

Assessing Law Firms: Culture, Clients, Compensation, and Beyond



YLS Career Development Office
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INTRODUCTION

There are thousands of law firms around the country and the world seeking to hire law students. It is up to you to determine which firm will be a good fit for you. Establish the factors that are important to you in a law firm (e.g., intellectually-challenging work, livable hours, early responsibility) and then keep them in mind as you go through the process of seeking summer and permanent employment. This brochure offers you some suggestions for what you may wish to consider when selecting a law firm and mentions resources to help you make an informed decision.

In addition, use our alumni mentor network, YLS Career Connections (www.law.yale.edu/careerconnections), to contact alumni and learn from their law firm experiences.

A. Firm “Culture”

For better or worse, you will spend more time with your work colleagues than with many of your friends and family. It is important that you respect their judgment, enjoy their company and believe that you can learn and develop into a good lawyer under their tutelage. Assess the firm’s “culture.” Is there a sense of collegiality? Are doors in the office open or closed? Are there photos of family, friends or outside hobbies in attorney offices? Are the attorneys of certain political affiliations? How do the attorneys treat the support staff? What opportunities does the firm provide for social and professional interaction among attorneys? Are there opportunities to join clubs or sports teams with colleagues from work? Consider all of these factors in analyzing the firm’s corporate culture and your fit within that environment.

You can assess a firm’s culture yourself through the interview process, and you can gain insight from students and alumni with knowledge of the firm. Chambers Associates (www.chambers-associates.com) provides associates’ views of the culture of their firms, as does the Vault Guide to the Top 100 Law Firms (www.law.yale.edu/vaultonlinelibrary).

B. Clients and Legal Issues

For many practitioners, the types of clients with whom they have contact, the amount of that contact, and the types of legal issues confronting those clients have an enormous impact on job satisfaction. Some lawyers would prefer to represent individuals, while others wish to work on behalf of large corporate clients. Legal issues addressed by attorneys representing individual clients can include family law, employment, trusts and estates, tax, tort, civil rights, and residential real estate. Attorneys representing corporate clients are more likely to be involved in corporate legal issues, including securities, mergers and acquisitions, environmental law, and commercial real estate. They may also represent the company in employment and other contract matters.

Different areas of practice require different sets of skills. Do you enjoy analyzing complex statutes and regulations? Then perhaps environmental, telecommunications, or tax law is for you. Would you prefer to have little client contact and instead spend time researching, drafting motions, and arguing in court? Then maybe you should consider appellate law. Take a close look at the work being performed by the junior associates in a particular practice group for a better understanding of what your responsibilities are likely to be. Understand what your skills and interests are and then find a practice area that best fits you. Young associates who are unsure of what practice area is best may benefit from starting with a firm that offers a department rotation system or does not assign associates right away.

Chambers USA (www.chambersandparnters.com) ranks law firms by practice area. In addition, the NALP Directory (www.nalpdirectory.com) and Martindale (www.martindale.com) enable you to search for firms by practice area. Print resources for learning more about law firm practice areas include the NALP's *Official Guide to Legal Specialties*, MLA's *Law Firm Practice Area Summary*, and *The Law Student's Guide to Finding the Perfect Law Firm Job*, all of which are available in CDO.

C. Training and Development

The amount, type and quality of training that you will receive can vary from firm to firm. Learn about the training opportunities that are offered. Often, the larger law firms provide mock programs as a means of providing experience to new attorneys. Smaller firms, with cases staffed with fewer lawyers, are more likely to allow you to interface with clients early in your career and obtain more “on the job” training.

According to law firm responses to NALP’s Workplace Questionnaire (available through www.nalpdirectory.com within each firm’s NALP profile), virtually every large firm provides one or more of the following: in-house training, external firm-paid seminars, continuing legal education, organized formal mentor programs, observation opportunities, and practice group training. Most firms also offer trial advocacy training and retreats. Some firms go beyond the typical substantive training programs to also offer practical lawyering skills such as effective writing to clients and client presentations. Smaller firms also provide training and mentoring, although typically through more informal methods. For example, instead of a deposition skills workshop, a junior associate may shadow a senior associate during depositions to learn the ropes. To help determine how important training is to a firm, find out how involved partners are in the training process and how the firm credits hours devoted to training. Chambers Associate (www.chambers-associate.com) and the Vault Guide to the Top 100 Law Firms (www.law.yale.edu/vaultonlinelibrary) evaluate law firm training opportunities.

You may also wish to seek out firms who allow associates to contribute in a meaningful way to the firm and its clients. Firms who are serious about associate development have written goals for associates that list tasks associates should have completed at each stage of their careers. They assist their associates in meeting those goals by staffing cases leanly and making sure that associates get to work on different types of matters with a variety of partners. Find out whether and to what extent associates are involved in firm business matters. Do associates participate in firm committees? Are they involved in recruiting? Do they attend business development meetings? If so, that serves as

another indication that the firm is serious about developing its associates into leaders within the firm. More and more firms are hiring professional development directors to assist associates in navigating their career paths.

The attorney review process is also an essential part of associate development. Associates are more likely to thrive in settings where their expectations are clearly defined, their performance is periodically evaluated, and they receive regular feedback on their work. Most law firms implement some type of formal and/or informal performance reviews of their associates. Many firms employ annual reviews; others conduct semi-annual reviews. A small percentage use “360 degree” evaluations, where each category of employees evaluates all others. Self-evaluation is common, with firms requiring attorneys to sum up their own performance. Find out how frequently associates are evaluated and whether they are expected to seek feedback on their own or whether partners are expected to review all associates with whom they work. Inquire about whether the firm has written goals for associates that provides tasks associates should have completed at each stage of their careers.

D. Compensation and Benefits

The most common system of base compensation for associates is the set lock-step system, where associates in each class year receive the same base salary. Least common is the pure merit system, in which firms compensate attorneys according to their performance. In addition to these two systems, firms may use a combination lock-step and merit system or a variable lock-step system with a range per class year. Among the factors that may be taken into account in systems other than the set lock-step are the number of hours billed, quality of work, pro bono hours, overall contribution to the firm through activities such as recruiting and participation on internal committees, and business development. Consult firm websites, NALP’s Workplace Questionnaires (available at www.nalpdirectory.com) and Chambers Associate (www.chambers-associate.com) to learn about a law firm’s compensation structure.

There are different views as to which system of compensation is better. The set lock-step system may minimize competitiveness, but it does not reward outstanding performance. Although the merit system compensates star performers, it may create pressure to meet or exceed performance goals at each level. On the other hand, a merit system might allow flexibility for an attorney to receive a lower salary in exchange for working fewer hours. Ask attorneys in firms of interest to you whether and how the compensation structure affects the firm's work environment. It is also important to understand the partner compensation system because that too can influence a firm's culture and attitude toward training and mentoring of its associates. For example, in firms that reward partners only for their client billable hours, partners may be less willing to devote time to associate development.

Actual salary levels vary widely among firms depending on their location and size. Some students see the salaries offered by the largest law firms and forget that there are other considerations in assessing employment opportunities. There is no question that large firm salaries are extraordinary, with starting salaries in large firms in New York and California around \$160,000 plus bonus. One issue to keep in mind is that different cities can have vastly different costs of living. Although the NYC salary of \$160,000 seems fabulous, it might be surprising to find out that a \$160,000 New York City salary is equivalent to \$94,000 in Austin, TX and \$123,000 in Chicago, IL. Compare the cost of living in different cities with an online salary calculator like the one available at www.bestplaces.net/col. It is also important to note that in these difficult economic times, some firms are scaling back salaries.

First Year Associate Salaries	
<u>Firm Size</u>	<u>Median</u>
2-25 lawyers	\$73,000
26-50 lawyers	\$92,500
51-100 lawyers	\$95,000
101-250 lawyers	\$110,000
251-500 lawyers	\$125,000
501-700 lawyers	\$125,000
over 700 lawyers	\$160,000
<i>2008 Associate Salary Survey, NALP (2008)</i>	

In good economic times, many firms augment associate salaries with end-of-year bonuses. These typically have a merit-based component and may take into account hours billed, quality of work, overall contribution to the firm, business development, and pro bono hours. A handful of firms expressly consider other factors such as community activities and leadership. In addition, some firms offer hiring bonuses to entry-level attorneys who have completed judicial clerkships; the overall compensation package depends on the time credited for the clerkship and the resulting class year in which the attorney is placed. Although it may not be of immediate concern to you, more firms are starting to provide longevity bonuses and sabbaticals to associates who remain with the firm for at least five or six years.

In addition to salaries and bonuses, benefits make up an important part of any compensation package. Use the advanced search feature of www.nalpdirectory.com to search for firms offering particular types of benefits. Typical benefits include a 401(k) plan, health and dental insurance, family leave, relocation expenses, and long term disability insurance. Some firms also provide workout facilities, on or off-site childcare, dry cleaning, meals for those working after hours, and more.

E. Billable Hours

It is also important to understand that the high salaries of the large firms come at a high price—billable hours. Law firms make money by billing their clients by the hour for their services (litigation contingency fees and other methods of billing do exist, but even associates in these areas must keep track of their billable hours). The more hours billed by the attorneys, the greater the profits for the firm. Attorneys must keep track (usually in six-minute increments) of the time they spend working on each client's behalf. Some firms provide information about "target," "expected," "minimum," or "average" billable hour requirements for associates on their NALP Forms (www.nalpdirectory.com). Those figures are typically between 1,800 and 2,500 hours per year. For a detailed description of the toll it takes on your life to bill 1,800 or 2,200 hours per year, see CDO's *The Truth about the Billable Hour* brochure. However, in

these difficult economic times, associates are often more concerned with keeping enough billable work and less concerned with being overworked.

Generally speaking, students who hope to be involved in outside activities, or who simply do not wish to spend so many hours working, should consider working for a smaller firm, in a smaller city, or both. Although salaries for these firms are not as high as those offered by the largest firms, they are still more than enough to live on, and the trade-off in terms of improved lifestyle may be well worth it. In addition, a few firms are experimenting with alternative billing structures for associates such as providing more than one billable hour track. Associates can opt for the greater billable hour track thereby receiving more compensation, or they can opt for fewer hours at less pay. Time will tell how these new systems will fare.

F. Pro Bono and Split Public Interest Summer Opportunities

Pro bono comes from the Latin “pro bono publico” and means “for the public good.” The ABA defines pro bono legal services as providing legal assistance without expectation of pay to persons of limited means or to organizations in matters addressing the needs of persons with limited means. Most firms view this more broadly to include work for nonprofits and for social causes such as civil rights and the environment. Many students who decide to pursue positions with law firms specifically seek firms that offer meaningful pro bono opportunities.

Firms provide a great deal of information touting the opportunities they offer for students and attorneys to pursue pro bono work. The formats of these programs differ widely, as do the levels of commitment and organization on the part of firms. There are five main attributes to look for in assessing a firm’s pro bono program:

- A meaningful and sensible definition of pro bono
- A strongly written pro bono policy

- Institutional support and partner role models
- Associate initiative and input into pro bono commitments and firm priorities
- Crediting pro bono hours on the same basis as billable hours

Refer to CDO's brochure [*Critically Evaluating Pro Bono Policies and Programs*](#), for suggestions on how to evaluate a law firm's commitment to pro bono work. Useful resources include law firm profiles on www.nalpdirectory.com, including responses to the NALP Workplace Questionnaire; *Vault's Guide to Law Firm Pro Bono Programs* available online at www.law.yale.edu/vaultonlinelibrary and in CDO; Chambers Associate (www.chambersassociate.com); and the American Lawyer's annual Pro Bono report (www.law.com under surveys and rankings).

There are many ways to explore pro bono work during the summer, including working for a firm that offers a sponsored split public interest summer. Participating firms allow summer associates to work part of the summer at the firm and the other part at a public interest organization, with the firm paying the entire summer's salary. If you seek community focused, pro bono friendly firms, you should consider working with a firm that offers a sponsored summer program. See CDO's brochure, [*Firm Sponsored Split Public Interest Summer Programs*](#), for a listing of firms that offer these opportunities.

G. Diversity Efforts

There are numerous resources available to learn about the efforts firms are making to increase the diversity of their attorneys and how successful those efforts have been. One resource is *The Minority Law Journal's* Diversity Scorecard (available online at <http://www.minoritylawjournal.com> and on the CDO bulletin board), which ranks more than 200 large law firms based on their percentage of minority attorneys in the U.S.

Vault compiles a list of the "Top 20 Law Firms for Diversity" and also provides separate lists for women; minorities; and gays,

lesbians and bisexuals. These lists are available online at www.law.yale.edu/vaultonlineibrary by clicking “industry research.” The Top 20 list relies on associate responses to three diversity questions: “How receptive and effective is your firm in terms of diversity for: 1) women; 2) minorities; and 3) gays and lesbians; in terms of hiring, promotion and mentoring?” The organization Building a Better Legal Profession (www.betterlegalprofession.org) has created diversity “report cards” for firms in easy to read pie charts. Beyond these rankings, consult Chambers Associate (www.chambers-associate.com) and *Law Firm Diversity Programs*, a joint Vault and Minority Corporate Counsel Association publication (available in the CDO library) that provides information and data on diversity programs at law firms around the country.

NALP has authored the *Diversity Best Practices* Guide, available through www.nalp.org by clicking “Diversity Initiatives.” The guide provides best practices for diversity in the areas of leadership; retention, culture, and inclusion; professional development; and recruitment. NALP also shares information about specific law firm diversity initiatives. Through www.nalpdirectory.com, you can access demographic information on firms and read descriptions of their diversity recruitment and retention efforts. According to that data, most firms participate in minority job fairs and bar-sponsored programs, recruit at schools with large minority enrollments, and communicate with law student groups. Some firms sponsor programs such as minority moot court competitions and diversity scholarships. To retain diverse attorneys, some firms make direct mentoring efforts and involve employer committees.

Sometimes simply looking at a firm’s website will give you insight into their diversity efforts. For example, some firms include a specific section on diversity, which may highlight the firm’s recruiting efforts, provide its non-discrimination policy, and describe its support of diverse law students and attorneys. Find out whether diverse attorneys are members of the law firm’s leadership. Finally, when scheduling callback interviews, ask to meet with diverse attorneys. Ask them how the firm supports an open and affirming environment for all lawyers.

H. Work/Life Balance Policies

When the economy is strong and legal work is plentiful, work/life balance is a real concern for lawyers. Although billable work is not as plentiful at this time, how firms deal with work/life balance issues may still be an important consideration for you. One way to assess a law firm's efforts is to learn about their parental leave and flexible work policies. Keep in mind that while most large firms have written policies in place, many smaller firms handle these issues just as well, but on a more ad hoc basis. In addition, remember that work life balance policies are meaningless if the firm either implicitly or explicitly discourages attorneys from utilizing them.

Most large firms have written parental leave policies that include coverage of adoptions and children of domestic partners. In addition to offering leave, some firms provide a stipend to defray the cost of adoption. Firms may base their policies on gender or the attorney's status as primary caretaker. Find out whether a non-primary caretaker is eligible for leave. Even for those attorneys eligible for leave, whether the leave is paid and the duration of that leave will vary from firm to firm. Beyond learning the specifics of the firm's leave policy, find out what effect, if any, taking a leave has on advancement in the firm. Inquire whether attorneys who have taken a leave have continued to progress on the partnership track and/or have gone on to make partner.

Typical types of flexible work options offered by firms include part-time, telecommuting, flex-time, and job sharing, with part-time work being the most common option. Some firms require attorneys to provide justification for seeking alternative work options. Of the firms that offer these options, almost all allow them for attorneys with family obligations (children, spouses, or dependent parents); fewer firms allow attorneys to exercise these options for personal reasons. Firms may restrict the availability of an alternative work arrangement to attorneys who have worked at the firm for a specified amount of time (often one year). In some firms, certain practice groups are more amenable to attorneys working an alternative schedule than other groups.

Some firms require that a part-time attorney work a certain percentage of hours of a full-time attorney (often 60%). If the attorney exceeds his/her agreed upon hours, some firms compensate the attorney with additional time off, some provide a salary adjustment, and others add that factor when considering end of year bonuses. A few firms limit offers of partnership to full-time attorneys. To learn about a firm's flexible work options read their NALP Workplace Questionnaire (online at www.nalpdirectory.com). In addition, Chambers Associate (www.chambers-associate.com) has a "Work-Life Policies" section. For information about the part-time policies in DC law firms, consult the Project for Attorney Retention website at www.pardc.org. *Working Mother Magazine* (www.workingmother.com) compiles information about best companies, including the 50 Best Law Firms for Women. Factors used to create the list included benefits and compensation, parental leave policies, child care options, flexibility, and retention/advancement of women.

I. Partnership Track

While you may or may not intend to remain at a firm through partnership, it is still important to understand the partnership process and structure at firms. Traditionally, law firms had only one type of partner – an equity partner who shared in the profits of the firm. Now, many firms have two tiers of partnership. They have nonequity partners who do not share in the profits of the firm and are not the firm decision-makers, in addition to equity partners. Also, the number of years it takes to make nonequity or equity partner varies from firm to firm. Find out what that is. Some firms will hire lateral partners while other firms tend to promote only from within. The NALP Directory (www.nalpdirectory.com) provides partnership track information.

J. Law Firm Rankings and Reputation

As has been referenced above, law firms are ranked in a whole host of ways. Through www.law.com, you can access the multitude of surveys and ranking provided by *American Lawyer Magazine*, including The AmLaw 100 and 200; the law firm “A-List”; the Midlevel Associates Survey; and the Summer Associates Survey, just to name a few. Vault also provides various rankings (available through the Vault Online Library at www.law.yale.edu/vaultonlinelibrary) including the Top 100 Law Firms; The Best 20 Firms to Work For; regional rankings; diversity rankings and more. Chambers USA (www.chambersandpartners.com) ranks firms by practice area. While these rankings may provide you with some guidance in determining which firm is right for you, it is critical that you have some understanding of the universe of employers being ranked (typically only the largest law firms); the criteria used to create the ranking (subjective attorney opinions or objective data); and the agenda of the publisher (if any). Use rankings as one source of information about potential employers, but do not assume that just because a firm ranks well that it will be right for you.

Some students start their law firm research by gauging the relative “prestige” of law firms, and then aim to work at the most “prestigious” firm they can find. The problem with that approach is that as with beauty, prestige is in the eye of the beholder. Simply because a firm ranks #1 on the *AmLaw 100* list (for example), does not necessarily make it a better place for YOU to work than a firm that isn’t even on the list. If you want to maximize your chances of securing employment with a law firm best suited to your personality, work style, and practice interests, you cannot cut corners by relying on someone else’s definition of prestige.

K. Transition Opportunities

For some students, an important factor in selecting a law firm is what opportunities that position will afford them when they decide it is time to move on. Perhaps you want to transition to a

different type of law firm, a public sector position, or legal academia after a few years. While all of these are viable options, there are certain factors you should keep in mind as you chart your career path. Use our alumni mentor network, YLS Career Connections (www.law.yale.edu/careerconnections), to view the varied career paths of our graduates. In addition, many firms devote a section of their websites to their “alumni,” depicting the career paths of attorneys who have left their firms for other opportunities.

1. Large Firm to Small Firm or Public Interest

Most students assume that after a stint with a large, well-known law firm, smaller law firms and public interest organizations would be eager to hire them. That is not always the case. Fortunately, as a YLS graduate, you have a leg up on the rest of the market. However, what will be most important to the smaller firm or public interest organization, especially if you have worked in a large firm setting for a few years or more, is the type and quality of work you’ve been involved in. If you have spent four years working only on international mergers and acquisitions and are now seeking a position with a small plaintiffs’ employment firm, you will likely have a challenging transition. Don’t simply rest on your laurels. If you know you eventually want to work in the employment arena, take advantage of every opportunity your large firm offers to learn about that field—do pro bono projects, attend the employment group’s practice meetings, participate in bar activities relating to the subject. Then, when the time comes for you to make the transition, you will have substantive experiences to point to. For public interest employers, your resume needs to demonstrate commitment to public interest; your experience with a corporate law firm may not demonstrate the needed skills or knowledge. Again, be sure you do lots of pro bono work, and maintain and cultivate contacts in the public interest community. Finally, don’t get stuck with golden handcuffs—live within a tight budget knowing that once you make the transition, your big firm salary will be a thing of the past.

2. Small Firm or Public Interest to Large Firm

At some point in your job search you will likely hear that you should start with a large firm because you can always transition to a smaller firm or public interest, but that you cannot go from one of those organizations to a large firm. In terms of the ease of finding large firm work, it is true that you will never again have the Fall Interview Program, with its wealth of large firms at your fingertips. However, if your legal experience relates to the work of the large firm such that you can tell a compelling story as to why they should hire you, there is no reason that you can't make that transition. Litigators in the public interest often make smooth transitions to private practice. Similarly, attorneys who have developed knowledge of government regulation in an area of interest to a firm often make lucrative career changes. To the extent that your experience is unrelated to your desired large firm job, and you have been in that position for a significant period of time, you must work harder to change jobs. The issue is not really private versus public, but moving to fields where the skills, knowledge and contacts gained in your work experience are relevant.

3. Law Firm to Academia

If you are interested in going on the law teaching market, there are many factors that will be significantly more important to your candidacy than the type of law firm where you work after completing law school. These factors include publications, judicial clerkship experience, additional advanced degrees, and recommendations. In fact, while several years of practice experience is generally an asset in the law teaching market, candidates with four or more years often face more challenges on the market. For additional information about law teaching, read CDO's guide [*Entering the Law Teaching Market*](#).

CONCLUSION

Selecting a law firm that best fits your career goals and lifestyle can be very challenging. In addition to reviewing this brochure and the resources mentioned here, use the interview process to learn more about a particular firm's policies.

One resource of particular value in this context is "The Cheat Sheet," written by Deborah Epstein Henry of Flex-Time Lawyers. The Cheat Sheet provides sample questions to ask prospective employers relating to the following topics: statistical and background information; partnership and advancement; leadership and accountability; business development and networking; workplace flexibility; and mentoring. The Cheat Sheet is available as a handout in CDO and online at www.flextimelawyers.com/pdf/art3.pdf.

Deciding when to ask questions about certain matters mentioned in this brochure can be tricky. Remember that Yale law students have considerable power in the job market. If you ask questions about issues such as pro bono policies, part-time work, and quality of life issues, firms will have to come up with answers and may decide to implement policy changes. At the same time, your goal in the interview is to demonstrate your interest in the work of the firm and your work ethic, so it would be wise to ask these questions as a small portion of the universe of questions you pose. You may decide to ask some of the questions that are more important to your decision-making earlier in the interview process, and save other questions for after you have an offer in hand.

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