Economics and "Mean" Law Firms

One of the more notable aspects of the current economic slowdown is that many firms have become increasingly "meaner" to their associates. Many firms have become so nasty that associates are often left wondering why they chose careers as attorneys in the first place. We have heard stories that, quite frankly, are shocking the first time you hear them, but now occur with such frequency they are becoming old news. For example, one major firm over the past year fired more than half of its first-year associates with little or no explanation at all. This firm simply informed these associates that "we do not believe you are a good fit." Such conclusions may not seem that terrible on their own; however, when you consider the facts that this same firm never gave its associates a single performance review and offered no critique whatsoever of their work, you quickly must realize that this is not the rational environment one expects from an organization that employs highly educated professionals.

We do not mean to imply that all firms are using economic problems as reasons to treat associates like dirt, but attorneys need to be aware of the conditions within firms that can make them "mean." Indeed, an attorney's survival depends upon making choices of where to go to work based upon the perceived social and economic stability of the given firm. It goes without saying that these choices are some of the more significant choices attorneys need to make in order to survive.

As this article will demonstrate, firms that are doing well economically tend to treat their associates better, and it is important for attorneys to seek out firms that consistently end up in the black. Since law firms are by nature somewhat difficult to understand and not exactly forthright with information regarding their economic performances—some firms are often described as portraying an "aura" of mystery—this is not always an easy thing to do. The best way to study this phenomenon is to contrast differing economic conditions at different points in time—in a good climate and in a poor one. For example, since 2000, there have been numerous associate layoffs throughout the United States. This contrasts with the massive hiring binge at firms in between 1998 and most of 2000. The way a firm treats its associates is generally a product of economic conditions affecting the firm.

When Firms Were Nice

Between 1998 and 2000, most attorneys who worked in firms which now have either closed or laid off a significant number of attorneys did not believe their firms were "mean" at all. In fact, in order to try to get associates to stay (so they could do all the work), firms tended to be extremely lenient in performance reviews. Interviews of potential hires were often quite casual and not too stressful. Bonuses were large. Firm perks were abundant. For many associates practicing at large firms, their biggest complaints were that they had far too much work to do. Nevertheless, associates with strong credentials could easily switch firms if they thought their firms were not pleasant places to work.

For associates working at "nice" firms between 1998 and 2000, they often believed they could do no wrong. When looking for positions, associates were often very arrogant about the number of

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opportunities they had. In associate interviews, many law students and lateral associates would often grill hiring partners about what the firm could do for them, and not vice versa. Things were very good for associates.

When Firms Turned Mean
In 2001, many law firms became extremely unpleasant places to work. Performance reviews suddenly turned "nasty" when there had been no apparent change in the quality of the associate's work. At many performance reviews, associates were laid off or simply fired outright. For corporate associates seeking to lateral into another law firm—in contrast to what occurred in the "boom years"—there were virtually no opportunities. With respect to the few interviews some of these associates received, the firms grilled them aggressively and were slow to hire. Bonuses? At many firms, not getting fired was considered the bonus. Perks were cancelled or dramatically scaled back. As for complaints about too much work, many associates were complaining about the exact opposite.

What the Mean-vs.-Nice Dichotomy Means
The obvious meaning of all this is that when economic times are good, associates make firms a great deal of money and are treated well. When economic times are bad, associates may cost their firms money and their careers will be in jeopardy. Accordingly, economic forces beyond an attorney's immediate control often shape their futures.

Attorneys at all levels can have control over their destinies, regardless of the economy, if they are proactive enough. *For example, even during the worst economic times there are firms that treat associates well and post high profits.* Many of these firms never turn mean. Even during recession periods, some firms are aggressively hiring attorneys. It is also the firms that grow during poor economic climates that are most likely to offer the best future opportunities. Seeking out these firms is one way in which attorneys can overcome tough economic times.

In law school, most students do not know what to look for in a firm. For example, during the boom years, one of the most attractive law firms to many associates in the United States was Venture Law Group in Silicon Valley. This firm essentially took one aspect of a law firm's corporate department and built it into a law firm doing nothing but this certain type of corporate work. Conversely, a firm that has been around for more than 100 years, such as New York's Sullivan & Cromwell, has survived so long because it has numerous departments that complement each other and help sustain it through economic cycles. Incidentally, Venture Law Group is a firm that "became mean" during the economic slowdown. According to what Legal Authority clients have said, this particular firm actually laid off several first-year associates who were less than six months into the practice of law.

The essence of becoming a client of Legal Authority is that we give you the ability to distinguish the good firms from the "mean" ones, which is crucially important in a bad economic climate. By allowing you to survey the market for all of the opportunities that match what you are seeking to do, Legal Authority empowers you to find firms that are actually growing in a bad economic climate. If you are a corporate associate or practicing in an area of the law that is not in demand in a bad economic climate, finding firms that are hiring is an extremely significant thing: *You have found a firm that is likely to be in even better shape when the economy turns around and where there will be opportunities to advance your career.*

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How can Legal Authority help you do this? For one, most Legal Authority clients receive multiple offers. The number of offers you receive by using Legal Authority is a function of some forces we cannot control, such as your geographic location, practice area, and particular skill set. Nevertheless, most Legal Authority clients do receive multiple offers because they are taking care of hitting every single potential job opening at one time. Through this process, Legal Authority clients are able to evaluate a number of offers at the same time. Once you have your offers in hand, the key is investigating the firms that are making the offers and asking questions of other associates in the firm. Most firms—if you ask—will welcome your asking people inside the firm about the firm once you receive an offer. Ask questions about turnover and the history of the firm in the present economic climate.

Another useful tactic is to examine many of the firm's clients. Most firms list their clients on their websites, and most have these clients listed in their marketing materials. A firm with a broad-based client group and long-established clients is far more likely to have economic security. A firm with one major client is likely to be a risky place to work. A firm with clients all in one economically vulnerable sector is also very likely to run into financial trouble. In addition, you should examine the firm's practice areas. If a firm has numerous practice areas and not a high proportion of attorneys in each, it is likely to have more economic strength than if it relies on one practice area for most of its business. There are some exceptions to the latter, however. For example, litigation is a practice area that can be strong in all economic climates. Nevertheless, if one firm has a high number of litigators due only to the fact that they are working on a major case such as a class action, this might not necessarily be a good long-term place to work. Obviously, practice areas like corporate and bankruptcy are far more vulnerable to the economic climate.

Finally, you should trust your instincts about a given firm. How do the attorneys (and, more important, partners) in the firm make you feel. Do the attorneys seem content? Are they forthright and responsive to your questions? How do you feel when you are around these attorneys? What types of examples of success can they point to for individuals similarly situated to yourself who joined the firm? The list goes on and on. In the end, you need to realize that the economic health of the firm will have a serious impact on your own economic security in the long run.

Conclusions

When firms turn "mean," it is usually due to economic forces. Firms are set up in different ways, and as they evolve, they make many economic decisions that have significant effects on them in both good and bad economies. Finding firms that will allow them to weather economic storms is no easy task. The firm could be a very large law firm, or it could just as easily be a smaller one. Legal Authority clients are assisted in finding the opportunities that are set up to survive and even prosper in economic storms. By contacting all of the firms in a given city that match precisely what you are seeking to do, you can identify hiring firms and then speak with them and judge for yourself. While results differ for Legal Authority's clients, it is not uncommon for many of our clients to get more than 10 offers, even in poor economies. This breadth of choice provides you with an unrivaled opportunity to make judgments and evaluations you might not otherwise have the chance to make