

**NEW YORK CITY BAR ASSOCIATION**  
**COMMITTEE TO ENHANCE DIVERSITY IN THE PROFESSION**

**PRELIMINARY PROPOSALS ON**  
**LATERAL HIRING**

**LATERAL HIRING SUB-COMMITTEE**  
**WORKING GROUP SESSION**

**JANUARY 24, 2007**

MEMBERS OF THE SUB-COMMITTEE ON LATERAL HIRING OF THE  
COMMITTEE TO ENHANCE DIVERSITY IN THE PROFESSION

NEW YORK CITY BAR ASSOCIATION

Meredith Moore - Director, Office for Diversity, New York City Bar Association  
Joan M. Perryman - Chair, Sub-Committee on Lateral Hiring  
Susan J. Kohlmann - Co-chair, Committee to Enhance Diversity in the Profession  
Susan R. Galligan  
Anne C. Weisberg  
Roland Dumas

## **INTRODUCTION**

Law firms that have signed on to the New York City Bar Association's Statement of Diversity Principles ("Signatory Law Firms") have achieved significant diversity in past years, but this diversity is concentrated in the entry-level classes. Achieving diversity among first-year associates is relatively simple because more than 25 percent of the 2005 graduating class at top 20 law schools was made up of racial/ethnic minorities.<sup>1</sup> Recruiting at Signatory Law Firms matched the available pool of talent and minorities represented 26 percent of the 2005 incoming class at the firms. The incoming class was made up of 15 percent women of color, 11 percent men of color, 43 percent white men and 31 percent white women.<sup>2</sup>

However, 30 percent of associates of color left Signatory Law Firms in 2005. The rate of attrition for women of color is the highest attrition rate for any group of associates. Furthermore, according to NALP, 81 percent of women of color left their firms within five (5) years.<sup>3</sup> Although NALP reports that, consistent with similar increases in prior years, lateral associate hiring in New York City increased 39 percent in 2005, with a similar increase of 19 percent nationwide,<sup>4</sup> at Signatory Law Firms, this increasing trend is not reflected among associates of color. We do not currently have benchmarking statistics for lateral associate hires, but we do know that data on the remaining associates by class year suggests that for almost all of the Signatory Law Firms, lateral associate hiring does not match either the proportion of African American and Hispanic associates lost through attrition, or the original racial composition of the entering class. Thus, the high turnover rate results in a leaky pipeline with few racial/ethnic minorities in the remaining pre-partner pool.

---

<sup>1</sup> These figures were calculated using the 2006 US News and World Report Law School Rankings.

<sup>2</sup> New York City Bar Association, *Law Firm Diversity Benchmarking Report*, 2006.

<sup>3</sup> National Association of Legal Placement, *Toward Effective Management of Associate Mobility: A Status Report on Attrition*, 2005.

<sup>4</sup> National Association of Legal Placement, *Lateral Hiring Continues at a Strong Pace*, March 2006.

Lateral hiring at the partner level is also on an increasing trend but again, this trend is not reflected in the hiring of racial/ethnic minority partners at Signatory Law Firms. Nearly half of the new partners at Signatory Law Firms (47%) joined the partnership through lateral hires rather than through internal partner promotions.<sup>5</sup> Of the lateral partner hires in 2005, more than 75 percent were white men and almost 20 percent were white women.<sup>6</sup> Thus, the hiring rate for attorneys of color at Signatory Law Firms ranges from more than 25 percent for entry-level classes to less than 5 percent at the partner level. Moreover, from 2004 to 2006, the percentage of minority lateral partner hires declined from 5.5 percent to 3.2 percent, and less than 1 percent of lateral partner hires were women of color.<sup>7</sup>

In December 2006, the Sub-Committee on Lateral Hiring of the Committee to Enhance Diversity in the Profession held separate roundtable discussions with hiring partners of Signatory Law Firms, and with representatives of legal recruiting firms to discuss diversity in lateral hiring. As a follow up to these roundtable discussions, we have formulated a series of preliminary proposals that we believe will shed light on some of the core issues and at the very least, generate sufficient discussion to enable us to move to the next level. In part, these proposals suggest new ways of sourcing and attracting lateral attorneys of color to replace the talent lost through attrition, aim to raise the priority level of lateral hires to that of entry-level classes, and ultimately seek to ensure continued diversity at all levels of the firm.

Because of obvious distinctions in the dynamics underlying associate and partner hiring, we have divided this document into three sections. The first section contains general proposals relevant to both partners and associates, the second section contains proposals specific to associates, and the third section contains proposals specific to partners. We recognize that a few

---

<sup>5</sup> New York City Bar Association, *Law Firm Diversity Benchmarking Report*, 2006.

<sup>6</sup> Id.

<sup>7</sup> Id.

of the proposals specific to associates (such as the quality of assignments), may appear to be relevant to retention issues; however, we believe that a firm's ability to attract lateral associates of color may be directly related to the workplace experiences of the firm's past and current associates of color.

We reiterate that the proposals are preliminary, and are offered to help stimulate discussion and change and enable us, individually and collectively, to formulate concrete programs to address diversity in lateral hiring. We trust that Signatory Law Firms will find at least some of the preliminary proposals supportive of their lateral diversity efforts.

Finally, while the proposals represent the general consensus of the Sub-Committee, each proposal does not necessarily reflect the individual views of each member of the Sub-Committee, nor does it necessarily reflect the views of the institutions with which they are affiliated.

## **GENERAL RECOMMENDATIONS**

### **I. EXAMINE AND SET GOALS FOR DIVERSITY IN LATERAL HIRING.**

Review firm's diversity principles and their applicability to lateral hiring.

Track and analyze diversity of lateral hires over the past three to five years and the departments or practice groups into which they were hired, and compare by demographic group to attrition patterns and entry level hiring.

Examine representative lateral hires within the last year to understand how the firm may inject diversity into the lateral hiring process.

Assess lateral hiring practices overall and by practice group to understand why some practice groups may experience greater success in hiring diverse candidates, and implement any successful methods firm-wide.

Determine whether and to what extent the problem is not having a diverse slate of candidates, the qualifications of the diverse candidates you receive, or the diverse candidates receive offers but do not accept the positions, and implement remedial measures specific to the problem.

Create lateral diversity goals through discussion with practice group leaders, responsible partners, hiring committees, and firm management.

Consider incentives for practice group leaders and responsible partners who increase racial/ethnic diversity in lateral hiring.

## **II. RESTRUCTURE THE EVALUATION PROCESS FOR DIVERSE CANDIDATES.**

Involve the firm's Diversity Professional and/or Diversity Committee in the sourcing, evaluation, interviewing and hiring of attorneys of color.

Include the Diversity Professional or members of the Diversity Committee as an alternative direct contact person for attorneys of color who may be interested in the firm, or for recruiting firms seeking to place attorneys of color.

Reexamine any assumptions about credentials, particularly to the extent minority candidates have similar educational and professional qualifications as other attorneys currently at the firm.

## **LATERAL ASSOCIATES**

### **I. CREATE NEW WAYS TO SOURCE LATERAL ASSOCIATES OF COLOR.**

Ensure that to the extent possible, the entire firm is aware of any potential openings at the firm for associates with specific skills and practice areas.

Consider bonuses or incentives for attorneys and staff who recommend any attorney who is subsequently hired.

Encourage current attorneys (particularly racial/ethnic minorities), and firm alumni networks, to tap their networks for potential lateral hires.

Discuss with clients your goals to diversify lateral attorney hires. Is there a way clients can be helpful in this regard?

Utilize law school placement offices and law school alumni networks and encourage attorneys of color within the firm to participate in alumni groups, bar associations and professional organizations.

Encourage practice groups to determine their hiring needs in advance, if possible, to allow sufficient time to fully evaluate candidates, and avoid making time-pressured decisions.

Formally and in writing request that each recruiting firm you use commit to seeking a diverse slate of qualified candidates for all searches for the firm. Meet with recruiting firms where appropriate and give preference to firms that commit to cultivating more diverse candidates and that actually do present a diverse group of candidates for each position.

## **II. MAKE THE FIRM AN ATTRACTIVE CHOICE FOR LATERAL CANDIDATES.**

Use exit interviews (preferably by an outside consultant) to obtain information about what's working, what's not working and how diversity initiatives can be improved.

Encourage associates of color to join intellectually challenging departments or practices such as mergers and acquisitions, private equity, securities, antitrust, commercial real estate, tax, intellectual property, first amendment, and complex commercial litigation. This ultimately will increase the availability of associates of color with unique skill sets.

If appropriate, permit young associates of color to rotate or to switch to a different practice area if one area appears not to coalesce with their specific talents and interests.

Recognize the proper training of young associates, including associates of color, as a professional obligation of the firm that will benefit the profession as a whole, while increasing the pool of well-trained potential laterals, to the benefit of all.

If your firm employs staff attorneys, examine whether attorneys of color are disproportionately represented at that level, and if so, why.

Implement a zero tolerance policy in regard to racially offensive and discriminatory comments and practices.

## **III. STREAMLINE THE ONBOARDING PROCESS FOR LATERAL ASSOCIATES.**

Consider hosting quarterly or semi-annual orientation sessions for lateral associates.

Assign or encourage laterals to have peer and senior mentors where appropriate.

Introduce laterals to any pertinent affinity groups within the firm.

Assess the effectiveness of the firm's associate evaluation process.

## **LATERAL PARTNERS**

### **I. REVIEW THE HIRING STANDARDS AND PRACTICES RELEVANT TO PROSPECTIVE LATERAL MINORITY PARTNERS.**

Examine the credentials of lateral partner hires over the past five years, including their areas of expertise, stated book of business, contacts and/or business plan to establish a framework for the evaluation of lateral minority candidates.

Examine, if possible, the reasons that lateral candidates were rejected or extended offers.

Consider attorneys of color from government and corporate positions, or from small firms and solo practices for lateral partnership positions.

Include a representative of the Diversity Committee on the lateral partner selection committee or in the lateral partner hiring process.

Review with practice group leaders the firm's diversity goals for lateral partner hiring.

Review with recruiting firms the firm's diversity goals for lateral partner hiring and give preference to firms that fully support the firm's diversity initiatives.

### **II. INTEGRATE LATERAL MINORITY PARTNERS INTO THE FIRM STRUCTURE.**

Create a process for assimilating lateral partners into the fabric of the firm.

Create a plan to integrate and promote the attorney and their unique skills and practice areas within and outside of the firm, consistent with firm protocol.

Communicate to non-equity partners and counsel the requirements for promotion to equity partnership, and ensure that all candidates have similar opportunities to become equity partners, irrespective of race or ethnicity.