

The Time Is Right for Midsize Law Firms To Recruit Top Talent

Today's law students, associates, and partners take a less myopic approach to their recruitment—one that allows them to see, and appreciate, the attractiveness of midsize law firms.

By **Ronald H. Shechtman** | February 03, 2020 at 10:42 AM

Generations of lawyers went through law school with the goal of snatching the proverbial golden ring—a position with a BigLaw firm. Securing a coveted associate position with an AmLaw100 law firm seemed like a sure way to make the most of a legal career, at least according to thinking that prevailed in decades past. That thinking valued two metrics over all others in the job-search process: money and prestige. But that thinking now feels dated, if not utterly out of touch. Today's law students, associates, and partners take a far less myopic approach to their recruitment—one that allows them to see, and appreciate, the attractiveness of midsize law firms.

This is a sea change, and for those running midsize law firms, a welcome one. It is the result of generational and business forces that have been at play for years, but have accelerated markedly with the onset of the Great Recession. The mass layoffs that took place, the deteriorating bonds of loyalty between large law firms and institutional clients, the increasing distance of the gold ring from the grasp of the BigLaw associate and the decreasing likelihood of attaining equity partnership have all combined to take some of the shine off working in the traditional BigLaw model, particularly for younger lawyers. Many of those lawyers are finding that midsize firms offer a work experience and potential for promotion that better aligns with their short- and long-term interests.

This is not an anecdotal report. As the head of a midsize firm, I have witnessed the surge in interest that we have received in recent years from lateral candidates at the largest, most prestigious, and best-paying law firms. I have watched my firm and other midsize law firms enjoy success in hiring associates and partners away from those firms. And I believe that with a proper understanding of the

forces at play, the moment is right for midsize law firms to capitalize on this trend and establish themselves as a destination of choice for legal talent in a way they never have before.

Structural Disadvantages Become Advantages

BigLaw firms have at least two characteristics that set their economics apart from midsize competitors. First, they are highly leveraged. In the legal profession, “leverage” refers to a firm’s associate-to-partner ratio, which tends to be high among large firms. Second, they tend to command very high rates for their work. Historically, these features of large law firms have been considered structural advantages. Other things being equal, more highly leveraged firms can pay their partners more. Similarly, of course, higher rates translate into greater compensation for all attorneys.

In a world where money is the only issue, then, large law firms may have a leg up. (Although even this point is arguable, as we’ll see later.) But money is not the only issue of importance for millennials—who are now reaching partnership age—or those in succeeding generations. Social scientists have spent years dissecting the mystery that is the millennial generation, and this article will not pretend to solve that riddle. But most would agree, and *evidence would support*, the idea that millennials do not consider maximizing their salary to be the *sine qua non* of the recruitment process. One [study by PwC](#), for instance, found that in determining what makes an employer attractive, millennials prioritize opportunity for growth over income.

As young lawyers turn their attention to issues beyond salary, the relative lack of leverage at midsize firms, and the rate flexibility that they enjoy, begin to look very much like structural advantages rather than disadvantages. This is true in recruiting both associates and partners.

Traditionally, associates coming into a BigLaw firm were expected to spend long hours in obscurity working on voluminous files. They were rarely allowed access to clients or even significant time with partners. Much of this was due to the leveraged model of running a BigLaw firm. It depended on layers of associates churning out billable hours.

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Midsized firms have fewer bodies to get the job done, and with less leverage, a more urgent need to groom current associates to become future leaders. Associates at midsized firms work much more closely with partners and clients from an early stage in their careers. They are also given more responsibility, both on client matters and in developing business. It is common for midsized firms to allow associates to originate business and enjoy corresponding financial rewards, for instance, while at most larger firms, only partners can originate business. Under these circumstances, it's easy for a midsized firm to argue that it offers more growth opportunities than a larger one.

Midsized firms also have advantages in recruiting partners, many stemming from midsized firms' flexible rate structures. That flexibility often gives partners considerable latitude to price their practice as they (and their clients) would like. It also gives them the flexibility to take on small, introductory matters in order to establish a client relationship that they might not be allowed to pursue at a larger firm.

These opportunities for personal development only add to the other, more obvious lifestyle advantages of working in a smaller environment. At a small firm, the culture can be less formal, less hierarchical, and more familiar than even the friendliest large firm. It is simply the nature of organizations.

The Money Question

Even the issue of salary is not as clear-cut as it may seem. It's true that a narrowing number of large firms offer the highest starting salaries, and may also have the tallest ceilings on partner compensation. But in the up-or-out model of today's law firms, associates at large firms are competing for a smaller pool of partner positions. Is it more attractive to make top dollar for a few years while competing for a lottery-ticket partnership, or to make slightly less while being groomed for a more likely partner position?

Individual lawyers have to answer that question for themselves. For some, the fact that they receive a better opportunity to develop their talent at a smaller firm will be the difference. More than a third of the partners at my midsized firm have books of business exceeding \$1 million, and nearly 20% have

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books exceeding \$2 million—a testament to how effective midsize firms can be in developing business development talent.

Of course, the desires of any talent pool will change from generation to generation. But I cannot remember a time when midsize firms have been better positioned to satisfy the needs of young lawyers and entrepreneurial-minded lateral partner candidates. Right now, there is an opportunity for midsize firms to recruit lawyers who will contribute enormously to whatever firm they join. The key is to seize the moment. Talented law school graduates, associates, and partners are looking. It's up to midsize firms to show them what we offer.

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