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BULLETIN

FINAL ROUNDTABLE ASSESSES IMPACT OF RECESSION, LOOKS AHEAD TO RECOVERY

What a difference nine months make! When NALP and the NALP Foundation began a series of Roundtables on the Future of Lawyer Hiring, Development, and Advancement in June of 2009, law firms, law schools, and client corporations were staggering under the weight of the worst of the recession, with no clear end in sight.

Between June 2009 and March 2010, NALP and the NALP Foundation convened a series of four Roundtables on the Future of Lawyer Hiring, Development, and Advancement. As a service to the industry, NALP has made transcripts and videos of these programs available free of charge on its website. Information on all of the panelists who participated, as well as the video and transcript files, can be found at www.nalp.org/futureoflawyerhiring. The WestLegalEdCenter provided educational support for this Roundtable series.

At the fourth and final Roundtable discussion that took place in Chicago at the end of March, panelists were able to look back at the last year, describe the decisions their institutions had made to respond to the recession, and were even able to look ahead to plans for economic recovery.

The conversation was, once again, dynamic and fast-paced as the panelists found themselves learning from each other. One of the lessons from this series of programs has been the value of having people from law schools, law firms, and client corporations in a room together talking about the challenges facing the legal services industry. And, as in each of the three previous programs, the in-house lawyers had some of the most insightful and provocative remarks to share.

THE IMPACT OF THE RECESSION

The stories told by panelists about the adjustments their organizations had to make during the recession were similar and reflect the stories that have been widely reported in the

press, but the conversation put a human face on often difficult institutional decisions. Law firms, across the board, had to cut costs quickly and often deeply, and for many that meant a reduction in force. It also meant focusing everyone's energies on creating efficiencies and service value for clients. Eric Kraeutler, the Hiring Partner at Morgan Lewis, described a course of action followed by many law firms across the country: "We have really spent the year listening to clients, and we have tried to have contact with clients like we never have before to understand what they're going through and what they needed."

And listening to clients was absolutely the right thing to be doing, because clients, for the most part, were in the driver's seat during the recession. As Jacqueline Struder, General Counsel for GE Healthcare IT, described it, "We're putting a lot of pressure on outside law firms to ensure that they are truly providing the value that we need at the right price for the type of counseling and legal services that we're requesting.... We have been experimenting with

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—Bruce Smith, Dean, University of Illinois College of Law

a lot of alternative arrangements. We're looking at seconding attorneys, retainers, fixed fees, a number of different ways of managing the external legal team that is working on our matters. We are very focused on quality providers, quality attorneys, and really trying to ensure that we're getting quality for the dollar that we're spending. But I wouldn't say that our legal budgets are going down. It's rather we want to make sure that we're getting the value for what we're buying."

Paulette Dodson, Chief Counsel – North American Operations for Sara Lee, had a similar perspective. "We looked to law firms, and this is where I think ... the biggest change was a real discussion with our law firms as to what was needed, wanted, and required from our partners on a going-forward basis, and I use that word 'partners' because I think that is frankly where we're looking to change the relationship with law firms. Instead of being a service provider, we want them to partner with us and understand our culture and understand and be efficient and understand the pressures, understand the circumstances under which we operate and the needs of the company."

Law schools, for their part, were very busy trying to provide services to their students and alums who were struggling in the worst legal employment market in more than half a century. Representatives from four law schools described the additional programs and additional staffing that were added to try to meet the increased demand. Schools provided increased access to counseling, access to externships, and access to information about what was happening in the economy and the

industry. And they had to scramble to come up with the resources to be able to do so. The University of California, Berkeley School of Law, for instance, ramped up its career services staffing and programming even as its own staff was facing furloughs that represented salary cuts of seven to eight percent.

IMPLEMENTING COMPETENCY FRAMEWORKS

This Roundtable's panelists agreed that one of the lasting impacts of the recession has been the acceleration of the implementation of competency models and frameworks, a trend that was underway before the economic slowdown. And, while nearly everyone felt that there was a net benefit to be gained from implementing competency frameworks, both in terms of training and retention, but also in terms of delivery of client service, there also seemed to be consensus that the actual implementation is harder than it looks. As Timm Whitney, the Director of Attorney Recruiting and Development at White & Case noted, the devil is in the details.

Still, it is clear that many firms are having conversations internally that they have not had in the past about how best to train, promote, and compensate associates and partners, and they are even having conversations about how best to communicate about those tough issues. And, as panelist Jane Pigott noted, "Having more communication and more transparency ... would be wonderful even if we never get most firms to a true competency-based model."

Law schools are also thinking about competencies and trying to integrate more experiential

learning opportunities into the curriculum, but the law school representatives on the panel were skeptical that law firms would really be willing to refocus their recruiting efforts around a competency-based set of values. Chris Guthrie, the Dean at Vanderbilt University Law School, challenged the law firms directly on this point: "...[L]et's suppose that we have a student who has all of these competencies that you think are highly predictive of success in your firm and your practice group who's 40th in her class, and you have someone else who doesn't have those but is second in her class. Who are you going to hire? And almost without exception ... I find that lawyers say they want to hire for pedigree because this is a talent business and they can instill those competencies once the young lawyer is in the firm."

Bruce Smith, the Dean of the University of Illinois College of Law said that schools needed to do much more to learn about what competencies legal employers want to see in the students they hire. "I think it's fair to say law schools really have not had extended, frank conversations with persons who are in-house, persons who are in government, and persons who are in firms about those competencies.... I think we can do better by going into firms — and some law deans do this — to talk about the needs of law firms and other employers. Defining what the balance should be between the law school and the university and the firm, I think, will be an important part of that conversation."

RECRUITING

The last topic the panel took up was recruiting, and while there was consensus that the legal economy was starting to pick up, no one thought that recruiting volume would return to what it was before the recession. Eric Kraeutler described what he foresees that will be different at Morgan. "I think that recruiting activity ... will pick up this fall. [B]ut ... I think we're going to hire fewer people from the law schools, and I hope we're going to recruit them better because recruiting has been a volume exercise for a number of years. When we go back on campus, I hope we're going to go back

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in a much more focused way. We already do recruit based on a set of competencies, and we certainly care about grades, which are good and probably the best single objective predictor of success no matter what any of us says but there are six or seven other predictors that are also very important, but I expect we are going to have fewer schedules of on-campus interviewing. I think we're going to have better people there to do it."

Dean Smith challenged the group to think very much outside the box when it comes to how law school recruiting is done. "Eric's comments brought up the spirit of experimentation, and so does the question how might we do this better in the long run. If we think about the way technology has been deployed in our classrooms, in our legal research, and in our trial practice, there has been a revolution in the last decade in the way those are managed. However, I think it's fair to say with respect to on-campus recruiting, 2010 looks a lot like 2000... We now have the ability to do virtual interviews with high-caliber telepresence technology. It allows firms in Miami to talk to students in Los Angeles, those in Los Angeles to talk to those in New York, and those in New York to talk to those in Champaign-Urbana. I would welcome leadership from the firms, from the technology community, from NALP, and from the law schools to think about ways of really opening access – to bring those who want talent to those who want to deploy it and to think about ways of reimagining the initial stage of interviewing at least in a much more technologically open manner."

The clients in the room thought the suggestion made perfect sense, and Paulette Dodson from Sara Lee had the last word on the topic. "[C]ompanies are doing it, so my quick response is, what, you're not doing that yet? You know, it's a cost saving, and you might see some people you need to see whom you haven't had access to before." ■