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Talent Analytics White Paper:
Evidence-Based Strategies for Retaining High-Performing Midlevel Associates

Researchers & Authors

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EXECUTIVE SUMMARY

THROUGH THIS WHITEPAPER, WE DEMONSTRATE HOW DATA CAN BE USED to solve significant business issues in large law firms and, by using this process, how law firms can obtain a competitive advantage over their peer firms. The business issue examined is unwanted associate attrition.

For the analysis, we rely on information assembled from eight years of data (2004 to 2011) drawn from the ALM Midlevel Associate Survey. The sample includes individual-level responses of more than 48,000 3rd, 4th, and 5th year associates from over 200 of the nation's largest firms, and includes a wide range of questions that explore the firm culture, work conditions, professional development, billable hours, importance of partnership, various demographic factors, and the likelihood of remaining at the firm. These variables are integrated into a multivariate statistical analysis to predict the likelihood of midlevel associate attrition. *Nearly half of all attrition can be successfully predicted by our model*.

Although more than one dozen factors are statistically associated with associate attrition, three key variables account for over 90% of the model's predictive power: s*atisfaction of work*, *partner-associate relations*, and *family friendliness*. Most firms that focus their energies on these three factors will be rewarded with lower unwanted attrition. The sample also permits finer-grained analysis at the individual firm level, which will allow a firm to pinpoint additional priorities and use that information to further reduce unwanted associate attrition.

Our analysis shows that satisfaction with work is substantially driven by an associate's ability to attract interesting, high quality work. In addition, our analysis suggests that associates who are highly satisfied with their work are indisputably the most valuable to the firm. These "A-Players" bill, on average, over 700 hours per year more than their "C-Player" counterparts, corresponding to approximately $200,000 per high performer added directly to the firm's bottom line. The A-Players also tend to report substantially higher firm-level scores on several key dimensions of the Midlevel Survey, affecting a firm's eligibility for the A-List. We conclude by noting the potential implications of the Midlevel Survey analysis for lawyer selection.

INTRODUCTION

AS THE GLOBAL ECONOMY BECOMES MORE COMPETITIVE, MANAGERS in virtually all industries are turning to large datasets in search of a competitive advantage.[1] In prior years, this trend information would have held little interest for law firms—profits margins and revenue growth were already plenty high. Yet, since the global recession that began in 2008, revenues per lawyer (RPL) have declined and flattened for the industry as a whole. This decline and flattening breaks a relentless pattern of upward growth that dates back to 1986, the first fiscal year of the Am Law 100 (see Figure 1 below).

Part of this reversal of fortune is due to law firms' clients themselves discovering Big Data, through sophisticated companies that parse clients' legal spend. This information is now being used to benchmark fees and to catalogue firms based on value. To survive and thrive in this new environment, firms need to be better than their peers; those with superior talent are destined to take market share.

The purpose of this ALM-Lawyer Metrics white paper is to provide a concrete example how of talent analytics and can solve important business problems for law firms. Specifically, we use the annual ALM Midlevel Associate Survey to identify the primary individual- and firm-level factors that are associated with high and low associate attrition rates. Further, we quantify, with a fair degree of precision, the true monetary return on improving retention – over $200,000 per A-Player associate per year, not counting time given back to partners to focus on other high-level priorities.

Average Revenue Per Lawyer (RPL) of Lawyer in Am Law 100 (FY 1986 to 2011)

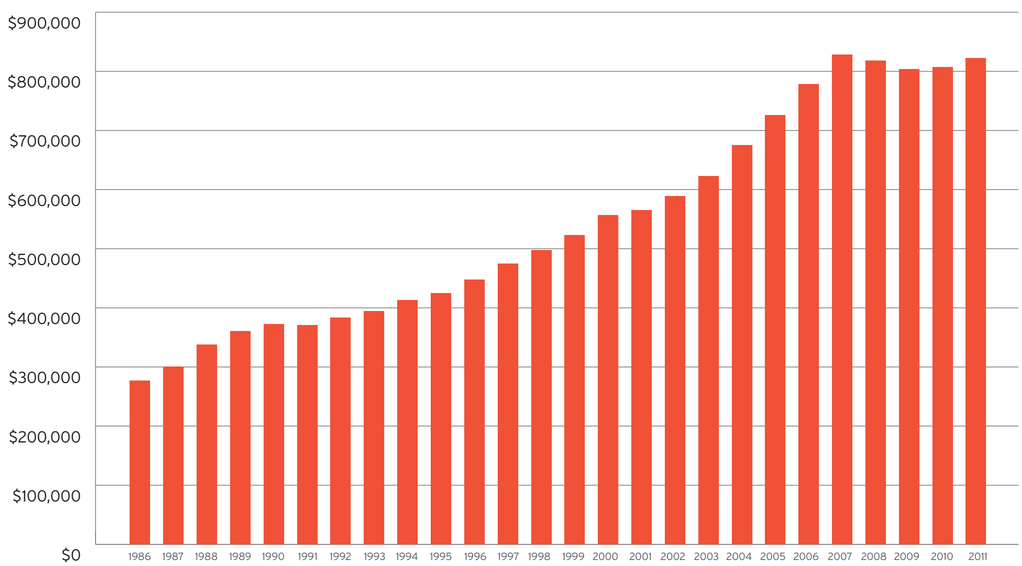


Figure 1.

Changing Market Conditions

Changes in entry-level hiring that occurred after the 2008 recession have had ripple effects on the midlevel market. As clients have become more reluctant to pay for first and second-year associates, firms have dramatically reduced the size of their incoming classes. Between 2008 and 2011, the portion of law school graduates starting their careers at firms with over 100 lawyers declined from 24% to 13% – approximately 4,000 lawyers per year.[2] Not surprisingly, as business has rebounded, midlevel associates are in short supply. According to figures collected by NALP, lateral associate hiring increased 61% in 2010 and another 63% in 2011.[3]

With a midlevel talent pool that is likely to be thin for the foreseeable future, heavy reliance on the lateral market – a strategy destined to be followed by most firms – will not deliver superior results. One way to mitigate this problem is to improve the retention of a firm's current high quality associates. But without data, reducing unwanted attrition is mere guesswork.

Midlevel Associate Survey

Every year since 2004, *The American Lawyer* has collected extensive survey data on the satisfaction, engagement, and retention of midlevel associates (defined as 3rd, 4th, and 5th year). The survey contains several dozen questions that ask midlevels to rate their own firm on a wide variety of dimensions, including partner-associate relations, training and guidance, level of responsibility, quality of feedback, client contact, billable hours, work conditions (e.g., family friendliness, fairness of work distribution), pro bono policies, diversity, compensation, and various other measures of firm culture and values. There are also several questions related to attrition, including their likelihood of staying at the firm for the next two years, the importance of partnership, and longer-term employment plans.

Many firms pay special attention to the Midlevel Associate Survey because it explores the satisfaction and retention patterns of a critical group of associates who service and often have direct contact with clients. But the Midlevel Survey also matters to firms because it affects their reputation in the marketplace, as it is factored into the scoring for the *American Lawyer* A-List, along with revenue per lawyer, diversity measures, and pro bono service.

Since 2004, over 48,000 midlevel associates from over 200 law firms have completed the survey, a number that reflects an overall response rate of 42%. The survey is anonymous. However, respondents provide several pieces of individual information – such as practice area, branch office, law school attended, hours billed, salary and bonus, and demographic information – that enable an exploration of the drivers of midlevel associates' satisfaction and retention.

Reliability of Data

When it comes to data, lawyers are skeptical. A recent focus group of law firm partners and administrators revealed three widely held beliefs that cause law firm leaders to question the reliability of the Midlevel Survey.

(1) The Midlevel scores are significantly influenced by firm responses rates;

(2) Firms can affect their scores by pressuring associates to respond favorably; and

(3) Respondents tend to be associates who view their firm very positively or very negatively.

These are plausible theories that, if true, would undercut the reliability of the Midlevel Survey data. Yet, they are also empirical questions than can and should be tested and answered. A detailed statistical analysis reveals that each of these beliefs is false. The evidence follows.

Belief #1: Midlevel scores are significantly influenced by response rates.

False. Response rates do not affect the scores. The bottom quartile in response rates (an average of 30.2% responding associates) scored a 3.74 on a five-point scale versus 3.82 for the top quartile (an average of 59.4%)—a remarkably small variation. There is no statistical relationship between response rates and the numerous midlevel associates scores, including those that are published by *The American Lawyer* in its annual report or those included in the A-List.

Interestingly, firms with higher profits, revenues, and leverage tend to have lower response rates overall. However, as just noted, those response rates have no meaningful association with the scores received by the firm on the Midlevel Survey.

Belief #2: Firms can affect their scores by pressuring associates to respond favorably.

False. *The American Lawyer* is well aware of the pressure and competition that surround the Midlevel Associate Survey. Therefore, beginning several years ago, it included a question that instructed respondents to "Please indicate how much pressure your firm exerted on you to give positive responses to this survey. (1 = none at all, 5 = very strongly)."

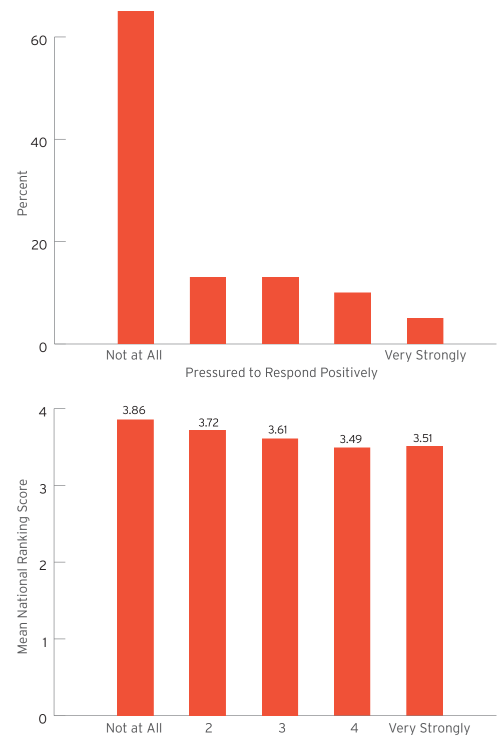


Figure 2.

As shown in the top chart in Figure 2, approximately 65% of all Midlevel associates reported no pressure from their firms to respond positively. Less than 5% of associates reported that they were strongly pressured. Yet, as shown in the bottom chart in Figure 2, on the all-important *Overall Average* score, which is used as an input to the A-List, associates who reported no pressure were more likely to give their firms higher scores. In fact, each level of perceived pressure by the firm was associated with (slightly) lower overall scores.

Although we cannot rule out the possibility that individual firms have, in particular years, run successful campaigns to boost their Midlevel Survey scores, the data make clear that such incidents would have been the rare exception rather than the rule. The bottom line on Belief #2 is simple: significant pressure on Midlevel associates is both uncommon and, at the margin, counterproductive.

Belief #3: Respondents tend to be only those associates with very negative and positive views of the firm.

False. The data does not support the perception that the happy and discontented associates drive the Midlevel Survey results. In fact, quite to the contrary, midlevel associates tend to be moderate in assigning firm level scores.

For example, consider the distribution of scores for the *Overall Average*, as shown at the top chart in Figure 3. The most common score fell in the range from 4.0 to 4.2, while scores in the 1.0 to 2.0 range were extremely rare, and scores above 4.6 were also uncommon.

The bottom chart in Figure 3 shows a very typical distribution for an individual question – in this case, asking the associate to rate "your firm's policy in regard to billable hours." A score of 4 is the most common response, followed by 3, followed by 5. 1s and 2s tend to be relatively rare.[4]

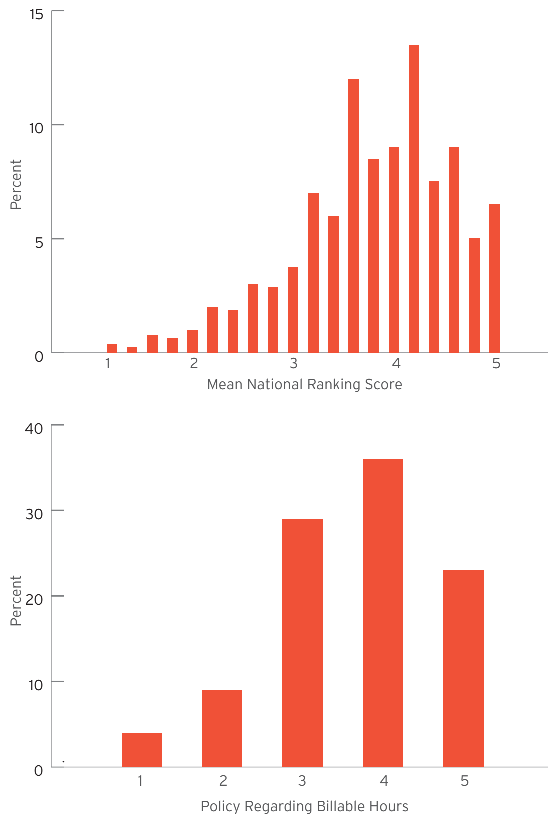


Figure 3.

Analytics Applied to a Law Firm Business Problem – Unwanted Attrition

As shown above, the most common criticisms of the Midlevel Associate Survey are unfounded. Therefore, let's turn our attention to how these data can be used to obtain useful insights into significant business problems affecting law firms. Unwanted attrition of midlevel associates is one such problem.

The Midlevel Associate Survey includes a question that asks respondents to rate on a 1 to 5 scale "the likelihood that you will be at this firm two years from now." We know from other published research that when law firm associates express a high likelihood of leaving their job during the next two years, they are in fact the most likely group to actually leave.[5] As a result, this Midlevel Survey question is a strong proxy for future attrition.

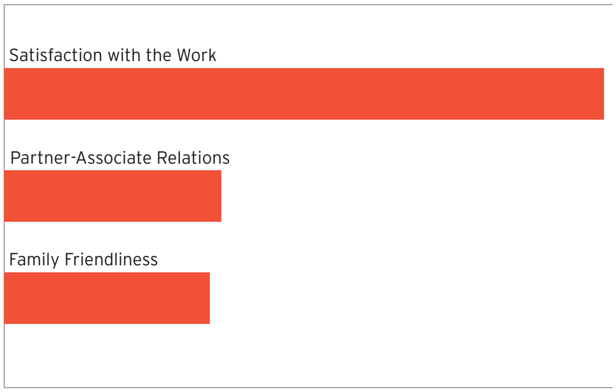
To untangle the attrition puzzle, we used a multivariate statistical analysis to create a model that reveals the factors associated with a high probability of leaving the firm. Potential influences include:

- Satisfaction of work
- Interest level of work
- Policy regarding billables
- Policy regarding pro bono
- Family friendliness
- Compensation & benefits
- Communication toward partnership
- Openness regarding finances
- Opportunities to work with partners
- Partner-associate relations
- Associate relations
- Training and guidance
- Evaluation fairness
- Fairness of work distribution
- Quality of the work assigned
- Level of responsibility
- Amount of feedback
- Firms dedication to diversity
- Impossibility of making partner
- Gender
- Geographic market

With a sample of over 48,000 associates, it is not surprising that our statistical models were able to isolate an association—holding all other factors constant—between most of the factors above and the likelihood of leaving the firm. Yet, the strategic value of our statistical analysis is that it identifies the relative weight of each factor. Specifically, the statistical model reveals the relative importance of each factor relative to every other. This enables a firm to prioritize its efforts and thus formulate a cost-effective solution that will actually produce the desired results.

Our midlevel associate attrition model accounts for 44% of the total variation in the “likelihood of leaving.” The remaining variation is likely attributable to measurement error and idiosyncratic features of individual law firms and associates. By the standards of social science, the model has a remarkably high predictive power.

Although over a dozen factors make independent contributions to the model, three factors account for nearly 92% of the model’s predictive power: satisfaction of work, partner-associate relations, and family friendliness. Their relative importance is displayed in Figure 4. Although partner-associate relations and family friendliness are quite important in predicting a desire to leave the firm, satisfaction of work is over 2.5 times more influential than both of these factors.



Strongest Predictors of Low Attrition

Figure 4.

Attrition Model Takeaways

As discussed in more detail in the next section, satisfaction of work relates to the internal labor markets operating within firms, which constitutes a critical part of our analysis. Setting this aside for the moment, however, our statistical model of attrition immediately yields three practical insights.

> **"What is the biggest reason why midlevel associates leave the firm?" is provided by the associate attrition model – associates are not satisfied with their work.**

1. **Partner-Associate relations really matter.** In the rush to service clients, the skills and dedication of associates may all-too-often be overlooked or taken for granted. That can be very expensive. Further, malicious partners may be costing the firm – through the departure of high performing associates – far more than they are bringing in through client billings. If a firm scores low on partner-associate relations in the Midlevel Survey, its leadership should strongly consider some outreach to the midlevel ranks to better understand the sources of their discontent.
2. **Families are a top priority.** If asked to choose between their family and the firm, many associates will choose their family—and surprisingly, this result holds true in roughly equal proportion for both male and female associates. (A more exhaustive explanation of gender and diversity issues is a topic for a future ALM-Lawyer Metrics publication). These lawyers are not necessarily opposed to hard work; our model shows that family friendliness is an independent factor, separate and distinct from the firms' billable hour policies. Moreover, it is weighted more heavily in the decision to stay at the firm. From an associate's perspective, families are very important. Thus, finding innovative ways to balance work and family may pay large retention dividends to the firm. Again, the best ideas are likely to come from your own associates – just having a conversation centered on this topic is bound to get their attention.
3. **The Limits of Compensation.** Because compensation is such an important factor in the entry-level market, it is tempting to assign it a large weight related to an associate's decision to stay at a firm. Yet, this theory is not consistent with the data. In our attrition model, compensation is the dog that fails to bark—it was a positive, but relatively weak predictor of the likelihood of staying at the firm for the next two years. More important were work distribution, quality of work, interest level of work, openness of firm finances, billable hour policies, and policies about pro bono. In other words, firm management needs to concentrate on much more than money to solve the unwanted attrition problem.

Satisfaction of Work

At first glance, the finding that attrition is strongly associated with satisfaction of work may seem facially obvious and of little practical value. Yet, because of the size and breadth of the Midlevel Associate Survey, we can undertake additional statistical modeling to deconstruct and better understand a seemingly nebulous measure such as satisfaction of work.

Figure 5 summarizes a series of questions asked and answered on the Midlevel Associate Survey. The answer to Question 1, "What is the biggest reason why midlevel associates leave the firm?" is provided by the associate attrition model – associates are not satisfied with their work.

But this finding leads to a second question, "What factors predict satisfaction at work?" Using many of the same predictor variables as in the attrition model, we found that "interest level" in one's work emerged as the dominant predictor.

Associates' interest levels, in turn, are the basis for Question 3, "What factors predict interest level of work?" Again, one factor, "quality of the work assigned," emerged as a dominant predictor that explained most of the variation in the associates' interest level of work.

The answers to these sequential questions ultimately yields a fairly simple and intuition explanation for both satisfaction of work and the likelihood of leaving the firm: Associates who are receiving high quality work tend to find that work interesting, thus they are satisfied with their work and are more likely to stay at the firm. The converse is also true: Associates receiving lower quality work find it less interesting and are consequently more likely to leave the firm.[6]

An important corollary of this finding goes to the operation of internal labor markets within a firm. From the perspective of a partner trying to obtain the best result for his or her client and build a sustainable practice, the most desirable "quality work" will tend to be allocated those associates perceived as the most able.

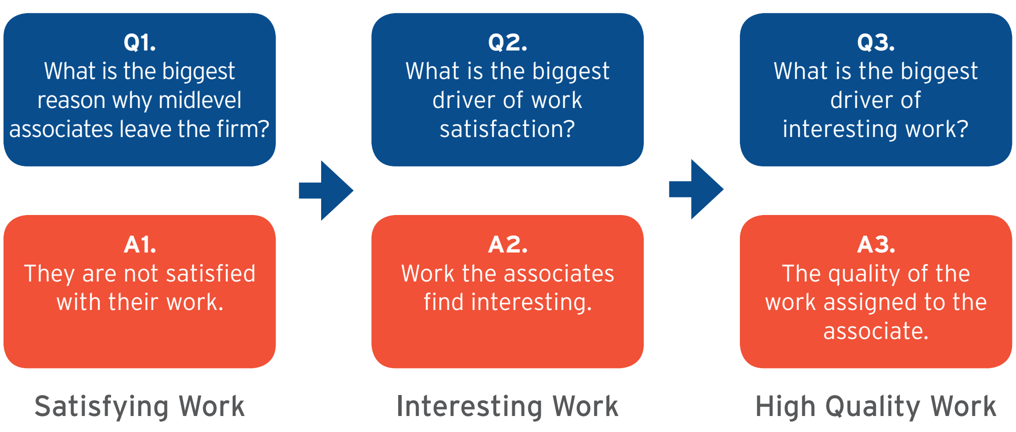


Figure 5.

Internal Labor Markets

Satisfaction of work thus provides a window on who is thriving at the firm. Firms have a strong interest in attracting and retaining these associates. To illustrate this point, consider hypothetical firm X with a large client base. The firm has Y quantity of work that is suitable for midlevel associates.

Firm X has three groups of midlevel associates. 25% are "A-Players", 50% are "B-Players", and 25% are "C-Players."

To illustrate their relative value, consider three hypothetical midlevel lawyers. Alicia is an A-Player associate. She is organized, efficient, responsive, takes initiative, capably manages junior associates and paralegals, and has excellent written and oral communication skills. Her work product is consistently excellent. Brian is a B-Player. He is smart and conscientious, and can be counted on do important, discrete tasks. But unlike Alicia, he rarely surprises or delights his supervisors. Charlie is a C-Player. He may be smart or charming, and on paper, he surely looks competent. But he also lacks a strong work ethic, self-awareness, attention to detail, and a passion for corporate law.

If internal labor markets are operating efficiently within a firm, Alicia will be overloaded with work, Brian will receive his fair share, and Charlie is beginning to die on the vine.

The Midlevel Survey provides a way to categorize respondents by the likelihood that they are an A, B, or C-Player. Specifically, the Midlevel Survey asks respondents how many hours they billed during the previous year. Because associate hours vary by firm, practice group, city and year, comparisons of individual respondents would be misleading and unreliable. To deal with this problem, we assembled another statistical model that predicts an associate's hours based on four pieces of information.

- Firm
- Practice Area
- Geographic market
- Year

Practice areas are based on twelve standardized choices in the Midlevel Survey, and the geographic markets are calculated separately for each of the top ten markets (New York, DC, Chicago, Los Angeles, San Francisco, Boston, Philadelphia, Atlanta, Houston, Dallas). Foreign markets are grouped together (2.3%), as are mid-sized U.S. markets (17.2%).

Our "hours" prediction model accounts for all of the variation between associates that can be attributed to their firm, practice area, geography, and year. What is left over are hours worked because of other factors related to the individual associate, including his or her standing in their firm's internal labor market.

The logic is simple.

A. Associates who significantly outperform by their prediction tend to be more like Alicia.

B. Associates at or near their prediction are more like Brian.

C. Associates significantly below their predicted hours are more likely to be like Charlie.

Our statistical models allow us to harmonize the data, so that A-, B-, and C-Player associates can be compared as if they worked in the same firm and practice group in the same city during the same year. Figure 6 illustrates the results, which yields some remarkably clear and important findings that corroborate our earlier insights on associates' satisfaction with their work, their interest in work, and the quality of work assigned.

Specifically, Alicia's career is off to a significantly better start than those of her peers. Compared to her associate colleagues, Alicia is much more likely to report, at statistically and substantively meaningful levels, the following:

1. Assignment of high quality work
2. High interest level of work
3. High satisfaction of work
4. Above average partner relations
5. Higher levels of responsibility
6. More client contact
7. High quantities of feedback (no doubt because it tends to be positive)
8. Higher overall score (input for the A-List)

Measure	C Players (25%)	B Players (50%)	A Players (25%)	Difference Cs and As
Satisfaction of Work	3.73	3.92	4.07	0.34
Interest of Work	3.91	4.09	4.24	0.32
Quality of Work	3.96	4.12	4.26	0.30
Partner-Associate Relations	3.76	3.90	3.94	0.18
Level of Responsibilty	3.99	4.20	4.36	0.37
Amount of Client Contact	3.84	4.04	4.20	0.36
Amount of Feedback	3.46	3.63	3.71	0.25
National Overall Average (A-List)	3.70	3.81	3.86	0.16
Likelihood here in Two Years	3.40	3.73	3.86	0.46
Family Friendliness	3.66	3.69	3.65	-0.01
Compnesation and Benefits	3.97	3.95	3.92	-0.05
Policies Regarding Pro Bono	4.02	4.04	4.06	-0.04
Billable Hours	1,645	2,026	2,340	695 hours

Figure 6.

In addition, she billed over 2,300 hours last year. With her career going so well, it is not surprising that Alicia reports a higher likelihood of remaining with the firm during next two years. On all of the above dimensions, Alicia does better than Brian, and Brian does better than Charlie.

The different experiences described above are probably best explained by differential treatment in the firms' internal labor markets. As evidenced by the gaping differential in their billable hours, Alicia is in demand, and Charlie is not.

In contrast, on dimensions that are unlikely to be influenced by the firms' internal labor market – such as family friendliness, compensation and benefits, and policy toward pro bono – the three groups of associates tend to have essentially identical views of the firm.

Drawing from the earlier analysis, the lack of a statistical relationship between family friendliness and A, B, and C-Player status signals that a firm that plays little attention to this topic is much more susceptible to losing A-Players like Alicia. Similarly, Partner-Associate Relations is another factor that contributes to high attrition. The relatively compact range (only .18 points) between A- and C-Player averages suggests that uncaring, insensitive partners often don't differentiate between Alicia and Charlie. He or she may treat them both badly, which is a potentially serious business problem.

The High Cost of Attrition

The cost of attrition of A-Player associates is extraordinarily high. As evidenced by the final line in Figure 6, the difference between an A-Player and a C-Player is nearly 700 hours per year, on average. If Alicia was being billed out at $300 per hour, the additional income to the firm would exceed $200,000 per year – a sum that falls straight to the bottom line. And this simple calculation does not account for the time it gives back to partners to focus on client strategy and development, nor the mental and emotional benefits of fewer associate write-offs or rework.

Finally, let's also not forget that Alicia gives the firm higher scores on the *American Lawyer Midlevel Survey*, providing a tailwind for next year's recruiting season.

Do These Results Apply to My Firm?

Yes and no. The relative weighting of predictors in our model can and does vary at the firm level. The results summarized here reflect the collective experience of midlevel associates working at Am Law 200 law firms during the 2004-2011 time period.

What we can say with certainty is that things like partner-associate relations, family friendliness, satisfaction of work, and its various component parts do, *on average*, matter a great deal to associates. At individual firms, however, their importance and weighting is going to vary. Likewise, the gap – performance and otherwise – between A-Players and C-Players will vary. But whether it is more or less than 700 billable hours per year, the differential value of an A-Player is certain to be very large at all the firms in the Midlevel Survey sample.

In thinking about such firm-level variations, it is worth noting that it is not closely tied to size or revenues of the firm. The results reported here are remarkably consistent when we consider associates at Am Law 1-50, 51-100, and 101-200 firms separately. Despite the beliefs of many large firm partners, these market segments are much more alike than they are different. Likewise, geography, with the exception of New York City on some key dimensions, tends to have a measurable but consistently slight influence on our results.

If size and geography do not explain variation across firms, what does? In many cases, some of the unexplained variation is likely due to the quality of firm management and various aspects of firm culture that are real and persistent.

A sample size of 48,000 respondents enables us to conduct the same types of analytics at the individual firm level. The only prerequisite is a large enough sample size, which depends in turn on the frequency of a firm's participation in the Midlevel Survey and the number of associates responding. In many cases, a finer-grained analysis at the firm level would be worth the effort, either to better inform the firm's talent and business strategies or to combat skeptical partners who insist upon using their own untested, non-empirical theories.

All around us, law firms' clients are starting to reap the benefits of dispassionate data analysis. Although lawyers are inherently conservative, the stakes for ignoring data are becoming too high. Early adopters have the opportunity to build a sustainable competitive advantage and take market share. Conversely, late adopters may find they were too late to ever catch up. The world is changing – and remarkably, law firms are going to change too.

ABOUT THE AUTHORS

WILLIAM HENDERSON AND CHRISTOPHER ZORN ARE PRINCIPALS with Lawyer Metrics, a company that specializes in data analytics and evidence-based system for lawyer selection and development. Below are their professional biographies.

WILLIAM HENDERSON is a Professor of Law at Indiana University Maurer School of Law. Professor Henderson has spent his career analyzing the business side of the legal profession and legal education, which has earned him the reputation as a legal innovator, and according to the *ABA Journal*, a legal rebel. He is recognized as one of the foremost experts on legal labor markets and the empirical analysis of the law firms and legal education. Professor Henderson regularly speaks to law firms, law firm, general counsel, bar associations and various other industry groups. To facilitate the study of law firm management and private practice, Professor Henderson founded the Law Firms Working Group, co-sponsored by the American Bar Foundation. He also serves a Director of the Global Legal Profession at Indiana University Maurer School of Law. He received his B.A. from Case Western Reserve University and his J.D. from the University of Chicago Law School.

DR. CHRISTOPHER ZORN is the Liberal Arts Research Professor of Political Science, Professor of Sociology and Crime, Law, and Justice, and Affiliate Professor of Law at Pennsylvania State University. He is an award-winning national leader in quantitative methodology and statistical analysis. In addition to his world-class quantitative capabilities, Dr. Zorn is an immensely practical statistician with a keen interest and aptitude for applied work. Dr. Zorn is the author of three forthcoming books and three dozen refereed articles. He is a recipient of the prestigious John M. Olin Foundation Faculty Fellowship, the immediate past editor of the journal *Political Analysis*, and has given invited talks at more than 30 universities around the world. Prior to his appointment at Penn State University, Dr. Zorn held academic positions at the University of South Carolina and Emory University, where he was the Winship Distinguished Research Professor of Political Science. He has also served as a resident scientist and Program Director for the Law and Social Science Program of the National Science Foundation (NSF). Professor Zorn earned his Ph.D. in Political Science from Ohio State University.

ENDNOTES

1. To our lawyer friends, we are not kidding. See, for example, Steve Lohr, *The Age of Big Data*, New York Times, Feb. 11, 2012 (discussing surging demand for analyst with quantitative skills and citing an recent McKinsey Global Institute report projecting the need for "140,000 to 190,000 more workers with 'deep analytical' expertise and 1.5 million more data-literate managers, whether retrained or hired."); Paul Taylor, *Crunch Time for Big Data*, Financial Times, June 19, 2012 (reporting that "high-performance analytics is helping industries from banking to retail, healthcare and insurance to glean insights from big data that once took days or weeks in just hours, minutes or seconds"); Ben Kerschberg, *Manufacturing Moneyball: Using Big Data and Business Intelligence to Spur Operational Excellence*, Forbes, November 1, 2011 (discussing how the manufacturing industry "is experiencing an industrial renaissance as a result of its application of business intelligence ("BI" or analytics) to Big Data to uncover and leverage data that has remained either (i) hidden or (ii) unappreciated").

2. See Judith N. Collins, *Class of 2011 Has Lowest Employment Rate Since Class of 1994*, NALP Bulletin, July 2012, at 12. Calculation of 4,000 drop in large firm entry level lawyers made by authors.

3. See *Lateral Hiring on the Rise Again After Two Years of Decline*, NALP Bulletin, April 2011 (reporting 61% increase over 2009). *Lateral Hiring Up for the Second Year in a Row*, NALP Bulletin, April 2012 (reporting 63% increase over 2010).

4. The one question that tends to be exception to this pattern is one that asks respondents to "rate how clearly your firm communicates what it takes to make partner." For this question, there are significant and relatively equal numbers of "1s" and "5s" Yet, this distribution likely reflects how messaging toward partnership varies by individual associates, with A-Players given positive signals and C-Player left completely in the dark. The true economics that underlie "communication toward partnership" are reveal by the fact that lowest scores tend to be given by associates working in highly profitable and highly leveraged single tier firms – organizations where promotion to partnership a relatively rare event.

5. See Ronit Dinovitzer et al., After the JD II: Second Results from a National Study of Legal Careers (American Bar Foundation 2009).

6. The linkage reported here between challenging work and satisfaction is entirely consistent with earlier research on law students and young lawyers. See, for example, Bryant G. Garth, & Joanne Martin, *Law Schools and the Construction of Competence*, 43 J. of Leg. Ed. 469 (1993); Daniel J. Givelber, Daniel J., Brooks K. Baker, John McDevitt, & Robyn Miliano, *Learning Through Work: An Empirical Study of Legal Internship*, 45 J. Leg. Ed. 1 (1995).

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