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ALM

Can You Hear Me Now?

THE ASSOCIATES SURVEY

Associates say they want partners to talk—and listen—to them about their firms, clients, and careers.

PLUS

- Happy Days at Dickstein




PHOTO ILLUSTRATION BY WILLIAM DUKE

Happy Hour

**D.C.'s Dickstein Shapiro
has turned around morale
by learning how to keep
associates in the loop.**

By Amy Kolz



IT WAS A SMALL LUNCH GATHERING IN DICKSTEIN Shapiro Morin & Oshinsky's Washington, D.C., conference room. The firm's top brass was meeting with leaders from Pasich & Kornfeld, a ten-lawyer insurance boutique, hoping to entice them to join their ranks. It looked like your conventional courting session, with one exception: two Dickstein associates, David Greenberg and Selena Linde, had a place at the table.

The Dickstein associates weren't just there to eat lunch. Managing partner Michael Nannes had invited them to the meeting and let them know that he expected their active participation. "The meeting was presented to us not as 'This is a done deal, [so] come meet them.' It was 'This is what we're thinking about, and we want to get your sense of things,'" says Greenberg, a sixth-year litigation associate.

It was a risky move for Nannes. A deal was far from certain. In fact, Kirk Pasich says he agreed to the March meeting with the expectation of ruling out a deal. Many managing partners would hesitate to share even the possibility of an acquisition with associates at such an early stage, let alone invite them to discussions with the other side.

But Nannes sensed that Pasich's team, which had left the big-firm environment of Howrey Simon Arnold & White in 2003, would appreciate the associates' perspective. "I was trying to show them that we're not your standard big firm, so I took a gamble," he explains. Later, Dickstein New York associate Keith Markel would meet with Pasich associates in Los Angeles. And Nannes kept his junior lawyers apprised of the deal's progress through e-mails and voicemails. Pasich says associate involvement was



ONE WITH THE TEAM: MANAGING PARTNER MICHAEL NANNES WITH ASSOCIATES JENNIFER DUNCAN HACKETT (LEFT), RODNEY PRATT, DAVID GREENBERG, KEITH MARKEL, AND PARTNER ELAINE METLIN

“one of the major differences in the deal,” and the boutique agreed to an acquisition in late March.

Nannes’s gamble paid off in another way. For Dickstein associates, it was further proof that they had a real voice in important firm matters. “There’s the cliché about [associates] wanting a seat at the table; well, we literally got that here,” says Greenberg.

Giving associates a voice in firm and professional development matters are critical ingredients for associate satisfaction, say respondents to this year’s Am Law Midlevel Associates Survey. Associates want to be treated as true members of the firm, not as the temporary hired help. And if any firm has made strides on this front, it’s Dickstein Shapiro.

Last year Dickstein ranked number 133 among the 148 firms on

our list. This year, it’s number five—the highest ranking for an Am Law 200 firm and the biggest improvement in overall score among any of the Am Law firms on our list. Dickstein’s rise was driven by higher marks in all of the 12 categories that we use for our rankings, with 40 percent-plus increases in management’s openness regarding strategy and finances, training and guidance, interest level of work, and satisfaction level of work. Perhaps most significantly, associates say the firm is actually treating them like the next generation of partners, and accordingly, the firm’s score on whether associates expect to be at the firm in two years jumped 48 percent.

The renewed commitment to associate satisfaction isn’t out of character for a firm already known for its progressive, lifestyle-oriented

policies. Male lawyers are, for example, encouraged to take paternity leave. Dickstein has also had a senior lawyer dedicated to helping attorneys set up alternative work schedules since 1997. Nannes, the father of three children in their teens and twenties, has a particular appreciation for the potential rewards of happy associates. They will work more enthusiastically and deliver a better product to clients, he says. They tend to stay longer, which reduces turnover costs and pleases clients because their legal teams have continuity. And satisfied associates help to build the firm for the next generation—luring both law students and senior lateral groups with their enthusiasm.

In other words, associates are worth fighting for. “Associates are our lifeline to the future. The earlier they’re invested and proactive in shaping that future, the more fulfilled and more successful we all will be,” says Nannes. “I want them to think of it as their place.”

aS LAST YEAR’S SCORES ATTEST, Dickstein associates weren’t always so happy. Just as Nannes was preparing to take over as the firm’s managing partner in fall 2003, associate survey rankings put Dickstein at number 155, just four spots from the bottom of the list. While many at the firm thought the bottom-of-the-barrel ranking overstated associate woes, Nannes wasn’t satisfied with the status quo. He resolved to be very involved with junior lawyers as he took over as managing partner and asked partners and former executive committee members Elaine Metlin and Peter Kadzik to investigate associate dissatisfaction.

Metlin and Kadzik started with weekly and biweekly meetings with the firm’s associates committee, an elected group of nine associates and one counsel. The associates liaison committee was more than ten years old, but Nannes now pushed the committee to take a more active and vocal role. Associates leaped at the opportunity, giving Nannes, Metlin, and Kadzik brutally candid input at times, he says.

Dickstein leaders took quick steps to address their grievances. Associates complained, for example, about problems with the shift in 2000 from a lockstep to a merit-based system, where associates advanced through pay levels according to their performance. The resulting salary structure meant that those in the second year of a level were paid below market. The associates committee asked for salary increases to eliminate this discrepancy, and by early January the executive committee had approved a 5–10 percent bump in second-year pay scales. Associates also fought to increase the number of pro bono hours that counted toward their billables requirement. The firm quickly changed the pro bono allowance from 100 hours to 100 hours plus 50 percent for every hour above that.

Management also consulted associates for their views on broader firm matters. Dickstein has won points for soliciting associate opinions on the furniture and layout for the firm’s new D.C. offices, for example. “It seems mundane, but it’s like when you move into a house, you want to pick out your own curtains,” says antitrust litigation associate Jennifer Hackett. Her peers appreciate that they’re not just getting shuffled into a new space after partners arbitrarily dictate the decor.

An earth-shattering change? Hardly. But Dickstein lawyers have gotten the larger message. “Even if we don’t get exactly what we want, we are heard and considered,” says Greenberg. “It’s still the partners’ firm. They have to make the final decisions, but it’s reassuring that we have a voice,” he says.

Keeping the lines of communication open has taken a lot of time. Associates committee members have recorded 1,016 hours in formal meetings and calls since the summer of 2003, and several hundred more hours in informal discussions and e-mail exchanges. Greenberg, for one, estimates that he has received and responded to more than 1,900 e-mails during his two-year committee tenure.

Metlin and Kadzik continue to meet with the associates committee regularly. And Nannes meets with the group roughly every 45 days, almost as often as he

MOST IMPROVED SCORE

DICKSTEIN SHAPIRO MORIN & OSHINSKY Washington, D.C.

Participating Offices: Los Angeles, New York, Washington, D.C.

Number of Respondents: 28 (62% response rate)

Firmwide Score: 4.333, up from 3.354 in 2004. Rank went from 133 (out of 148) to 5 (out of 160). Scores are based on a 1-to-5 scale, with 1 being the lowest, and 5 the highest.

How the firm rated on key scoring questions:

- How interesting work is: 4.29
- How satisfying work is: 4.21
- Benefits and compensation: 4.43
- Associate relations: 4.64
- Partner-associate relations: 4.39
- Training and guidance: 4.32
- Openness re: finances: 4.48
- Communication re: partnership: 3.46
- Realistic billable hours: 4.37
- Attitude toward pro bono: 4.57
- Likelihood of staying two years: 4.19
- Overall rating as a place to work: 4.64

About the work:

- Methods for assigning work: 4.29
- Distribution of work: 4.21
- Quality of work assigned: 4.50
- Quantity of work assigned: 4.29
- Level of responsibility: 4.57
- Amount of client contact: 4.41
- Amount of feedback: 4.32
- Fairness of evaluations: 4.50

Hours and compensation:

- Average hours worked per week: 56.5
- Average hours billed per week: 45.2
- Average salary: \$155,769
- Average bonus: \$13,150

What the firm’s culture is like:

- Morale this year over last: 4.30
- Collegiality: 4.57
- Competitiveness: 1.89
- Dedication to diversity: 4.89
- Family-friendliness: 4.54
- Self-esteem (firm’s prestige): 4.04

The partners and firm management:

- Opportunities to work with partners: 4.93
- Opportunities to socialize with partners: 4.54

What one associate said sets their firm apart from others: “[A] true and sincere concern for associate contentment and retention. Diversity is also a sincere priority, top to bottom.”

What another would like to tell the managing partner: “Thank you for considering the thoughts and opinions of your associates. By including associates in the decision-making process, morale is improved and associate-friendly decisions are made.”

meets with his executive committee. He also holds quarterly meetings with all associates to brief them on financial results, strategy, and recent events. The updates aren't cursory. When the firm was in merger discussions with Swidler Berlin Shereff Friedman last fall, Nannes discussed the rationale as well as the potential conflicts issues inherent in the match. And Nannes estimates he gives associates at least 80 percent of the financial figures that he gives to partners, only leaving out details such as the specific ranges and timing of partner distributions. "I want them to hear [information] from me, not from rumors or reading about it in the paper," he explains. "They're smart, and they will figure it out anyway, so why hold back?"



HAIR AND MAKEUP BY MAEION BRYANT

gIVING ASSOCIATES A VOICE IN firm policies is just one part of the equation for success. Dickstein Shapiro has learned that younger lawyers want a say in their professional development as well. In mid-2003 the firm appointed administrative heads for each practice group whose responsibilities would include monitoring associates' assignments and overall development.

Fifth-year insurance litigation associate Jamila Hoard says these additional advocates are largely responsible for improving her experience at the firm. Hoard remembers spending more than 80 percent of her time on document review when Karen Bush, then the administrative head of insurance litigation, called to check in. "[I told her] I felt like my brain was turning into mush," she says. Within three weeks, Bush assigned her to two other matters where Hoard wrote briefs and did research. "It was the beginning of a change in my experience at the firm," Hoard says. "I went from being pretty unhappy to being a really big fan of the firm."

Similarly, the firm has made great strides in mentoring. Dickstein had established a formal mentoring program in 2000, but associates stressed to Metlin and Kadzik that it wasn't enough. Mentor pairs were supposed to schedule regular get-togethers, but these meetings weren't always happening. "Lawyers tend to just respond to the 'crisis du jour,' and no one was cracking the whip," explains Metlin. Associates wanted closer relationships with both their mentors and the partners on their teams. The firm hired an outside consultant to help revamp the program in the spring of 2004. Susan Manch of D.C.-based Shannon & Manch held a series of focus groups and

elaine Metlin, a partner (right), shares a drink with associates **Selena Janine Linde** and **Keith Markel**. Dickstein associates give the firm high marks for partner-associate relations.

training sessions with junior and senior lawyers that summer and fall. She highlighted for partners the business rationale for formal and informal mentoring: higher associate satisfaction and retention.

"The partners were enthralled," says Metlin. The importance of mentoring hadn't been intuitive. Many senior lawyers had been at the firm more than 20 years. These Dickstein veterans still thought of the place as a small, everyone-knows-everyone environment. But young associates had a day-and-night different experience, she explains. And since many partners didn't expect associates to spend their entire careers at the firm, they had less of an interest in forming close relationships with younger colleagues. The mentoring training taught Dickstein partners that there is a huge benefit to making the most of the situation even if it's not forever, Metlin says.

Metlin estimates that three-quarters of Dickstein partners participate in the mentoring program today. Assigned mentors now meet with their associates at least three times a year, although some say they get together several times each month. The pairs also put together an annual list of each associate's expected goals for the coming year. New York associate Dorothy Thomas says formulating

these structured objectives is especially helpful. “While you’re in the chaos of daily life, you don’t necessarily think about the type of work you’re getting or your professional development,” she says.

Dickstein continues to tweak the formal mentoring and training programs. Starting earlier this year, associates could submit specific requests for individual mentors instead of having them assigned. The firm also hired Katie White from Morgan, Lewis & Bockius as a full-time manager of professional development for associates. White keeps track of mentor pair meetings and gathers regular feedback from associates. And she is currently spearheading an effort to improve the firm’s formal training sessions.

Not everything is formal. Day-to-day mentoring and training have become routine. Partners are more likely to help associates understand the broader picture of a client matter instead of just ordering them to do grunt work. Corporate associate Rodney Pratt attributes this year’s higher ratings in interest and satisfaction level of work to this daily training. Pratt says partners now regularly invite associates to join most, if not all, conference calls and client meetings. On a recent M&A deal, this practice meant the fifth-year associate sat through a seven-hour conference call with his partners negotiating the details of a purchase agreement. “It’s sometimes a mixed blessing,” he laughs. But Pratt appreciates that he didn’t have to draft the final document without understanding the context: He learned firsthand the nuances and significance of each provision.

Dickstein continues to encourage this type of on-the-job training. The firm is now footing the bill for associates to attend client meetings, depositions, or hearings when their experience level doesn’t justify billing the client. The amalgamation of training and mentoring efforts has paid off. Dickstein’s average scores for feedback about work and client contact increased by 31 percent and 8 percent in our survey, respectively. And the score for associates’ relations with partners increased 28 percent.

NOT EVERYTHING IS PERFECT. Dickstein earned its lowest marks on how clearly it communicates what it takes to make partner, a problem area for many firms this year [see “Can You Hear Me Now?” page 104, *The American Lawyer*, October 2005]. But they’re working on it. Earlier this year, Nannes appointed a six-partner committee, following complaints from associates that the partnership process was too opaque. And when Nannes was asked about the low scores in an interview, he immediately pulled out the committee’s draft of “Policies and Procedures for Professional Advancement,” a guide meant to clarify the skills required for advancement in the level system, timing, and specific factors influencing partnership decisions. He admits that any stated criteria will be imperfect given the subjectivity ingrained in the partnership elections. But he’s committed to demystifying the process.

Whether or not associates will become the next generation of partners at Dickstein is unknown. But junior lawyers do know that law firm leaders care. Important people have made associate issues their bailiwick. Associate liaisons Metlin and Kadzik are both busy litigators who have worked on some of the firm’s highest-profile cases. And Nannes himself spends many hours talking formally, and perhaps more importantly, informally with associates. Associates call him “Mike” and testify to his open-door policy and his frequent appearances at happy hours. He has even been known to ask if he can tag along on impromptu associate lunches. Of course, the associates are happy to have him, as long as they get to pick the restaurant.

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