Talent Advisory Board Research Update – August 7, 2012 Legal Industry Diversity Reports

Salaries for New Lawyers: An Update on Where We Are and How We Got Here

NALP Bulletin, August 2012

http://www.nalp.org/august2012research

The median full-time salary for law school graduates has increased over time. The double-peaked characteristic of the more recent distribution of full-time salaries has resulted from large law firms dramatically increasing their starting salaries. In the Class of 2011, one distinct peak developed in the \$50,000-\$65,000 range, whereas the other peak developed around \$160,000.

Dismal Job Numbers for Law Grads

California Lawyer, August 2012

http://www.callawyer.com/Clstory.cfm?eid=923943

The unemployment rate for California ABA-accredited law school graduates of the class of 2011 has been dismally high. Only 76.6 percent of graduates have secured employment, with only 58.4 percent securing a position that requires bar passage and only 44.9 percent securing a full-time, long-term position that requires bar passage.

Firms Ranked by Women Equity Partners (chart)

The National Law Journal, July 23, 2012

http://www.law.com/jsp/nlj/PubArticleNLJ.jsp?id=1341144178069

In this report, 221 firms are ranked by the percentage of their equity partners who are female. The report also provides total equity partners of both sexes and 2011 profit per partner for each of the 221 firms. Fragomen, Jackson Kelly, and Ice Miller have the largest percentage of female equity partners.

Women Partner Watch (chart)

The National Law Journal, July 23, 2012

http://www.americanlawyer.com/PubArticleTAL.jsp?id=1202537306613

According to this study, around 30 percent of the newly promoted partners at some Am 100 and 200 firms are women. The scatter chart plots over 1,000 partner promotions at over 100 law firms, plotting the number of new partners on the x-axis and percentage of women partners on the y-axis. Choate, Hall & Stewart and Hughes Hubbard & Reed have 100 percent of their new partners as women. About half the firms seem to lie on either side of the 30 percent benchmark.

Managing a Shift Toward Work-Life Integration

Tina Shah Paikeday, Talent Advisory Board, July 17, 2012

http://www.talentadvisoryboard.com/Managing_A_Shift_Toward_Work-Life_Integration_071712.pdf

This is a summary of the full research study which concludes that work-life balance is important not only for the retention of women who have family responsibilities but also for minorities who may have higher elder care responsibilities, cultural backgrounds which place high importance on family obligations and a desire to spend time with others of their cultural background outside of work. The study also illustrates the shift from work-life balance (a satisfactory allocation of time across separate professional and personal spheres) to work-life integration (an integration of the professional and personal spheres such that the two positively affect each other). It cites changing demographics, technology and the widespread use of social media as factors which have caused personal and professional lives to integrate further. The study concludes that strategies used by attorneys to integrate work and life include finding work and environments they love, making good friends with colleagues, and leveraging policies such as telecommuting and flextime to integrate their work and personal schedules effectively. The full study findings include interview based data that the most satisfied attorneys are those who move from schedule control to flexibility and from work-life balance to integration. We extend our sincere appreciate to the four law firms for sharing with us their best practice strategies in the cases profiled in this study:

- 1. Work-Life Arrangements Are Strategically Integrated Into a Transparent Culture at Cooley
- 2. Farella Firm Leaders Serve as Role Models in Achieving Work-Life Goals
- 3. Fenwick Provides Each Attorney a Choice of Work-Life Models
- 4. Wilson Sonsini Goodrich & Rosati Selects Attorneys Who Love Their Work

Median Private Practice Starting Salaries for the Class of 2011 Plunge as Private Practice Jobs Continue to Erode

NALP, July 12, 2012

http://www.nalp.org/classof2011_salpressrel

According to this NALP study, the erosion of private practice jobs at the largest law firms has contributed to surprisingly large drops in salaries. The median private practice starting salaries for law school graduates of the class of 2011 has fallen 5 percent since 2010 and nearly 17 percent since 2009, whereas the median starting private practice salary has fallen over 18 percent from 2010 and 35 percent since 2009. The Class of 2011 had relatively fewer jobs in the higher-paying largest firms and relatively more jobs in lower-paying law firms with 50 or fewer attorneys (around 60 percent of jobs by the Class of 2011 were taken in these smaller firms, compared to 53 percent by the Class of 2010). Only 65.4 percent of graduates had found jobs that required bar passage and only 49.5 percent of employed graduates found jobs in private practice.

Calling All White Men: Can Training Help Create Inclusive Workplaces?

Jeanine Prime et al., Catalyst, July 2012

http://www.catalyst.org/file/688/calling_all_white_men_can_training_help_create_ inclusive_workplaces.pdf

This study observes the effectiveness of diversity and inclusion training. A division of Rockwell Automation's people managers (composed of mostly white men) was asked to participate in one of two WMFDP learning labs— the White Men's Caucus (filed with only white males) or the White Men and Allies Learning Lab (filled with men and women of various races). In workgroups with 55 percent or fewer men, perceived frequency of workplace gossip decreased 39 percent, compared to a decrease of only 18 percent in workgroups with 56 percent or more men. Following the lab, participants' agreement with the existence of white male privilege increased 17 percent, participants thought more critically about different social groups' experiences (but only participants who had established interracial friendships showed improvement in addressing difficult issues), participants took more responsibility in fostering an inclusive environment, and participants were more empowered to approach colleagues from different backgrounds. Following the lab, participants' coworkers also noticed improvement in the participants' ability to inquire across differences and a small increase in critical thinking behaviors.

Diversity by the Numbers

William D. Henderson, *NALP Bulletin*, July 2012 http://www.nalp.org/uploads/0712henderson.pdf

Only a small percentage of African American attorneys work at corporate law firms, and African American attorneys make up only 1.5 percent of partners at *NALP Directory* law firms. Yet, as of 2005, African American partners are disproportionately concentrated in Washington, DC (157 partners) and Atlanta (65 partners), with nearly four out of five partners employed at Am Law 200 firms. Likewise, Hispanic partners comprise only 1.3 percent of all corporate law partners, yet comprise 3.9 percentage of all corporate law partners in the Southeastern U.S., with over two thirds of these partners employed at Am Law 200 firms. Also, there were only 839 Asian partners, yet 45 percent of them were concentrated in the West Coast region.

Why Showing Your Face at Work Matters

Kimberly Elsbach and Daniel Cable, MIT Sloan Review, June 19, 2012

http://sloanreview.mit.edu/the-magazine/2012-summer/53407/why-showing-your-face-at-work-matters/ Even when employees who work remotely work equally long hours and produce equally well, they still get lower performance evaluations, fewer promotions, and smaller raises due to their lack of *passive face time*, merely being seen in the workplace. Managers unconsciously consider employees often seen in the workplace as more familiar, trustworthy, and committed, and managers are thus more likely to promote them to a leadership position. According to this study, managers were 9 percent more likely to attribute employees seen during normal business hours as "dependable" and "responsible," and 25 percent more likely to attribute employees seen in the workplace outside normal business hours as "committed" and "dedicated."

Identification, Development, and Validation of Predictors for Successful Lawyering Marjorie M. Shultz and Sheldon Zedeck, September 2008

www.law.berkeley.edu/files/LSACREPORTfinal-12.pdf

The admissions process to law schools has often been criticized as favoring affluent white students, who often perform better on the LSAT than their minority counterparts. The heavy emphasis on the LSAT in the law school admissions process greatly reduces the number of minority students in law schools and the overall law profession. African-Americans and Latinos tend to score lower than whites in general cognitive ability on the LSAT. Overall, the LSAT does not accurately predict lawyer performance, and therefore additional predictors, such as measures of personality traits and social skills that do not show differences among racial groups, should be included along with the cognitive tests.

Women Matter: Gender diversity, a corporate performance driver

Georges Desvaux et al., McKinsey & Company, 2007

http://www.mckinsey.de/downloads/publikation/women_matter/Women_Matter_1_brochure.pdf

According to this study, companies with a higher proportion of women at board or top-management positions (three or more women in senior management) are the best performing companies, outperforming their sector in terms of return on equity, operating result, and stock price growth. The employment rate of women in Europe is 21 percent lower than that of men, and women are especially under-represented at the top: they represent only 11 percent of executive committee members in the top European companies. The current corporate model is incompatible with women's "double burden" balancing both work and domestic responsibilities. Women tend to be less assertive about their talents; whereas 70% of interviewed females rated their own performance as equivalent to their co-workers' performance, 70% of males rated themselves higher. Women have a more difficult time finding mentors; 42 percent of men claimed it was easy finding a mentor, compared to only 33 percent of women. According to Harvard Business Review, women also tend to be less ambitious than men, while 27 percent of highly qualified men aspire to powerful positions, only 15 percent of women do. Also, 37 percent of women have voluntarily stopped working (usually to spend more time with family), compared to 24 percent of men. Women were also found to pay a higher price for success (for instance, not having children); 49 percent of women aged 41-55 who are paid \$100,000 a year are childless, compared to just 19 percent of men.

Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance

Vicki W. Kramer et al., Wellesley Centers for Women, 2006

http://www.wcwonline.org/pdf/CriticalMassExecSummary.pdf

Many of the largest firms have no women directors and only a small percentage of firms have two or more women directors. According to the 2005 *Catalyst* report, only 14.7 percent of all *Fortune 500* board seats were held by women, and 53 *Fortune 500* companies had no women directors, 182 had one, 189 had two, and only 79 had three or more. According to WCW's study, a critical mass of three or more women directors can lead to corporate governance reform, bringing qualities such as collaborative leadership, willingness to tackle difficult questions, and multiple perspectives to the boardroom, thus improving overall decision-making.