

ABOVE THE LAW

Recruitment ROI: A Data-Driven Look At Law Firm Hiring Success



How might law firms quantify “success” in recruiting talent?

What if law firms brought the same analytical rigor to the crucial enterprise of hiring and retaining their lawyers that they do, for example, to formulating litigation strategy?

Together with our friends at Leopard Solutions, we selected a group of 10 law firms for a close examination of their recruitment “return on investment.” Leveraging the market’s most comprehensive database, we examine these firms’ recruitment success (or lack thereof) across an array of attorney categories and analyzing variables.

- Chapman and Cutler LLP
- Cozen O’Connor P.C.
- Curtis, Mallet-Prevost, Colt & Mosle LLP
- Day Pitney LLP
- Finnegan Henderson Farabow Garrett & Dunner LLP
- Goodwin Procter LLP
- Gray Robinson, P.A.
- Lowenstein Sandler LLP
- O’Melveny & Myers LLP
- Shearman & Sterling LLP

The four recruitment categories are:

- New Associates
- Lateral Counsel
- Lateral Associates
- Lateral Partners

Any plausible objective metric for “success” in law firm recruiting must connect to rate of retention. (And of course any such metric in the complex and variable human capital context is wide open to criticism.) Therefore (and nevertheless), the assumption underlying our “success metric” is that law firm recruitment ROI manifests three years after hiring.* This reflects the broadly—though hardly universally—accepted notion that, for large law firms, investment in onboarding, equipping, training, and otherwise developing new hires tends to begin to pay off after about three years.

Clearly, law firms’ mileage in this regard will vary, what with the variety of lateral partners’ portable books of business, but the three-year success metric allows us to make defensibly meaningful comparisons among firms. As for the case of lateral partners—where these assessments are least certain—it at least seems unlikely that any firm would consider a departure within three years a desirable outcome.

The selection of our 10 firms was not quite random. We aimed to assemble a group that exhibited a wide range of outcomes within the four recruitment categories and yet, when taken as a whole, hews close to the *overall* average performance of the largest 200 U.S. firms. Thus providing something like a fractal view of the Biglaw recruitment and retention status quo.

The group of firms, all drawn from the 200 or so largest U.S. firms, range in size from about 100 to more than 1,000 *U.S.-based* attorneys.** Nine out of the 10 are “full service” shops; one is an IP specialist. Since we are at the start of Q2 2019 and are using a three-year “success metric,” the attorneys under consideration for our purposes were hired between 2013 and 2015.

In addition to comparing the firms’ recruitment ROI performance across the aforementioned categories, we will also share insights from the data on each individual firm concerning the interplay between recruitment ROI and:

- Promotion Rate
- Gender
- Law School
- Practice Area

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*The Leopard Solutions data can be analyzed using a success metric tailored to any time period of the user’s choosing.

**Most of this group of firms have offices outside the United States. Attorneys based abroad were not factored into our analysis.

RECRUITMENT ROI

New Associates (Hired from 2013 to 2015) All Top 200 Firms Mean Success Rate: **53.18%**

They came from law school. Or maybe a clerkship. Most of the firms hoped they'll stick around for a while, but not *too long*. Some level of associate attrition is built right into the firm business model, but success rates for our firms range from Cozen O'Connor, with a more than two-thirds success rate, to below 40% for three of our firms.

	ENTERED	EXIT	STAYED	SUCCESS
Cozen O Connor	58	19	39	67.24%
Goodwin Procter	186	65	121	65.05%
O'Melveny & Myers LLP	205	91	114	55.61%
Finnegan Henderson Farabow Garrett & Dunner LLP	96	43	53	55.21%
Day Pitney LLP	29	13	16	55.17%
Chapman and Cutler LLP	33	16	17	51.52%
Gray Robinson	22	11	11	50.00%
Shearman & Sterling LLP	111	68	43	38.74%
Lowenstein Sandler	70	44	26	37.14%
Curtis, Mallet-Prevost, Colt & Mosle LLP	33	21	12	36.36%

RECRUITMENT ROI

Lateral Associates (Hired from 2013 to 2015) All Top 200 Firms Mean Success Rate: **52.84%**

A wider spread in the Lateral Associate category, with Gray Robinson and Curtis, Mallet on top with a remarkable 80% success rate and Finnegan with a low yield of 30%, albeit with a relatively and proportionally modest number of laterals.

	ENTERED	EXIT	STAYED	SUCCESS
Gray Robinson	20	4	16	80%
Curtis, Mallet-Prevost, Colt & Mosle LLP	5	1	4	80%
Chapman and Cutler LLP	15	4	11	73.33%
O'Melveny & Myers LLP	38	13	25	65.79%
Cozen O Connor	54	23	31	57.41%
Goodwin Procter	171	84	87	50.88%
Shearman & Sterling LLP	94	49	45	47.87%
Lowenstein Sandler	53	29	24	45.28%
Day Pitney LLP	42	23	19	45.24%
Finnegan Henderson Farabow	10	7	3	30%

RECRUITMENT ROI

Lateral Partners (Hired from 2013 to 2015) Top 200 Firms Mean Success Rate: **76.71%**

The average law firm success rate of 76.71% with Lateral Partner hires is markedly higher than that for both new and Lateral Associates. In the case of Shearman & Sterling, all 19 Lateral Partners brought on between 2013 and 2015 remained with the firm for at least 3 years. Finnegan Henderson, by contrast, did not hire any Lateral Partners during the same period.

	ENTERED	EXIT	STAYED	SUCCESS
Curtis, Mallet-Prevost, Colt & Mosle LLP	1	0	1	100%
Shearman & Sterling LLP	19	0	19	100%
Chapman and Cutler LLP	22	1	21	95.45%
O'Melveny & Myers LLP	21	1	20	95.24%
Lowenstein Sandler	14	2	12	85.71%
Goodwin Procter	34	5	29	85.29%
Gray Robinson	32	7	25	78.13%
Cozen O Connor	79	18	61	77.22%
Day Pitney LLP	17	6	11	64.71%
Finnegan Henderson Farabow Garrett & Dunner LLP	0	0	0	0%

RECRUITMENT ROI

**Lateral Counsel (Hired from 2013 to 2015)
All Top 200 Firms Mean Success Rate:
61.98%**

	ENTERED	EXIT	STAYED	SUCCESS
Chapman and Cutler LLP	6	1	5	83.33%
O'Melveny & Myers LLP	15	3	12	80%
Goodwin Procter	18	4	14	77.78%
Gray Robinson	12	4	8	66.67%
Day Pitney LLP	16	7	9	56.25%
Cozen O Connor	9	4	5	55.56%
Lowenstein Sandler	22	10	12	54.55%
Finnegan Henderson Farabow Garrett & Dunner LLP	2	1	1	50%
Shearman & Sterling LLP	12	6	6	50%
Curtis, Mallet-Prevost, Colt & Mosle LLP	2	2	0	0%

RECRUITMENT ROI

ALL LATERALS (Hired from 2013 to 2015)
Top 200 Firms Mean Success Rate:
60.06%

	ENTERED	EXIT	STAYED	SUCCESS
Chapman and Cutler LLP	43	6	37	86.05%
Gray Robinson	64	15	49	76.56%
O'Melveny & Myers LLP	74	17	57	77.03%
Cozen O Connor	142	45	97	68.31%
Curtis, Mallet-Prevost, Colt & Mosle LLP	8	3	5	62.50%
Goodwin Procter	223	93	130	58.30%
Shearman & Sterling LLP	125	55	70	56%
Lowenstein Sandler	89	41	48	53.93%
Day Pitney LLP	75	36	39	52%
Finnegan Henderson Farabow Garrett & Dunner LLP	12	8	4	33.33%

FIRM RETENTION BY MARKET

The most common markets for law firm offices in our sample set are listed below—in descending order of size—with the average successful retention rate differentiated by entry-level new hires and lateral hires.

CITY/MARKET	AVERAGE SUCCESS ASSOCIATE NEW HIRES	AVERAGE SUCCESS LAT ASSOCIATES	AVERAGE SUCCESS LAT PARTNERS	AVERAGE SUCCESS LAT COUNSELS	AVERAGE NUMBER OVERALL
New York, NY	47%	47%	85%	62%	57.99%
Washington, DC	62%	58%	79%	78%	70.67%
Los Angeles, CA	59%	40%	89%	80%	62%
San Francisco, CA	50%	51%	100%	100%	65.31%
Chicago, IL	59%	75%	86%	67%	79.32%
Boston, MA	69%	57%	100%	67%	62.16%
Philadelphia, PA	81%	78%	80%	50%	76.19%

New York City, the home of the largest average office headcount, exhibits the lowest success rate for both laterals and new hires. Chicago saw the highest success rate for new hires, while Philadelphia led the all major markets for laterals.

FIRM RETENTION BY MARKET

New Hire Associates by Office: Selected Individual Firms

NEW YORK CITY, NY

(average success for new hires is 47%)

34%

Curtis,
Mallet

39%

Shearman
& Sterling

47%

Lowenstein

50%

O'Melveny

71%

Goodwin
Procter

WASHINGTON, DC

(average success for new hires is 62.41%)

60%

Finnegan
Henderson

62%

Goodwin

69%

O'Melveny

LOS ANGELES, CA

61%

O'Melveny

SAN FRANCISCO, CA

(average success for new hires is 50%)

50%

O'Melveny

57%

Goodwin

50%

Shearman

CHICAGO, IL

57%

Chapman

BOSTON, MA

68%

Goodwin

PHILADELPHIA, PA

81%

Cozen
O'Connor

FIRM RETENTION BY MARKET

Lateral Hires by Office: Selected Individual Firms

NEW YORK CITY, NY

(average success rate for lateral attorneys is 58%)



WASHINGTON, DC

(average success rate for lateral attorneys is 71%)



LOS ANGELES, CA

SAN FRANCISCO, CA

(average success rate
for lateral attorneys is 65%)



CHICAGO, IL

91%
Chapman

59%
Associates

BOSTON, MA

(average success rate
for lateral attorneys is 62%)



PHILADELPHIA, PA

80%
Cozen

75%
Associates

DC, Los Angeles, Boston and Philadelphia are the only locations where new hires were more successful than lateral hires. The success for Associates in New York was even between new hires and laterals.

PROMOTION DATA BY FIRM: 2013-2015 HIRING

Our data contains objective data points concerning new hires and laterals who entered the firms. The promotion % detailed simply represents the % of all eligible lateral attorneys who were promoted to partner or counsel within the firm.

Yet of course every lawyer's career path is its own unique story. The underlying, specific reasons for every promotion to partnership (or much more commonly, not) is some unknowable admixture of performance, cultural fit, market forces, luck, and so much more. We offer no hypotheses to explain why some associates leave, while others stay; or why one or two are promoted over the many others.

For example, Lowenstein Sandler has a relatively high rate of promoting lateral associates to partnership, and the highest overall % of promotion to partner of all the firms, and they are also one of the firms with the fewest lateral partners hired.

So questions such as “Does Lowenstein negotiate promotion within a fixed (i.e. 3-year) time frame with lateral associate candidates?” or “Does Lowenstein have an explicit organizational commitment to promotion from within?” are necessarily left unaddressed.

PROMOTION DATA BY FIRM: 2013-2015 HIRING

Individual Firm Promotion Trends

O'Melveny & Myers

- New hires were not promoted to partner, but 52 'new' hires, 25.24% (out of 206) were promoted to counsel. 45 of this number were promoted in 2019.
- Promoted 35.14% (26 attorneys) of its 74 laterals hired during 2013-2015 to counsel.
- While the firm did not hire as many laterals as did new hires, laterals have a higher percentage of promotion to counsel.
- 3 lateral associates were promoted to partner, 4.05%

Shearman & Sterling

- Of the 125 lateral hires, 4 (3.20%) were promoted to partner and 3 (2.05%) were promoted to counsel.

Lowenstein Sandler

- 73 new hires, 4 (5.48%) of which were promoted to counsel.
- 26 Lateral associates promoted to counsel (29.21%) and 7 promoted to partner (7.87%).

Goodwin

- Had the 2nd largest class of new hire associates with 186 hired during the relevant period with 1 promoted to counsel.
- Has a large lateral recruitment class with 223 laterals hired during the period; of which 8 (3.59%) were promoted to counsel and 17 (7.62%) promoted to partner.

Day Pitney

- Of the 75 laterals hired, 6 (8%) were promoted to counsel and 5 (6.67%) were promoted to counsel.

Chapman & Cutler

- Of the 43 laterals, 1 was promoted to counsel (2.33%) and 4 were promoted to partner (9.30%).

Cozen O'Connor

- Hired 58 new entry associates of which 1 (1.72%) was promoted to counsel.
- During the same period, the firm hired 145 laterals of which 19 (13.38%) were promoted to partner.

Finnegan Henderson

- Hired 12 laterals and only 1 (8.33%) was promoted to partner within the period.

Gray Robinson

- Made 64 lateral hires of which 4 (6.25%) were promoted to counsel and 11 (17.19%) were promoted to partner.

Curtis Mallet

- Hired 8 laterals, only 2 (25%) were promoted to counsel.

RECRUITMENT ROI BY PRACTICE AREA, LAW SCHOOL, AND GENDER: SELECTED FINDINGS FOR INDIVIDUAL FIRMS

Chapman & Cutler

- 80% of the firm's lateral associate hires were women.
- Firm's Banking group is 32% of firm headcount. Laterals to the Banking group registered a 83.33% success score, whereas new hires in the same group saw only a 31.25% score.
- Hiring was scattered among many law schools for lateral hires.
- For their new hires, the largest number were from Indiana (71.43% success), followed by Michigan (25%) and Northwestern with just 3 hires and 33.33% success rate.
- Their partner success score was extremely high at 95.45%, but without a discernible school pattern.

Cozen O'Connor

- Lateral associate hiring showed an exact 50/50 gender split, with the men having a slightly higher success rate.
- Their lateral hires were also spread out by school.
- Their new associate hires drew heavily from Temple (70% success score) and significantly from Villanova (87.50%).
- Litigation is the firm's largest area of practice. New hires to the litigation group (68%) did better than the laterals (58.33%).
- Lateral partners had 90% score in the corporate department and only 78% in litigation.

Curtis Mallet

- 50% of the firm's headcount work in litigation. The firm hired very few laterals overall, and only 2 litigators (100% success score).
- The firm hired 15 new associates for the litigation group with a 53% success score.
- Corporate fared worse for the new hires, with just a 38.46% score.
- For new associate hires, 7 hires came from NYU, with a low success rate of 42.86%. The next most represented school was St. John's with 4 hires, but a zero success rate.

Lowenstein Sandler

- For lateral associates, the firm hired 60% men and 40% women. Women laterals outpaced men 53% to 42% in terms of retention rate.
- The most represented law school was Seton Hall, with 11 new hires, yet had just a 36% success score. Seton Hall laterals (4) had just a 50% success score.
- 51% of lateral associate hired joined the corporate group, but only a 40.74% success rate. New hires to the corporate group fared worse, with a 32.50% successful retention rate.
- The firm's second most active practice area in hiring lateral associates was IP, which exhibited a robust 61.54% success rate. But the new hires didn't do so well. The firm brought in 7 new hires for IP with 28.57% success.

RECRUITMENT ROI BY PRACTICE AREA, LAW SCHOOL, AND GENDER: SELECTED FINDINGS FOR INDIVIDUAL FIRMS

Day Pitney

- Litigation is the largest group, and saw 15 lateral litigators come in but with only a 46.67% success rate.
- The firm hired 16 new associates for litigation with a 50% success rate.
- Trust and Estates was the next largest practice group for hiring with a 43% success for laterals and 100% for new hires (albeit only 2 in the practice area).
- Lateral partner recruitment was spread out among practices with a group of 5 in Real Estate with an 80% success score and Trust and Estates had 3 lateral partners with 100% success.
- The firm hired 4 laterals each from Columbia, Connecticut and Fordham with poor results.
- The new hires from Connecticut did 16% better than associate laterals from that school.

Finnegan

- Hired many more new hires than laterals, and enjoyed a higher rate of success.
- Hired 17 new hires from GWU and 3 laterals. The laterals saw 0% success, while the new hires saw 64.71%.
- Obviously, Finnegan focused primarily on IP for both new and lateral hires. 8 lateral IP associates entered, however 7 exited leaving them with only a 12.5% success rate.
- The firm took on 90 new IP hires, with a success rate of 53.33%.

Goodwin

- 12 laterals from Boston College, and 21 new hires from the same school. They had a success score of 58.33% with laterals but a whopping 90.48% from the new hires.
- Overall, new hires performed almost 15% better than the lateral hires.
- Lateral partner hiring did very well with 85.29% success.
- Corporate had 122 laterals come in, 64 exited with a success rate of 47.54%.
- 17 lateral IP associates entered, with a 70.59% success—far higher than the average success rate of all lateral associates in the firm.
- Likewise, real estate is a successful practice area with 14 lateral associates with a 57.14% successful retention.
- Goodwin hired new associates in two main areas, IP (87 new hires) and litigation (88 new hires); both with success rates in the 60th percentile.

Gray Robinson

- Gray hired lateral and new associates pretty evenly, with 20 laterals and 23 new hires.
- The firm's laterals outpaced the new hires by a wide margin. 80% success with laterals and just 49% in new hires.
- The largest concentration of lateral associates were hired into the litigation practice area with an 83.33 percent success rate.
- On the other hand, new hires in litigation only saw 53.85% success.

RECRUITMENT ROI BY PRACTICE AREA, LAW SCHOOL, AND GENDER: SELECTED FINDINGS FOR INDIVIDUAL FIRMS

O'Melveny & Myers

- Hired 18 new hires from Harvard and saw a robust 77.78% success rate. UCLA was not far behind with 72.22% success.
- However, the 14 Stanford new hires only had a 35.71% success score. Virginia is usually a top scoring school here, but only had a 28.57% success score for new hires during the relevant period.
- Strong lateral partner recruitment, boasting a 95.24% success rate.
- During the relevant period, 38 associates lateraled in from other firms—mostly in 3 main practice areas: 12 in corporate with a 66.67% success; 10 in IP with a 70% success rate and 11 lateral associates in litigation but only a 54.55% success rate.
- The firm hired 205 new associates. 149 went into Litigation. 58 of the new hires in litigation exited leaving the practice area a 61.07% success rate— higher however, than the firm's overall average of 55.61%.
- The next largest group of new hires, 51, entered the corporate practice area but they performed poorly with only 37.25% success.

Shearman & Sterling

- Below average Associate lateral numbers (47.87%), outstanding partner numbers (100%!!).
- Low scores for new associate success at 38.74%.
- The firm hired 10 from Penn and only 3 remained giving them a 30% score. Penn associate laterals (only 3) had a 100% score.
- Columbia had a decent lateral score with 53.85% for associates, and a extremely low new hire score of 12.5%.
- This flips for NYU—here lateral associates from NYU had a 37.50% retention rate, but their new hires had a 75% success.
- The firm hired 94 lateral associates with 38 going into corporate practice and only a 34.21% success, the next chunk of lateral associates, 21, went into the litigation practice but fared much better than their corporate colleagues (52.38%).
- Of the 111 new hires, 56 went to corporate with a 37.50% success rate and 44 went into the litigation practice and have a 45.45% success rate.
- Partner hiring was more scattered and they have a 100% success rate in all practice areas.

ATL/LEOPARD RECRUITMENT ROI REPORTS

Our reports offer law firms a new analytical framework to measure hiring success, benchmark competitors, and inform recruitment strategy. Powered by the market's most comprehensive database, our Recruitment ROI Reports measure success across an array of attorney categories and analyzing variables. Not only do the Reports offer the firms a new perspective on their own recruitment trends, but also those of a customized set of competitive firms. Reports break down the competitive set of firms' recruitment ROI by position (associate, partner, new hire, lateral), practice area, law school, geographic market, and many other data points. Further, these Reports allow the user to define their own success metric for retention.

For more information, please call (800) 718-8553.