

Midsize and Small Law Firms Skip the Lockstep Pay Dance

by Catherine Wilson

While Am Law 200 firms sway to the annual associate pay dance, midsize and small law firms are happy to be wallflowers.

A lockstep salary scale for associates is decidedly and intentionally absent at smaller firms in South Florida, and they are even further from a doctrinaire approach on staff pay rates.

“We’re not that rigid in terms of how we approach this stuff,” said Brett Schneider, part of the five-member management committee at 70-attorney Weiss Serota Helfman Cole & Bierman. “It tends to be somewhat flexible. We look at the specifics of the situation.”

The timing of hiring is addressed as needed rather than in limited time windows.

“It’s done in a fluid fashion throughout the year. It’s not as though decisions are made at one point in the year in a so-called hiring season,” Becker managing partner Gary Rosen said. “It’s done episodically throughout the year.”



Brett Schneider is part of the five-member management committee at 70-attorney Weiss Serota Helfman Cole & Bierman.

On hiring and pay decisions, Jeff Schneider, managing partner of the 16-attorney litigation firm Levine Kellogg Lehman Schneider + Grossman in Miami, said, “We have a small group of equity partners, so

pretty much we do everything by consensus.”

The partners meet every couple of months, go around the table and assess staffing needs.

“If at the end of the process people are screaming that they’re

too busy, we'll hire," Jeff Schneider said. "If you go two or three months and people are too busy, it's unhealthy, and that's when we know we need another lawyer."

The firm has used legal headhunters but has its greatest success with summer associates and referrals from its pool of young attorneys.

"They'll say to their friends, 'I'm happy, you're not,'" and lay the groundwork for a move, Jeff Schneider said. Usually, the two attorneys — inside and out — went to law school together or worked together at another firm. "They're not just colleagues; they're friends. And that's exactly what we have at the top."

Miami-based Lydecker Diaz has grown from about 30 lawyers when Mark Hendricks took over as managing partner 10 years ago to somewhere in the 80s and growing. He instituted weekly staffing meetings this year to gather key people every Tuesday morning to address non-attorney staffing needs.

"We didn't used to be statewide. Now we're multistate" with offices in New York, New Jersey and Pennsylvania. "We've got a bigger platform now," and more hiring is under way.

Pay issues for attorneys run through three committees: a hiring committee for new hires,

compensation committee for annual reviews and a bonus committee for annual bumps. The committees "probably do 90 percent of the lifting, 95 percent of the lifting," Hendricks said.

When bigger firms recruit Lydecker attorneys, Hendricks said he'll bow out gracefully. A recent departee was offered \$40,000 a year more to go, and "I shook his hand." But some end up returning. While starting pay may be lower than Big Law, "We catch up to them, and we might even pass them after a few years."

REDIRECTING TASKS

At Becker, practice groups leaders are responsible for determining when additional attorney staffing is needed, and hiring requests go to Rosen for a determination. Non-attorney staffing is overseen by Rosen and the firm's chief administrative officer, Marilyn Fong.

Rosen and Fong look for ways to restructure the support staff operations, and one recent change was to redirect the time-consuming task of electronic court filings from legal assistants to staffers assigned specifically to the filing process.

"Legal assistants are some of the highest paid staff that a law firm has," Rosen said. The goal

was to "move more routine functions away from these highly paid people, aggregate them."

Staff-attorney ratios are a perennial discussion point.

"If you talk to consultants, the day would come where the ratio would be 10 to one. I have a hard time seeing that," Rosen said. Becker's Fort Lauderdale litigation team is a four to one, but smaller offices have a harder time reaching that level.

At Weiss Serota, the managing director makes all hiring decisions, and decisions on non-attorney staff members will be made "without much input from the management committee," Brett Schneider said. Most legal assistants are supporting three lawyers, and some have four.

At Lydecker, Hendricks said, "I hear six to one, five to one. It's aspirational for us to get to four to one." The ratio varies by practice group. With new Hurricane Irma insurance defense cases coming in, the property division is closer to two to one. "One group may temporarily have five to one, but it's not a ratio I'm comfortable with."

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