, or other options that provide experiential learning.

Scott Westfahl, Director of Professional Development for Goodwin Procter, noted, “... Our clients are ... forcing us to justify the value of our first years, so we’ve got to make sure they become economically viable faster ... and also ... make clear to the students coming in that they own their own careers and they have to take responsibility.”

Kellye Walker, Senior VP and General Counsel for Diageo North America, noted, “... the press is saying that clients don’t want to pay for brand new associates. That’s not necessarily true. Clients want to pay commensurate with the value that they’re seeing. And that’s a very different concept ... the apprenticeship model actually helps to bring that to fruition.”

Among the many additional points noted during the discussion of lawyer training were the need for training in such “softer” skills as listening to clients and emotional intelligence, the need for communication between law firms and law schools, and the benefits of teaching law students about the economics of how law firms function.

## **Will the Economy Have a Disproportionate Impact on Diversity in the Legal Profession?**

On the subject of diversity in the legal profession, panelists were unanimous in asserting that the importance of diversity as a core value would withstand the recession. Wally Martinez, managing partner at Hunton & Williams was most emphatic on this point. “I reject the notion that diversity [will] be a casualty [of the slowdown] ... because of the good work by some of the thought leaders in our profession around this issue, it has become a core value at every law firm [in the] AmLaw 100,” Martinez stated.

Joe Caldwell, Chair of the Diversity Committee at Baker Botts L.L.P., commented, “[Diversity] has to be a conscious effort of the managing partner and the executive committee of the firm because if left to the responsibility of department chairs, department chairs have to manage their own individual departments. ... Diversity is important to them but may not get the same priority that it gets with higher levels in the firm.”

Carol Sprague and Tom Leatherbury, Firm Hiring Partner for Vinson & Elkins, both stressed the client-driven demand for diversity. “Our clients are paying much more attention to diversity over the past year,” said Sprague. Leatherbury noted that his firm is also experiencing “increased client inquiries about diversity.” He added, “... When you are looking to cut x out of your costs, you have to look everywhere. But I’ve always thought that the best diversity programs were really one lawyer at a time.”

“A lot of law firms are actually starting to talk about micro-inequities and the unconscious bias ... that’s much, much deeper and harder to get at, so I’m thrilled about that kind of advancement,” Caren Stacy noted, while LeaNora Ruffin reminded participants that much of the problem remains in the pipeline prior to law school. “Despite all the talk about core values and how law firms and clients have diversity as a core value,” she said, “I think it very much has to match up with ... the practical realities. The practical reality is if my mother and father are out of work, I’m not going to law school probably, right?”

As the discussion of diversity issues concluded with additional comments on the move away from lock-step advancement, Scott Westfahl commented, “We have put ourselves at large law firms into a business model that is completely inflexible and is not taking account of a lot of the diversity considerations that we’re worried about, including generational differences. ... But the firms outside of the legal world that are moving towards lattice-based organizations and a lot more flexible talent management systems are doing much better on diversity across the front, and that’s actually where those initiatives were leading.”

An excerpted transcript of the Roundtable is now available at [www.nalp.org/futureoflawyerhiring](http://www.nalp.org/futureoflawyerhiring).

A list of Roundtable Panelists can be found on the following page.

**Roundtable Panelists:** (biographies are available at [www.nalp.org/futureoflawyerhiring](http://www.nalp.org/futureoflawyerhiring))

- Jerry Biederman, Managing Partner, Neal, Gerber & Eisenberg LLP
- Joe Caldwell, Chair, Diversity Committee, Baker Botts L.L.P.
- Howard Ellin, Global Chair, Hiring Committee, Skadden, Arps, Slate, Meagher & Flom LLP
- Michael Fitts, Dean, University of Pennsylvania Law School
- Heather Frattone, Associate Dean for Career Planning and Placement, University of Pennsylvania Law School
- William Henderson, Professor, University of Indiana Maurer School of Law
- Frederick Krebs, President, Association of Corporate Counsel
- Thomas Leatherbury, Firm Hiring Partner, Vinson & Elkins LLP
- James Leipold, Executive Director, NALP, *Moderator*
- Wally Martinez, Managing Partner, Hunton & Williams LLP
- Thomas Milch, Chairman and CEO, Arnold & Porter LLP
- Susan Robinson, Associate Dean for Career Services, Stanford Law School
- LeaNora Ruffin, Assistant Dean, Career Development, Widener University School of Law, and 2009-2010 NALP President
- Carol Sprague, Director of Associate/Alumni Relations and Attorney Recruiting, Skadden, Arps, Slate, Meagher & Flom LLP, and 2009-2010 NALP President-Elect
- Caren Ulrich Stacy, Director of Professional Development, Arnold & Porter LLP
- David Van Zandt, Dean, Northwestern University School of Law
- Kellye Walker, Sr. VP and General Counsel, Diageo North America
- Mark Weber, Assistant Dean for Career Services, Harvard Law School
- Scott Westfahl, Director of Professional Development, Goodwin Procter LLP

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**About NALP:** Founded in 1971, the National Association for Law Placement, Inc.<sup>®</sup> (NALP) is dedicated to facilitating legal career counseling and planning, recruitment and retention, and the professional development of law students and lawyers. NALP maintains an online archive of press releases at [www.nalp.org](http://www.nalp.org) — click on *Research & Statistics > Press Releases*. For additional information about NALP research, contact Judith Collins ([jjcollins@nalp.org](mailto:jjcollins@nalp.org)), Director of Research, or James G. Leipold ([jleipold@nalp.org](mailto:jleipold@nalp.org)), Executive Director, at 202-835-1001. Mailing address: National Association for Law Placement, 1025 Connecticut Avenue NW, Suite 1110, Washington, DC 20036-5413.

**About The NALP Foundation:** The Foundation, a nonprofit 501(c)(3) organization, was created in 1996 by the National Association for Law Placement (NALP) to ensure that the legal community and society at large have a reliable, objective, affordable source of information. The Foundation has taken the lead on projects of importance to the profession, including initiating the first longitudinal study of lawyer careers (*After the JD*), providing benchmark research on associate retention, and documenting lawyer contributions to public service. For more about The NALP Foundation see [www.nalpfoundation.org](http://www.nalpfoundation.org).