Featured White Paper

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Should I Stay or Should I Go?

by

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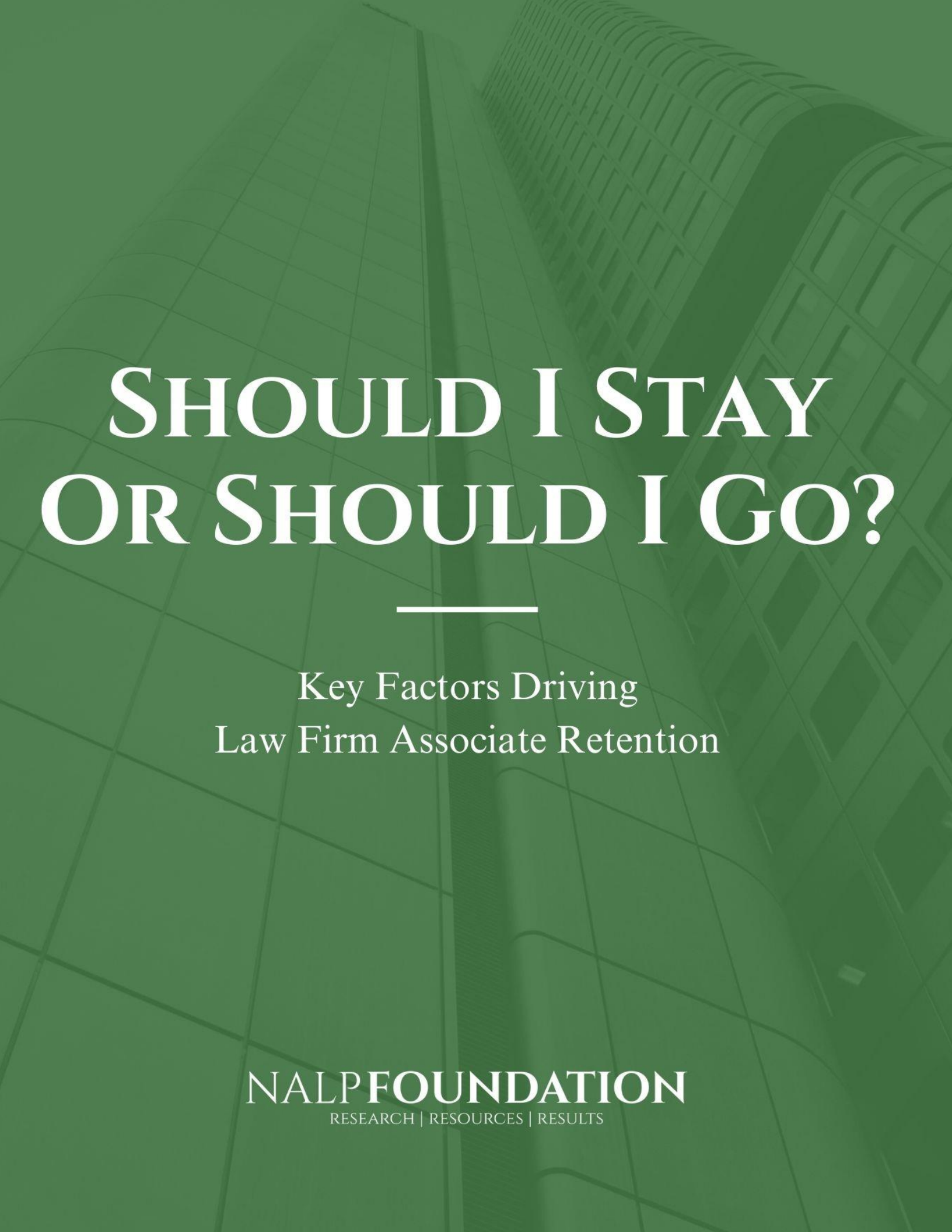

Should I Stay Or Should I Go?

Key Factors Driving Law Firm Associate Retention

NALP FOUNDATION

RESEARCH | RESOURCES | RESULTS

Should I Stay or Should I Go?

Key Factors Driving Law Firm Associate Retention

SELECTED RESULTS

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THE NALP FOUNDATION
FOR LAW CAREER RESEARCH AND EDUCATION®

Executive Summary

This groundbreaking study explores the topics law firm associates identify as key factors in their decisions whether to stay at their organizations. Between September 7 and October 13, 2023, 3,374 associates from 57 law firms ranked 15 factors by level of importance; these were grouped into five categories and reported in the following order:

Compensation, Benefits and Policies:

- Compensation
- Firm Policies
- Hybrid Work Policies
- Benefits

Work-Life Balance:

- Work-Life Balance

Professional Development and Growth:

- Career Path
- Work Allocation/Workflow Management
- Practice Area Alignment with Personal Interest
- Professional Development
- Mentoring

Company, Culture and Inclusion:

- Firm Culture/Social Ties
- Diversity, Equity and Inclusion
- Pro Bono/Community Involvement

Location and Reputation:

- Location
- Market Perception

In addition, associates assigned ratings to the 15 factors (and to sub-factors within each) *(See pp. 11-14).* Finally, associates provided narrative responses to the below four prompts, as well as to queries about their overall experience and their level of engagement:

"I have stayed at my firm because…"
"I would leave my firm if…"
What can your firm do better to engage you?
What other factors influence your tenure at the firm?

This study reports not only on the aggregate results, but analyzes the data by firm size and location, as well as by cohorts including seniority level, gender identity, and race/ethnicity, revealing important nuances and differences. The following summarizes the major study findings.

Overall Rankings

The following details the overall rankings – in descending order – for the 15 factors, color coded for those of high (blue), medium (yellow), and lower (green) importance.

Top Factors: Associates ranked these as the top five factors in their decisions to stay at their firms:

- #1 Compensation
- #2 Work-Life Balance
- #3 Career Path
- #4 Hybrid Work Policies
- #5 Firm Policies

Next Level: These five factors were rated highly, but ranked in the middle:

- #6 Firm Culture/Social Ties
- #7 Professional Development
- #8 Practice Area Alignment with Personal Interest
- #9 Benefits
- #10 Mentoring

Third Tier: Associates ranked these final five factors lower than the other factors:

- #11 Location
- #12 Work Allocation/Workflow Management
- #13 Market Perception
- #14 Diversity, Equity and Inclusion
- #15 Pro Bono/Community Involvement

Ratings for Each Factor

Associates then rated each factor and its sub-factors on a scale of 1-5 (with 5 as the most important, and 1 as the least). The following are presented in report order and grouped by category, with notable findings highlighted in each.*

Compensation, Benefits and Policies

Factor Scores (Means): Associates' scores for compensation, benefits and policies-related factors ranged widely, with associates assigning compensation the highest average score and benefits the lowest:

- Compensation (4.7)
- Firm Policies (4.3)
- Hybrid Work Policies (4.2)
- Benefits (4.0)

Compensation: Within compensation, associates rated salaries' importance (4.8) higher than bonuses (4.4). Compensation received consistently high scores across all firm sizes, as well as by seniority level, gender identity and race/ethnicity.

Firm Policies: Associates rated billable hours (4.3) and leave policies (4.2) higher than non-billable credit (4.0) and pro bono activities (3.8). Females placed greater importance on leave policies, and policies about non-billable credit and pro bono credit than did their male peers.

Hybrid Work Policies: Associates rated choice of schedule vs. a mandated one (4.2) higher than whether a set number of days in the office was required (3.8), with female associates assigning higher priority to hybrid work policies overall than their male peers.

Benefits: Within benefits, medical/dental/vision (4.1) and retirement plans (4.0) were the most valued by associates. Although overall benefits scores were lower than those of the other three factors in this group, associates' scores verified the importance of benefits.

**Note: Some of the strongest data divergences were based on race/ethnicity; we encourage readers to review these and other results in the full report for additional details.*

Work-Life Balance

Factor Scores (Mean): Associates gave this factor a high score overall (4.7).

Work-Life Balance: Work-life balance received high ratings across the board, with females placing greater value on work-life balance overall and sub-factors within than did their male peers; the scores for flexible and remote work arrangements also differed across racial/ethnic cohorts.

Professional Development and Growth

Factor Scores (Means): While scores for each of the five professional development and growth-related factors were close, career path and work allocation/workflow management were tied at the top:

- Career Path (4.4)
- Work Allocation/Workflow Management (4.4)
- Practice Area Alignment with Personal Interest (4.3)
- Professional Development (4.2)
- Mentoring (4.2)

Career Path: Within career path, opportunities for advancement/partnership (4.5) and clarity about requirements and next steps for advancement (4.4) received higher scores than did alternative career paths (3.4) and alumni program/outplacement assistance (3.0). The importance of alternative career paths increased with firm size, and varied based on gender identity, seniority and race/ethnicity.

Work Allocation/Workflow Management: Associates gave the highest scores to access to challenging/interesting work and level of autonomy/independent work (both 4.3), closely followed by informal feedback/evaluation (4.2). Work allocation systems (3.8) and formal evaluation processes (3.7) received the lowest ratings. While there were few distinctions based on firm size or seniority, there were greater differences in the scores based on race/ethnicity.

Practice Area Alignment with Personal Interest: Associates rated the ability to pursue their current practice area interests (4.3) over flexibility to shift between practice areas (3.5), with scores varying minimally across firm size and by seniority.

Professional Development: Associates rated the opportunity to develop client relationships the highest (4.2); scores declined with firm size, but increased with seniority. Within professional development, scores were lowest for formal training programs (3.6).

Mentoring: Informal mentoring (4.3) and partner mentors (4.2) received the highest ratings, while peer mentors (3.8) and formal mentoring (3.7) received the lowest scores. Sponsorship (advocacy for advancement by senior lawyers) landed in the middle (4.0), with associates' scores differing by race/ethnicity. Black or African-American associates (4.5) assigned the highest score to mentoring overall, while Middle Eastern or North African (MENA) (4.1) associates scored this factor the lowest.

Community, Culture and Inclusion

Factor Scores (Means): Associates' scores for community, culture and inclusion-related factors ranged widely, with associates giving much higher scores to firm culture/social ties than to the other two factors:

- Firm Culture/Social Ties (4.4)
- Diversity, Equity and Inclusion (3.6)
- Pro Bono/Community Involvement (3.5)

Firm Culture/Social Ties: Firm or office culture (4.4), connections with other associates (4.4), leadership transparency and accessibility (4.3), sense of belonging, (4.3), connections with partners (4.3), and accessible leadership (4.2) received all received high scores; connections with professional staff were quite a bit lower (3.7). Females consistently assigned higher ratings to this factor overall and to all seven sub-factors than did their male peers. Black or African American, Asian, and Latinx associates gave the highest scores to sense of belonging; Native American or Alaskan Native and White associates gave the highest scores to connections with other associates, and Middle Eastern or North African (MENA) associates ranked leadership transparency and accessibility highest, while Multi-racial associates gave the highest scores to firm/office culture.

Diversity, Equity and Inclusion: There was a large variation in scores across the 10 DEI sub-factors, with associates giving sense of inclusion (4.1) the highest rating, and formal DEI programs and the availability of DEI staff the lowest rating (2.8 each). Within DEI, scores varied, with junior associates, female associates, and Black or African-American associates giving DEI overall higher scores than did their peers.

Pro Bono/Community Involvement: While associates scored all five aspects of pro bono/community involvement below a 4.0, females assigned higher priority to this factor and its sub-factors than did their male peers. Credit for community involvement showed the greatest divergence based on race/ethnicity, with Black or African-American associates and Native American or Alaskan Native associates assigning higher scores to this than their peers.

Location and Reputation

Factor Scores (Means): Associates valued location over market perception:

- Location (4.3)
- Market perception (3.8)

Location: Associates placed higher value on the opportunity to work remotely (4.3) and proximity to desired community (4.1) than to optimal cost of living (3.8). While associates' ratings for location-related aspects were generally close when segmented by firm size, seniority and gender identity, they differed slightly based on race/ethnicity.

Market Perception: Within market perception, springboard to future opportunities outside the firm (3.8) received the top rating from associates, and was the only aspect that showed differences in associates' scores by firm size, seniority and gender. Work on high profile matters received the lowest score (3.5).*]*

Associate Engagement and Experience

Associates also assessed their overall engagement and experiences at their firms, as detailed below.

High Engagement Levels: Associates reported high levels of engagement with their firms, with 72% reporting they were highly engaged or somewhat engaged. Those working solely in the office reported the highest engagement levels, with 47% reporting they were highly engaged and 27% reporting they were somewhat engaged.

Positive Experiences: An overwhelming 81% of associates reported they have had a positive experience at their firm, with those working fully remotely reporting this at the highest levels.

Methodology

A specially formed Advisory Board including law industry leaders from major law firms collaborated with The NALP Foundation to identify vital survey topics, develop the survey instrument, and determine optimal study logistics. The survey was then sent to The NALP Foundation and NALP members firms and contacts across the U.S. and Canada. The study links were then disseminated by firms to their associates, with all data returned confidentially to The NALP Foundation.

Data collection took place between September 2023 and October 2023. Participating firms' identities and respondents' information are kept strictly confidential with no identifying information publicly released. The results in this report contain the empiric and narrative results collected from 3,374 associates of 57 law firms across the U.S. and Canada. The average response rate among participating schools was 50%, ranging from 9% to 100%. A series of open-ended questions to shed further insights and reflections regarding associates' positive firm experiences and the reasons they elect to stay with their firms, as well as departure risk factors.

This study captured both relative and empiric rankings for the following 15 key factors, with multiple sub-factors within each.

15 Key Factors:

Community, Culture and Inclusion:

- Firm Culture/Social Ties
- Diversity, Equity & Inclusion
- Pro Bono/Community Involvement

Compensation Benefits and Policies:

- Compensation
- Benefits
- Firm Policies
- Hybrid Work Policies

Professional Development and Growth

- Career Path
- Mentoring
- Practice Area Alignment with Personal Interest
- Professional Development
- Work Allocation/Workflow Management

Work-Life Balance

- Work-Life Balance

Location and Reputation

- Location
- Market Perception

The data was robustly segmented by firm size and location, seniority, and demographic cohorts, including gender identity, race/ethnicity, LGBTQ+ associates, disability status, military veterans and first-generation status. For the purpose of this study, “associates of color” includes associates who self-identify identify as Asian, Black or African-American, Latinx, Native American or Alaska Native, Native Hawaiian or Other Pacific Islander, Middle Eastern or North African (MENA), Multi-racial and other non-white/Caucasian. Many of these groups are underrepresented in the legal profession and additional action is needed to promote greater diversity, equity and inclusion within the legal industry.

List of 15 Key Factors and Sub-Factors

Compensation, Benefits and Policies

- Compensation
  - Bonus
  - Salary
- Work-Life Balance
  - Firm support for work-life balance
  - Flexible work arrangements
  - Practice group/team support for work-life balance
  - Remote work arrangements
- Career Path
  - Alternative career paths
  - Alumni program/outplacement assistance
  - Clarity about requirements and next steps for advancement
  - Opportunities for advancement/partnership
- Hybrid Work Policies
  - Bonus or other impacts tied to office attendance
  - Choice of schedule or mandated
  - Number of days in office required
- Firm Policies
  - Billable hours
  - Leave policies (medical or other)
  - Non-billable credit
  - Pro bono credit

Work-Life Balance

- Work-Life Balance
  - Firm support for work-life balance
  - Flexible work arrangements
  - Practice group/team support for work-life balance
  - Remote work arrangements

Professional Development and Growth

- Career Path
  - Alternative career paths
  - Alumni program/outplacement assistance
  - Clarity about requirements and next steps for advancement
  - Opportunities for advancement/partnership
- Work Allocation/Workflow Management
  - Access to challenging/interesting work
  - Client contact
  - Equity of work allocation
  - Formal evaluation process
  - Increased responsibilities
  - Informal feedback/evaluation
  - Level of autonomy/independent work
  - Work allocation system or process
- Professional Development
  - Coaching/career guidance
  - Formal training programs
  - Opportunity to develop client relationships
- Practice Area Alignment with Personal Interest
  - Ability to pursue current practice area interests
  - Flexibility to shift between practice areas
- Mentoring
  - Formal mentoring (individual/group mentors)
  - Informal mentoring
  - Partner mentors
  - Peer mentors
  - Sponsorship (advocacy for advancement by senior lawyers)

Community, Culture and Inclusion

- Firm Culture/Social Ties
    - Accessible leadership
    - Connections with other associates
    - Connections with partners
    - Connections with professional staff
    - Firm or office culture
    - Leadership transparency and accessibility
    - Sense of belonging
- Diversity, Equity and Inclusion
    - Affinity groups
    - Alignment of firm and personal values
    - Availability of DEI staff
    - Diverse leadership
    - Diverse workforce (attorney and professional staff)
    - Firm response to local or national events (content/rapidity)
    - Formal DEI programs (ex: retreats, events)
    - Informal (ex: work experiences)
    - Recruiting fellowships/scholarships
    - Sense of inclusion
- Pro Bono/Community Involvement
    - Credit for community involvement
    - Credit for pro bono
    - Firm- or office-wide support for efforts
    - Specific opportunities/areas of firm focus

Location and Reputation

- Location
    - Opportunity to work remotely
    - Optimal cost of living
    - Proximity to current desired community

- Market Perception
    - Client roster
    - Prestige of firm
    - Springboard to future opportunities outside firm
    - Work on high profile matters

About The NALP Foundation (continued)

Research

The NALP Foundation conducts research on a broad set of topics of interest to the legal community, including associate hiring and attrition, law graduate employment and satisfaction three years after graduation, in-house counsel diversity, law student and attorney mental health, the impact of student experiences on careers, attorney work-life balance, mentoring, professional development, civility, and associate evaluations.

Programs

In addition to programs including the Hiring Partner Conference and New Hiring Partner Bootcamp, the Foundation team frequently presents on Foundation research at legal and industry conferences and city group/law school consortia meetings, for broad audiences ranging from managing and hiring partners to legal personnel administrators, law school faculty and administrators, and other key stakeholders.

Industry Resource

The NALP Foundation team regularly publishes articles on Foundation research in a variety of scholarly and professional journals. Additionally, the Foundation's research is frequently cited by the legal and general media. The NALP Foundation also offers bespoke consulting services and tailored presentations on specific areas or data of interest, as well as custom reports.

The Genesis of The NALP Foundation

The NALP Foundation was incorporated as a separate 501(c)(3) organization in 1996 by the National Association for Law Placement (NALP), to enable the Foundation to focus on in-depth research into the legal profession. While the two sister organizations share mutual goals and collaborate on a number of projects, The NALP Foundation and NALP are structurally distinct and financially independent organizations. Law school membership dues and law firm and other organizations' contributions fund the NALP Foundation's innovative research and educational programming.

For more information on The NALP Foundation and our research and programming, please visit www.nalpfoundation.org.