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LIFE'S WORK

Who's Cuddly Now? Law Firms

By LISA BELKIN

IN the last two decades, as working schedules became flexible, and even accounting firms, of all places, embraced the mantra of work-life balance (at least on paper), there was one unbending, tradition-bound profession: the law.

That is why it is so remarkable to watch the legal world racing — metaphorical black robes flapping — to catch up.

Over the last few years and, most strikingly, the last few months, law firms have been forced to rethink longstanding ways of doing business, if they are to remain fully competitive.

As chronicled by my colleague Alex Williams in the Sunday Styles section earlier this month, lawyers are overworked, depressed and leaving.

Less obvious, but potentially more dramatic, are the signs that their firms are finally becoming serious about slowing the stampede for the door. So far the change — which includes taking fresh looks at the billable hour, schedules and partnership tracks — is mostly at the smaller firms. But even some of the larger, more hidebound employers are taking notice.

“There are things happening everywhere, enough to call it a movement,” said Deborah Epstein Henry, who founded Flex-Time Lawyers, a consulting firm that creates initiatives encouraging work-life balance for law firms, with an emphasis on the retention and promotion of women. “The firms don’t think of it as a movement, because it is happening in isolation, one firm at a time. But if you step back and see the whole puzzle, there is definitely real change.”

Last month, Ms. Henry’s ambitious proposal was published in the magazine *Diversity and the Bar*. Her plan, called FACTS, takes on law-firm bedrock — billable hours, which are how lawyers have calculated their fees for more than 50 years.

At nearly every large American firm, lawyers must meet a quota of hours. During the '60s and '70s, the requirement was between 1,600 and 1,800 hours a year or about 34 hours a week, not counting time for the restroom or lunch or water cooler breaks. Today that has risen to 2,000 to 2,200 hours, or roughly 42 hours a week. (Billing 40 hours a week means putting in upward of 60 at the office.)

FACTS is an acronym. Under Ms. Henry's proposal, work time can be: Fixed (allowing lawyers to choose less high-profile work for more predictable schedules), or Annualized (intense bursts of high-adrenaline work followed by relative lulls); Core (with blocks mapped out for work and for commitments like meeting children at the bus); Targeted (an agreed-upon goal of hours, set annually, customized for each worker, with compensation adjusted accordingly); and Shared (exactly as it sounds).

Ms. Henry's proposal came at the end of last year, when firms had already started backing away from the billable hour. Some have gone so far as to eliminate it. The Rosen law firm in Raleigh, N.C., one of the largest divorce firms on the East Coast, did so this year, instead charging clients a flat fee.

Similarly, Dreier, a firm with offices in New York and Los Angeles, now pays its lawyers salaries and bonuses based on revenue generation, not hours billed.

At Quarles & Brady, a firm with headquarters in Chicago, not only have billable hour requirements been eliminated, but parental leave has been expanded. Women can now take 12 weeks with pay, men 6 weeks. And that time can be divided, meaning a father can take a few weeks off when his baby is born and a few more after his wife returns to work.

Other firms are making smaller changes. Strasburger & Price, a national firm based in Dallas, announced last October that it was decreasing the hours new associates were expected to log, to 1,600 from 1,920 annually. (Lest you think those lawyers will be able to go home early, however, note that newcomers will now be asked to spend 550 hours a year in training sessions and shadowing senior lawyers.)

Howrey, a global firm in Washington, is tinkering not only with how much associates bill, but also with their pay. Traditionally starting salaries for new lawyers at large firms are all about the same, as are associates' raises each year.

Beginning this year, Howrey's starting pay, \$160,000, will match the industry average, but further increases will depend on merit, not seniority. This will allow some to reach partnership sooner and others later. It will also allow associates to work at their own pace, with the understanding that a less insane life can be had for a somewhat lower salary.

That is also the message behind changes at Chapman & Cutler, a midsize firm in Chicago, which rolled out a two-tier pay scale in September.

Associates can choose to bill 2,000 hours a year and be paid accordingly. Those who would like to see their families a little more can opt for 1,850 billable hours. Both groups will have a chance to become partner, albeit at different paces. Given the choice, more than half took the reduced schedule.

It should be noted that this is not the first moment when the profession has seemed poised for change. It has been six years since the American Bar Association issued a report calling for the end of the billable hour.

But the law moves slowly, at least when it comes to itself. While change in other fields was driven by pressure from working mothers, it took additional motivating forces for law firms to entertain the idea of reform.

“What is happening now is not just about the needs and demands of women,” said Lauren Stiller Rikleen, who directs the Bowditch Institute for Women’s Success.

Law is responding to a confluence of factors, said Ms. Rikleen, the author of “Ending the Gauntlet: Removing Barriers to Women’s Success in the Law” (Thomson Legalworks, 2006).

First, clients, reacting to spiraling legal costs, have begun insisting on flat-fee deals.

In addition, “you can’t ignore the generational piece,” Ms. Rikleen said. On one end of the spectrum are baby boomers, nearing retirement and mindful of the flexible schedules that did not exist at the start of their careers. At the other end are Gen Y workers, some nearing 30 and in want of a life.

A group of students at Stanford Law School, for instance, shook up the legal world in 2006 when they formed Law Students Building a Better Legal Profession. The Stanford group has more than 130 members, and other elite schools like Yale and New York University have formed chapters. The Stanford organization has published a ranking of firms based on how they treat employees; members vow not to work for those who don’t rate well.

Andrew Bruck, a president of the Stanford group, told the Legal Times: “Just because something always has been doesn’t mean that it always must be.”

A harbinger of changing times might well be the brief filed by the hard-driving white-shoe firm of Weil Gotshal & Manges of New York, asking a judge to reschedule hearings set for Dec. 18, 19, 20 and 27 of last year.

“Those dates are smack in the middle of our children’s winter breaks, which are sometimes the only times to be with our children,” the lawyers wrote.

The judge moved the hearings.

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