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## Bonuses Aren't A Golden Ticket To Associate Retention

By **Aebra Coe**

Law360 (April 8, 2021, 12:05 PM EDT) -- A growing number of large law firms are distributing special bonuses to associates this year as competition for lateral talent has reached a frenzy, but recruiters say some firms may be shooting themselves in the foot relying too heavily on wads of cash to aid in recruiting and retention.

There's no denying the importance to many large law firm associates of adequate monetary compensation for the work they put in. This is especially true this year as legal work has picked up and firms scramble to hire additional associates to meet the demand, leaving many of those currently on staff straining under heavy workloads.

Recruiters and other industry experts say that the competitive market for talent, as well as a desire to retain exhausted or burned-out lawyers, has been driving the special bonuses, which have now been announced by more than 50 law firms.

The strategic decision to match peer firms on bonuses to avoid attrition makes sense, generally, but no amount of money can keep an associate at a firm if their quality of life is being chipped away by long work hours or they simply no longer want to be there, said Kathryn Holt Richardson, founder of HR Legal Search.

One thing the pandemic seems to have prompted on a fairly large scale is a good deal of soul searching on the part of professionals everywhere, including lawyers, reexamining what they want from their careers and their lives, Richardson said.

In certain cases that means attrition on a wider scale, with movement of some associates out of BigLaw altogether into smaller law firms, in-house legal departments, government, alternative legal service providers or to careers outside of the law.

That movement places additional pressure on law firms when it comes to retention as the number of employers they're competing with for talent snowballs.

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Kathryn Holt Richardson

HR Legal Search

"I'm not talking to a lot of associates who are going after every last dime," Richardson said. "Most of the people I've placed were going to be making more at their new firm, but it wasn't what they focused on."

Instead, she said, associates wanted to know: How well does the firm treat their associates? What kind of training and development is offered? What is the culture like? What do workflows look like? Can I work from home in the future?

"As far as special bonuses and the firms that aren't matching those, I think if they can articulate other ways in which they're supporting their attorneys it's obviously in their best interests," she said. "The firms that are not part of the bonus frenzy might have a different story to tell. That might be fiscal responsibility, it might be allocation of funds to technology, training or wellness."

Some law firms declining to join in on the special bonuses are responding to pressure from clients who see rates going up and feel as if they are bankrolling bonuses, according to Barbara Mayden, co-founder of legal recruiter Young Mayden LLC.

"It's hard to justify the enormous rates these firms charge when firm associates are being thrown money in an arms race," Mayden said.

Instead, she suggested, clients tend to appreciate a message coming from law firms of fiscal responsibility, and that message is not lost on current and prospective associates either.

"Many [associates] are looking at how businesslike the firm is and whether they are treating people fairly," Mayden said.

Perhaps a better barometer of that than bonuses is how the firms treated their people during the early days of the pandemic, she said: Did partners take a hit along with associates? Was the law firm transparent about its finances and decisions?

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Barbara Mayden

Young Mayden Legal Search

"It's a real window into the true culture of a firm," she said, "not whether they're matching someone else's bonus, but whether they treated people with respect when things were bad. It's easy to toss money at people when things are good."

Mayden said the Nashville legal market and housing market where she lives has "gone nuts," with young professionals leaving New York and other major metro areas and moving to smaller cities after rethinking where they want to be amid the pandemic.

That's not something a bonus would necessarily prevent, especially if an associate can "take the money and run," leaving after the bonus is in hand, she said.

Still, in some cases, a firm's decision to decline handing out special bonuses could create a real impetus for associates to leave, according to Michelle Fivel, a partner at recruiting firm Major Lindsey & Africa.

Fivel said she has spoken to partners and associates who say they are working harder than they ever have before, with some on pace to bill 3,000 hours this year.

While there are many associates out there who may choose lighter work hours or better work-life balance over a hefty paycheck, it's the attorneys already putting in those long hours firms need to worry about when it comes to retention if they decline to offer bonuses, Fivel said.

"It's the associate sitting inside a firm working just as hard as the associate down the street but making less money that starts to feel discontent," she said.

Kinney Recruiting LLC President Robert Kinney said he has heard from a number of law firm leaders who are worried they will lose talent if they fail to join the bonus bandwagon. But Kinney said he often advises those firms to take a third option: offer bonuses only to top talent that either has put in a significant amount of work or is at risk of being picked off by the competition.

"I think even the ones that aren't willing to spend the money to match for everybody, they're equally concerned about retention and are paying where it's necessary," he said. "They're looking out for

themselves by taking care of their best."

--Editing by Brian Baresch and Alyssa Miller.

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