

**California Law Firm Diversity  
Retention Best Practices**  
Research Study Report

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June 1, 2011

**California Law Firm Diversity Retention Best Practices  
 Research Study Summary  
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**Research Overview**

During the recent economic downturn, diverse attorneys were impacted significantly. For the first time in recent history, the percentage of minorities and women at large law firms decreased from 2008 to 2009. Some innovative California firms did not follow suit. The purpose of the *California Law Firm Diversity Retention Best Practices* research study is to advance diversity in the legal profession by identifying successful diversity retention management practices at large law firms. The research study has been generously underwritten by Fenwick & West LLP and Orrick, Herrington, Sutcliffe LLP. The research has been conducted by an independent third party Talent Advisory Board Inc. which is committed to advancing workforce diversity. Retention benchmarks were created by Talent Advisory Board using *California Lawyer's* 2010 California 50 law firms for which relevant demographic and hiring data was available through the annual Vault/MCCA Law Firm Diversity Survey.

**Research Participants**

The four firms below were selected for inclusion as major California law firms which outperformed at least one Talent Advisory Board 2009 California Large Law Firm Retention Benchmark. The research has included a series of interviews with talent management and diversity professionals and partners leading diversity efforts at the participating firms. The interviews focused on five areas: (1) Work Assignment, (2) Retention Management, (3) Retention Measurement, (4) Career Development, and (5) Employment Brand. We extend our sincere appreciation to the following individuals for their significant contributions to this research:

<b>Firm</b>	<b>Name</b>	<b>Title</b>
Cooley LLP	Koji Fukumura Shira Nadich Levin Jo Anne Larson Septina McDonnell	Partner & Diversity Committee Chair Partner in Charge, New York & Women's Initiative Chair Director of Attorney Relations San Diego Attorney Recruiting Manager
Fenwick & West LLP	Kathryn Fritz Felix Lee Michael Shuster Julieta Stubrin	Managing Partner Partner & Diversity and Inclusion Committee Co-Chair Partner & Diversity and Inclusion Committee Co-Chair Manager of Recruiting & Diversity
Orrick, Herrington & Sutcliffe LLP	Lorraine McGowen Katharine Crost Laura Saklad Kristin Greene	Partner & Diversity and Inclusion Committee Chair Partner & Chair of Women's Initiative Chief Lawyer Development Officer Diversity and Inclusion Manager
Wilson Sonsini Goodrich & Rosati Professional Corporation	Fred Alvarez Chris Boyd Stacey Layzell Nancy Lieberman	Partner & Head of Employment Law Practice Senior Director of Professional Services Senior Director of Human Resources & Office Administration Career Guidance Counselor

**Talent Advisory Board  
 Diversity Demographics & Retention Benchmarks  
 June 1, 2011**

**US Diversity Demographics**

12/31/2008 to 12/31/2009

**% Minority**

US Major Law Firms	2008	2009	Change
Partners	6.7%	6.8%	0.1%
Non-Partners	19.6%	18.5%	-1.1%
Attorneys	14.4%	13.5%	-0.9%

Source: MCCA/Vault Diversity Database; Talent Advisory Board Inc. Calculations

**% Female**

US Major Law Firms	2008	2009	Change
Partners	19.1%	19.5%	0.4%
Non-Partners	44.2%	44.0%	-0.2%
Attorneys	34.1%	33.5%	-0.6%

Source: MCCA/Vault Diversity Database; Talent Advisory Board Inc. Calculations

**% Part Time**

US Major Law Firms	2008	2009	Change
Partners	3.6%	3.8%	0.2%
Non-Partners	8.1%	9.2%	1.1%
Attorneys	6.3%	6.9%	0.6%

Source: MCCA/Vault Diversity Database; Talent Advisory Board Inc. Calculations

**California Diversity Demographics**

12/31/2009

CA Major Law Firms	% Minority	% Female	% Part Time
Partners	8%	19%	5%
Non-Partners	21%	44%	9%
Attorneys	16%	34%	7%

 Source: MCCA/Vault Diversity Database, *California Lawyer's* 2010 California 50, Talent Advisory Board Inc. Calculations

**Retention Benchmarks**

12/31/2009

Major Law Firms	All Attorneys	Minority	Female
National Benchmark	88%	80%	85%
California Benchmark	84%	73%	82%

 Source: MCCA/Vault Diversity Database, *California Lawyer's* 2010 California 50, Talent Advisory Board Inc. Calculations

**California Law firm Diversity Retention Best Practices  
Research Study Sponsors  
June 1, 2011**

**About Fenwick & West LLP**

Established in 1972, Fenwick & West works closely with clean technology, life sciences and other technology companies that are changing the world through innovation. The firm has more than 30 years of experience crafting innovative solutions to the business challenges that arise at the intersection of technology and the law. Fenwick & West clients, who range from start-up ventures to global enterprises, value our attorneys' deep industry experience and understanding of their technologies. The firm is ranked by *Minority Law Journal* as one of the top five most diverse law firms in the United States. The Diversity Committee at Fenwick & West works closely with the attorney recruiting department to increase outreach at law schools targeted to diverse student communities and Fenwick has been actively involved in various groups and activities that work to promote diversity both in the legal profession and the community, including the Asian American Bar Association, Bay Area Lawyers for Individual Freedom (BALIF), the ABA Section of the Litigation Committee for the Minority Trial Lawyer and the Minority Corporate Counsel Association. The Firm has implemented diversity training, mentoring, assignment tracking and recruiting initiatives in order to strengthen diversity. In its efforts to embrace diverse heritages, the Firm hosts cross-cultural celebrations, including Cinco de Mayo, Chinese New Year and Juneteenth.

**About Orrick, Herrington & Sutcliffe LLP**

Orrick, Herrington & Sutcliffe LLP is a global law firm with more than 1,100 lawyers in North America, Europe and Asia. The firm focuses on litigation, complex and novel finance and innovative corporate transactions. Orrick clients include Fortune 100 companies, major industrial and financial corporations, commercial and investment banks, high-growth companies, governmental entities, start-ups and individuals. The firm's 23 offices are located in Beijing, Berlin, Düsseldorf, Frankfurt, Hong Kong, London, Los Angeles, Milan, Moscow, Munich, New York, Orange County, Paris, Portland, Rome, Sacramento, San Francisco, Seattle, Shanghai, Silicon Valley, Taipei, Tokyo and Washington, D.C. Through its Diversity and Inclusion and Women's Initiatives, the firm works actively to ensure it is able to bring diverse perspectives to the table for its clients. Orrick believes that the varied backgrounds and experiences of its lawyers broaden the firm's perspective and enrich collaboration. Since 1990, Orrick's firmwide Diversity and Inclusion Committee, one of the first in a major law firm, has advised the firm's management on a broad range of issues to ensure that Orrick is successful in hiring, retaining and promoting minority, women and lesbian, gay, bisexual and transgender (LGBT) lawyers and lawyers with disabilities. The firm has an extensive diversity initiative that includes regional diversity committees and gender, minority and LGBT affinity groups, as well as a Parents' Forum and a Veterans' Forum to address the interests and needs of these two groups. The firmwide and office diversity committees assist in the firm's lawyer recruiting efforts, associate orientation, summer program, attorney training and development, attorney mentoring, pro bono and community activities, and numerous other aspects of firm life. Diverse lawyers also play an integral role in managing the firm (as office leaders, committee chairs, practice group leaders, and as members of the firm's Executive Committee among others) and shaping its future.

**About Talent Advisory Board Inc.**

With the social mission of fostering a greater understanding between people of diverse backgrounds, Talent Advisory Board Inc. is a boutique management consulting firm focused on advancing workforce diversity. The firm's consultants have experience in human resources strategy, diversity programs and employee research, and they provide leading edge diversity management consulting services to law firms. The firm uses an analytical approach to solve the most challenging diversity problems including recruiting, retaining and advancing diverse legal professionals. Talent Advisory Board enables diversity to be a powerful asset for clients to leverage for competitive advantage. The firm is minority-owned and woman-owned. For more information please visit [www.talentadvisoryboard.com](http://www.talentadvisoryboard.com).

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## Cooley’s Long-Term Investment Strategy Benefits Women

As one of the leading legal advisors to the technology sector, Cooley LLP is focused on the success and growth of innovative emerging companies, some of which have become leaders of the global economy. The firm is similarly focused on, and invests heavily in, the long-term growth and development of its attorneys. Cooley’s investment approach, however, is not “one size fits all,” but instead is flexible and individualized. For example, some Cooley attorneys seek part-time arrangements at different points in their professional careers. Many of these attorneys are women with young children who require additional flexibility in order to balance responsibilities in the office and at home. Some of the firm’s partners who now lead key practices successfully utilized these temporary part-time arrangements to balance work and family needs. These women now serve as important role models and as real-life examples of the firm’s commitment to diversity in the form of long-term retention of talented and highly motivated women attorneys.

### Diversity Statistics

Cooley’s percentage of part-time attorneys exceeds the California large law firm average. The firm’s percentage of women meets the industry average at the non-partner level and exceeds the average at the partner level. Impressively, the firm was able to retain women at a higher level than the industry as a whole during 2009, a challenging economic year. Women comprised 43 percent of the firm’s 2009 partner class, and 50 percent of the 2010 partner class.

2009 Retention Rate & Diversity Demographics	Female Attorneys Retention Rate	% Part-Time Attorneys
CA Large Law Firm Benchmark	82%	7%
Cooley LLP	85%	9%
2009 Diversity Demographics	Female Non-Partners	Female Partners
CA Large Law Firm Benchmark	44%	19%
Cooley LLP	44%	22%

### Work Assignment

The firm’s largest office in Palo Alto, California, which is in the heart of Silicon Valley, is also its most diverse. Overall, the firm has offices in nine U.S. cities, including in major technology and/or life sciences hubs -- San Francisco, Boston, San Diego, Seattle, Reston, Virginia and Broomfield, Colorado, as well as in Washington, DC and New York. While the firm has deep roots in technology and corporate transactions, it also has a leading national litigation department spanning multiple industry sectors. Litigation accounts for approximately half the firm’s revenue and nearly half of its attorney population.

The firm’s client base spans private and publicly held companies, as well as venture capital and angel investors. For emerging growth companies, the firm often serves as outside general counsel. For larger clients, company financings, public offerings, M&A and licensing agreements are typical transactions. Litigation matters span commercial litigation, intellectual property and employment and labor. Staffing on these projects is mostly through a cross-office, free-market process overseen by practice group assignment coordinators.

### Retention Management

San Diego-based litigation partner Koji Fukumura is chair of the firm’s Diversity Committee, which has several initiatives in place to support the growth, development and retention of women attorneys, including leadership and/or investment in external organizations such as Women in Technology and Astia (formerly the Forum for Women Entrepreneurs and Executives). Staff who support these efforts include Jo Anne Larson, Director of Attorney Relations, and Septina McDonnell, San Diego Attorney Recruiting Manager.

Cooley’s Women’s Initiative was recently formalized with a vision to address key issues such as family leave. Key programs include regularly held conference calls and events which facilitate the building and strengthening of relationships, enable the sharing of experiences and best practices and create mentorship opportunities. The initiative is chaired by Shira Nadich Levin, partner in charge of the New York

office and co-chair of the firm's Real Estate Leasing practice.

The firm is also a signatory to the Bar Association of San Francisco's "No Glass Ceiling" initiative, a commitment to promote women in leadership roles within the legal profession. Several women at Cooley are in significant management and/or practice leadership roles including: member of the Management Committee and vice chair of the Business Department (Suzanne Sawochka Hooper), Management Committee member (Kathleen Goodhart), chair of the Risk Management Committee (Ann Mooney), member of the Compensation Committee (Janet Cullum, Kay Chandler) and head of the M&A practice (Barbara Borden), head of the Life Sciences practice (Barbara Kosacz) and leaders of the Securities Regulation group (Nancy Wojtas and Cydney Posner). Many of these women have children and/or have worked part-time. They serve as important role models for associates and validate Cooley's commitment to diversity.

The firm's part-time arrangements are personalized to meet the particular needs of the associate while also recognizing the realities and needs of the attorney's practice group and their clients. Given the long-standing part-time policy, there is a recognition of the need for flexibility on the part of the associate and the firm. For example, Koji Fukumura, current co-chair of the firm's Securities Litigation practice and Bill Grauer, a former co-chair of the group, work with and have been important mentors for part-time associates who run cases and manage teams of attorneys and staff on litigation matters. Over time, the firm has accommodated part-time schedules as significant as 50% time and as modest as 80% time. Depending upon the extent and length of the part-time schedule, the firm and the associate come to an understanding as to whether the associate will remain on partnership track, and if so, what impact the part-time schedule might have on the length of time until partnership consideration.

One Cooley part-time attorney commented that, given the long-term commitment to part-time schedules, she has not experienced stereotyping of part-time attorneys as less committed to the practice. She said, "Our senior leadership realizes that part-time attorneys can be just as

committed to the client as full-time attorneys, and gives us the chance to prove it. The bar is set high for those who seek part-time positions. But the reward for those who meet these high standards is spectacular: the opportunity to perform at a high level, balance a career with a family, and act as a role model to younger women, some of whom will seek the same opportunity."

Although the amount of available time varies for part-time attorneys, both those who are on and off partnership track, play important roles in maintaining and strengthening important client relationships and in developing new business opportunities. The latter has been accomplished by part-time attorneys through opportunities facilitated by mentors, including the further cultivation of existing client relationships, speaking at industry conferences and writing articles.

#### **Retention Measurement**

Because the recruitment, development and retention of a diverse professional staff is one of the firm's core values, all partners are held accountable for their efforts in this regard, and it is an issue considered as part of the partner compensation process. In addition to chairing the Diversity Committee, Fukumura also serves on the Associates' Review Committee, which uniquely positions him to flag any retention issues.

#### **Career Development**

The firm utilizes a long-standing lock step associate compensation system. The associated year-end review and discretionary bonus process has most, if not all, of the attributes of the competency-based systems. To enhance career development, this year the firm implemented an associate self-evaluation system to facilitate a more proactive process for goal setting and career development.

#### **Employment Brand**

Larson and McDonnell, who have worked at the firm for more than 20 years, say the following about Cooley: "You don't have to be a certain way or look a certain way. There is a team environment and everyone is treated with the same respect regardless of title or position." Female and part-time associates agree that that these are important reasons to stay.

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## **Fenwick Diversity & Inclusion Committee Measures Drivers of Retention**

The Fenwick & West Diversity & Inclusion Committee regularly measures the retention of diverse attorneys as well as the underlying drivers of retention. The firm has outperformed other firms on the retention of minority attorneys and continues to challenge itself by creating initiatives and mechanisms for accountability that will continue to improve retention levels across all diverse attorneys.

### **Diversity Statistics**

Fenwick & West LLP has been able to keep pace with other large California firms when it comes to retaining attorneys during a challenging economic time. The firm has exceeded the benchmark in the retention of minority attorneys, which is impressive given that one quarter of the attorney population is minority. The percentage of part-time attorneys at the firm is more than double the California benchmark average.

<b>2009 Retention Rate</b>	<b>All Attorneys</b>	<b>Minority Attorneys</b>
CA Large Law Firm Benchmark	84%	73%
Fenwick & West LLP	84%	79%
<b>2009 Diversity Demographics</b>	<b>Minority Attorneys</b>	<b>Part-Time Attorneys</b>
CA Large Law Firm Benchmark	16%	7%
Fenwick & West LLP	25%	17%

### **Work Assignment**

The firm's Mountain View office has the most diverse attorneys, and large technology companies are the firm's largest clients. The Corporate Practice is the largest in terms of number of attorneys, and typical matters include mergers and acquisitions and financings of large and small companies. The firm has a free market system for work allocation through which attorneys proactively develop relationships with partners who provide repeat business.

### **Retention Management**

Retention has been a key focus of the Diversity & Inclusion Committee which has made a concerted effort over several years to ensure that minority attorneys do not "fall through the cracks" in such a free market system. Julieta

Stubrin, Manager of Recruiting and Diversity, and Cheri Vaillancour, Director of Professional Development and Legal Personnel, manage diversity and work-life programs which serve to retain diverse attorneys.

A few years ago the firm offered a training session for partners and associates on how to work effectively with attorneys on reduced hours. Since then the firm has had an extraordinarily high percentage of both partners and non-partners taking advantage of the balanced-hours policy which is supported in many practice areas. Partners Ralph Pais and Jennifer Kelly serve as liaisons for the firm's reduced-hours program, and technology also enables flexibility for attorneys who need to work from home at times to support family needs. The Diversity & Inclusion Committee has recently reignited a dialogue about part-time issues to discuss potential stigma and advancement impact across practice groups.

Even during the industry's most challenging downturn, Fenwick continued to invest in creating a dialogue between diverse attorneys and firm leadership with its bi-annual Diversity Retreat which was first launched in 2009. One minority female associate was impressed that the firm also continued to invest in programs that help diverse attorneys to integrate work and life, "The firm continued to invest in affinity groups and minority bar associations which are important to me for camaraderie even during the downturn."

Another minority associate commented on the importance of sponsors on retention. The associate has found that two sponsors, who have resourced good work opportunities, helped create development plans, and provided coaching on how to handle work-life dilemmas, have been critical in a continued decision to remain at the firm.

### **Retention Measurement**

As a result of a best-practices evaluation, the firm has made an effort to institutionalize the impact that such sponsors can have on attorneys. The Committee's Diversity & Inclusion Leadership Initiative (DLI) invites all partners to participate in a short list of high-priority initiatives including sponsorship programs that

can be tailored to specific practice groups. The DLI enables diversity leaders to quantify diversity initiative participation by program and by practice group, provides a mechanism by which to evaluate individual contributions for bonuses, and also creates the possibility for public recognition and friendly competition.

In addition, the Diversity & Inclusion Committee monitors retention levels on a regular basis through its Diversity Dashboard report that tracks measures such as percentage of diverse attorneys, turnover levels by demographic category, percentage regretted turnover, and alternate job data. According to Committee Co-Chair Felix Lee, “NALP data can provide an overly positive picture. The dashboard development has been a really long process which started four to five years ago. If you only look at top level metrics it masks the individual problems. The data also allows you to arm yourself in the conversation for internal buy-in. You can’t really argue with the numbers as evidence.” The firm’s next challenge is at the practice group level where surveys and dashboard data are being used to quantitatively measure the progress of specific initiatives that in some cases are designed to improve retention.

Diversity and retention metrics are shared with various audiences across the firm because to some extent everyone has some accountability in the firm’s free market system. The Diversity & Inclusion Committee Co-Chairs and Manager present the Dashboard at partner meetings, practice group meetings, executive committee meetings, retreats and town hall meetings. Diverse associates feel that firm is very good about recognizing opportunities and sharing diversity performance at diversity and firm retreats.

In addition to measuring diverse attorney retention statistics, the firm collects attorney perception data through an annual attorney diversity survey. The data is segmented by race, gender and sexual orientation. Some items captured in the survey include the propensity for departure and reasons attorneys would consider leaving. The firm has found that people who have participated in the survey are happy and constructive. Managing Partner Kathryn Fritz says, “Some firms are afraid to receive this data, but perception information is helpful in aspiring to a diverse and collegial work environment.

Perceptions are powerful influences, and a firm hampers its ability to respond to them if it doesn’t know about them. It’s important to develop institutional trust with the people taking and receiving the survey and longitudinal data is also important.” Diversity Manager Julieta Stubrin comments, “Diversity survey results help to shape programming and training as well as fix problems.”

### **Career Development**

Career paths are individually crafted since it’s a mid-size firm that wants to be responsive to the needs of individuals such as the need to relocate to care for elderly parents. The Senior Counsel position was created in the mid-90s as an alternative to partner track for those who are associated with a specialized area. Senior Counsel typically have no business development and fewer administrative responsibilities.

The firm is currently transitioning from a lock-step to a competency-based career development model. Managing Partner Kathryn Fritz says that “Lock-step creates false expectations and an up or out situation in which you could be here seven years and then you are suddenly gone. It also makes sense, more accurately tracks how we develop, and is how the vast majority of the business world advances talent.” In order to address potential concerns about bias in the evaluation process, the firm held a recent training on implicit bias for partners in the context of moving to a competency based model.

### **Employment Brand**

The firm’s internal reputation helps continue to retain minorities at a higher rate than the California average, and its external brand in the employment market draws much more than its fair share of diverse attorneys. According to Committee Co-Chair Michael Shuster, “Attorneys choose Fenwick to serve companies that do technology and life sciences because it’s exciting, cutting edge and contemporary. There is a fun factor that comes from working with innovative companies that are changing the world.” People stay because it’s an “enormously collegial environment...it’s a tightly knit group with lots of glue and that extends through the partnership.” The firm’s warm culture, its emphasis on diversity and inclusion, and meaningful development opportunities were all cited by minority attorneys as reasons they decided to join and stay at Fenwick & West.



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## **Orrick Pioneers Innovative Career Development Approach**

Orrick is known for strong management and innovation, and the firm has applied these disciplines in the area of lawyer development in such a way that retention levels for the firm and minorities in particular have exceeded the average performance of large California firms.

### **Diversity Statistics**

Orrick made significant changes in its associate development and work/life policies in 2009, a year when the firm also outperformed the average of large California law firms in its retention rate for lawyers overall and specifically for minorities. In addition, Orrick also had more part-time attorneys than the industry average.

2009 Retention Rate	Minority Attorneys	All Attorneys
CA Large Law Firm Benchmark	73%	84%
Orrick, Herrington & Sutcliffe LLP	79%	86%
2009 Diversity Demographics	Minority Attorneys	Part-Time Attorneys
CA Large Law Firm Benchmark	16%	7%
Orrick, Herrington & Sutcliffe LLP	21%	9%

### **Work Assignment**

The firm's practices are relatively evenly split between the corporate, finance and litigation groups. Though there is variation in assignment systems by practice group, the work assignment system most representative is an intermediary approach which uses an assigning partner – it is neither a free market system nor a pyramid.

### **Retention Management**

In the early 90's, the firm expanded its investment in Lawyer Development to offer formal training and to ensure equal access to development opportunities by formalizing previously informal processes. The firm has a dedicated professional Lawyer Development team led by Chief Lawyer Development Officer, Laura Saklad. The team includes managers who focus on the firm's performance evaluations, training, mentoring, work/life and compensation programs. In addition, Orrick employs in-house confidential career coaches, an in-house writing instructor, and a full-time dedicated Diversity

and Inclusion Manager, Kristin Greene, who has a decade of industry experience.

The firm also dedicates significant partner time to its development and retention programs. Partners are directly involved in setting the strategy and driving the implementation of the firm's diversity and talent programs. For example, Orrick Executive Committee member and Diversity and Inclusion Chair Lorraine McGowen invests 300-400 hours per year. She is an African American mother of triplets who is quick to acknowledge the role her supportive husband and great mentors and sponsors have played in her success. While the firm's Diversity and Inclusion Initiative initially focused heavily on recruiting diverse talent to the firm, the focus for the last few years has shifted to the retention, professional development, and advancement of diverse lawyers and in advancing diverse lawyers into leadership positions at the firm. Orrick focuses on creating an inclusive work environment as the key to retention, and relevant initiatives include active affinity groups and forums, a women's initiative, mentoring circles, unconscious bias training for all US partners, a global celebration of Diversity and Inclusion called Dive/In Day, and individualized coaching and support.

In addition, the firm has adopted its approach to work/life balance to effectively meet the needs and expectations of today's lawyers. Traditional Alternative Work Arrangements (AWA) are tailored to the individual and are flexible – they are facilitated by the Practice Group Leader, the AWA Partner-In-Charge, and career coaches who help associates work with their practice groups to make their reduced hours arrangement successful. Associates on an alternative work arrangement continue to advance toward partnership on a very similar pace to their full-time colleagues, and the firm communicates its belief in long-term AWA options by having a specific AWA program for partners. The firm monitors and measures several AWA metrics including: (1) whether the reduced-hours schedule is being adhered to, (2) how associates on AWA's are developing, and (3) how AWA associates are assessed in the performance evaluation process. The firm has found that the percentage of AWA associates receiving top performance ratings is as good as or better than the firmwide averages.

### **Retention Measurement**

Those partners who are strong leaders in talent development and diversity are publicly recognized and honored at the firm's annual Partner Meeting by being named, for example, Mentor of the Year or the Diversity Champion of the Year. In addition, a partner's contribution to advancing diversity or talent is a factor in compensation decisions.

Orrick examines retention and pipeline issues at the practice group level to create specific and targeted action plans. Lorraine McGowen, in her role as Chair of the Diversity and Inclusion Committee and Kathy Crost, the Chair of the firm's Women's Initiative, meet annually with each practice group leader to review demographics, hiring and retention trends, as well as the diversity pipeline in each group. They also discuss the advancement of specific individuals in the pipeline as early as the mid-level. These discussions facilitate early identification of issues and successes and create an opportunity for appropriate intervention and advancement. Kathy and Lorraine also discuss diverse junior partner performance with practice group leaders and work to identify opportunities to move diverse lawyers into leadership roles.

### **Career Development**

Orrick decided in 2007 to move from a lock-step to competency based compensation model, and the firm laid the ground work for implementation to take place in 2009. This decision was made in conjunction with other strategic changes led by Chairman Ralph Baxter to align the firm's client service approach with the demands of the changing legal market. The firm also believed that a system that provides greater transparency regarding expectations and more targeted feedback around progress in meeting these expectations would allow for better skill development and more rewarding careers for associates.

Under the new model, the typical partner track has the following three levels of development and associated compensation: Associate, Managing Associate and Senior Associate. Two core documents are provided to associates: (1) the Criteria for Advancement which includes descriptions of legal, leadership and client skills at each level and (2) Associate Development Benchmarks which describe the practice group specific knowledge and skills expected at each level. Each associate is assigned a Talent Model Mentor who guides him/her with utilizing the model to create individual development plans.

The firm has also introduced a "Custom Track" to better retain top talent who may not necessarily aspire to partnership. Rather than losing such associates and adversely affecting client relationships, the firm decided to make the option of creating a custom long-term role an explicit part of their model. The Custom Track is available at an earlier tenure than the industry standard for those who wish to counsel clients on legal issues but don't wish to have the business development or management responsibilities of a partner. Importantly, Orrick allows those who have elected the Custom Track for some period of time to move back to the regular partner track if their aspirations change.

Following initial calibration in July 2009, the firm has been through two December evaluation cycles so far. The feedback about promotion to the next level is forcing a focused conversation about skills development, and associates have found the feedback helpful. With the new system in place, virtually all of the review meetings for associates took place before the end of the year – a significant achievement. When asked about the significant investment needed to effectively implement such a competency based system, Laura Saklad said, "Orrick is known as an extremely well managed firm. The practice management discipline needed to undertake this initiative was already in place at our firm."

Before implementation there was much communication with associates and the Diversity and Inclusion Committee to solicit input on the new system. The Lawyer Development team continues to meet with associates to ensure associates understand the new system and to get continuous feedback on opportunities for improvement. These meetings include specific discussions with the affinity groups, forums and diversity and inclusion committees to ensure the firm is being responsive to unique questions that might be raised by these groups.

### **Employment Brand**

When asked about what attracts diverse law students to the firm, Laura Saklad and Kristin Greene cited the firm's reputation, its global reach, sophisticated client work, commitment to pro bono and diversity and inclusion, and the culture and people. They believe that attorneys choose to continue to stay for the same reasons and because the firm offers a unique and supportive environment in which to build a legal career.

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## WSGR Embeds Diversity in Talent Management Practices

Wilson Sonsini Goodrich & Rosati (“WSGR”) manages diversity by embedding it into existing talent management practices. Although the firm has no formal diversity manager, it does have a talent management staff that measures, reports, and acts on diversity metrics. The firm has achieved exceptional results on the recruitment, retention and advancement of minority attorneys.

### Diversity Statistics

WSGR outperformed the California law firm average on the retention of minority attorneys by more than ten percentage points in a challenging economic year. This is an impressive result considering that more than one quarter of non-partners and nearly one fifth of partners are minorities.

2009 Retention Rate	Minority Attorneys	All Attorneys
CA Large Law Firm Benchmark	73%	84%
Wilson Sonsini Goodrich & Rosati	84%	84%
2009 Diversity Demographics	Minority Non-Partners	Minority Partners
CA Large Law Firm Benchmark	21%	8%
Wilson Sonsini Goodrich & Rosati	28%	19%

### Work Assignment

The firm focuses on serving technology, life sciences, cleantech, and other growth enterprises. Clients range from early stage start-ups to large public companies. The largest practice area is corporate and securities. Within the corporate and securities practice, clients are typically served by a stable team of partners and associates who service their work, although clients usually work with attorneys from the firm’s other practice areas as well. Each subgroup is led by two to five partners and includes five to fifteen associates on average. Examples of more specialized subgroups include corporate finance, cleantech, and those with a geographic focus such as Seattle or Austin. The small group structure also provides mentoring, training, and visibility. A potential downside can be little exposure to partners in other groups, which is

important for partner election; the firm addresses this through a weekly staffing call to help associates work with clients and deals in other groups and thereby get exposure to partners in those groups. The organization structure also provides early client exposure and work responsibility for junior associates, and perhaps it challenges work-life balance since attorneys are trained to be client-focused.

### Retention Management

The firm has a formal part-time policy, and a proposal is required to apply. Part-time work has a minimum of 50% and a maximum of 95%, and compensation is trued up for extra hours. The part-time policy is also available to partners, and over thirty attorneys are using it. Many attorneys utilize flex-time to adjust their work hours and telecommuting to work full-time from remote locations where there is no office. Some attorneys have used secondment assignments to achieve work-life balance without going part-time by focusing on one client with no billable hour requirement. Seconded attorneys are on client sites at least three days per week during which they follow in-house hours. One minority attorney with young children commented that secondment has both provided a realistic evaluation opportunity to decide whether to go in-house or stay on partner track and an opportunity to achieve more work-life balance during a time of family need. Although offered the opportunity to go in-house, this attorney elected to remain at the firm as a result of open career development discussions with mentors.

The firm’s talent management team works collectively to retain diverse attorneys. The senior team includes Chris Boyd (Senior Director, Professional Services), Stacey Layzell (Senior Director, Human Resources and Office Administration), and Nancy Lieberman (Career Guidance Counselor).

Nancy Lieberman is a full-time career counselor who helps to resolve critical issues before attorneys decide to leave. She helps associates drive their careers by discussing how to get certain types of work, transfer offices, switch groups, make successful part-time transitions, and even how to work in-house. Nancy’s training as an attorney and long firm tenure have made her effective in one-on-one confidential

coaching. She also conducts exit interviews through which she gathers critical retention information.

### **Retention Measurement**

Chris Boyd, Senior Director of Professional Services, and Stacey Layzell, Senior Director of Human Resources and Office Administration, work closely with Nancy Lieberman to measure retention statistics. The team compiles statistics on who is leaving, how long they have been at the firm and where they are going. They periodically report to the firm's management team, which includes the CEO, two practice group leaders and two SVPs. Every quarter the data is analyzed to code the retention green (e.g., going in-house), red (e.g., going to a competitor firm in the same location), or yellow (e.g., going to a business or other non-law position). The data is analyzed by key demographic segment. Finally, trends are identified across counseling and exit interview sessions to provide key themes anonymously. Ultimately, the firm's practice group leaders are accountable for turnover.

Using a similar discipline, Chris Boyd and Stacy Trzesniewski, the firm's Law School Recruiting Manager, also track the diversity of law student interviewees in order to measure call-back-to-offer and offer-to-acceptance yields. This data is monitored year over year by gender, ethnicity and sexual orientation, to identify key trends. The information is provided to the hiring partners and the Hiring Committee. Similarly, Stacey Layzell, who manages associate evaluation, career development and partner nominations, looks at the pipeline and tracks diversity of the candidates. This information is provided to the Partner Nominating Committee.

In an effort to collect attorney perceptions on career development, the firm administers an internal associate survey every two years. They collect feedback on career development areas such as training, feedback, mentoring, and work assignments. As part of the Associates Committee, one minority associate described the role the committee plays in providing feedback to the executive team on issues such as compensation and mentoring and expressed satisfaction with the fact that the firm makes an effort to provide data to associates.

### **Career Development**

For the most part, associates are on the partner track, and the firm only has equity partners. Special Counsel are typically focused on an area of expertise but are not explicitly off partner track. Of Counsel is a role that is usually reserved for more senior promoted associates or lateral hires who can be on partner track during a mutual evaluation period.

The firm took a hard look at a levels-based compensation model and decided to keep a modified lock-step in which the bonus is performance-based. The firm believes that lock-step is viewed as objective with a much simpler process and transparency on how decisions get made and communicated, whereas a levels system would have required a large time investment to implement properly and in a way that did not appear biased especially to diverse attorneys.

### **Employment Brand**

Based on minority attorney interviews, reasons attorneys have chosen WSGR are early exposure to cutting edge tech and life sciences clients, a prestigious name brand, and smart people. Reasons they stay include an entrepreneurial environment, and a great opportunity to make partner.