

**Symbols and Substance: The Hiring and Promotion
of America's Leading Law Firms**

Shanna Dinwiddie

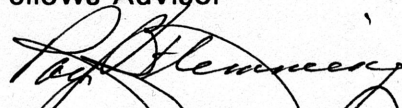
University Undergraduate Fellow, 1992-1993

Texas A & M University

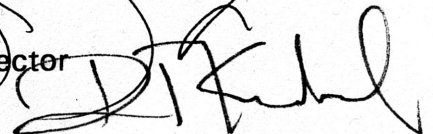
Department of Political Science

APPROVED

Fellows Advisor



Honors Director



Symbols and Substance: The Hiring and Promotion of America's Leading Law Firms

Introduction

The legal profession has undergone dramatic changes in the past two decades as it has grown from a traditionally male occupation to one which includes substantial numbers of women among its ranks. These new women attorneys have even been able to begin to crack the elite law firms, which now hire a greater percentage of women than the legal profession. But, as disclosed by the 1991 survey of the largest 250 firms by the National Law Journal, great discrepancies remain in the proportion of women hired by these elite firms and in the proportion that they promote to partner. Some of these firms refuse to hire or promote many women, while others both employ and promote well above the national average. The reasons behind this variation are the subject of this study.

Throughout the late nineteenth and mid-twentieth centuries, women were virtually excluded from the practice of law in America. Few law schools accepted them as students. Women were restricted to less than 5% of law students until 1968, and did not account for more than 10% of law students until 1973, when the percentage jumped to 12.2%. At this point, things began to change rapidly

and female admissions rose sharply until 1986, when 40% of law students were female. This explosive growth rate then tapered off somewhat; by 1989 women accounted for 42.2% of law school students. (See Figure 1.)

The increase in female law school students translates into more women lawyers. Before 1971, women constituted a mere 3.3% of all attorneys. Between 1971 and 1979, however, 14.8% of all attorneys admitted to the bar were women, so that by 1980, women accounted for 8.1% of the profession. In 1988, the percentage of female attorneys had grown to 16.1% of all attorneys (American Bar Foundation, 1989). (See Figure 2.) Over a third (34.9%) of the women attorneys in 1980 were under 30 years old, and more than three-quarters of them were under 40 (Curran, 1985). This clearly illustrates the historical exclusion of women from the practice of law.

The National Law Journal study focused on the attorneys employed by the 250 largest law firms in the nation. These firms are the legal profession's power players. They have connections and prestige in the business world, and, as a result, they are the hardest with which to gain employment. The firms traditionally drew most of their recruits from elite law schools--before 1970, 56.9% of their recruits were graduates from these schools, and another 25.9% came from other prestigious schools. After 1980, this began to change. Currently, 35.7% of the firm's recruits are graduates of elite schools, and 26.8% are graduates of prestigious law schools. This means that the other 37.5% of recruits come from local and regional schools, where women are likely to be found.

Figure 1: Percentage of Law School Students Who Are Female

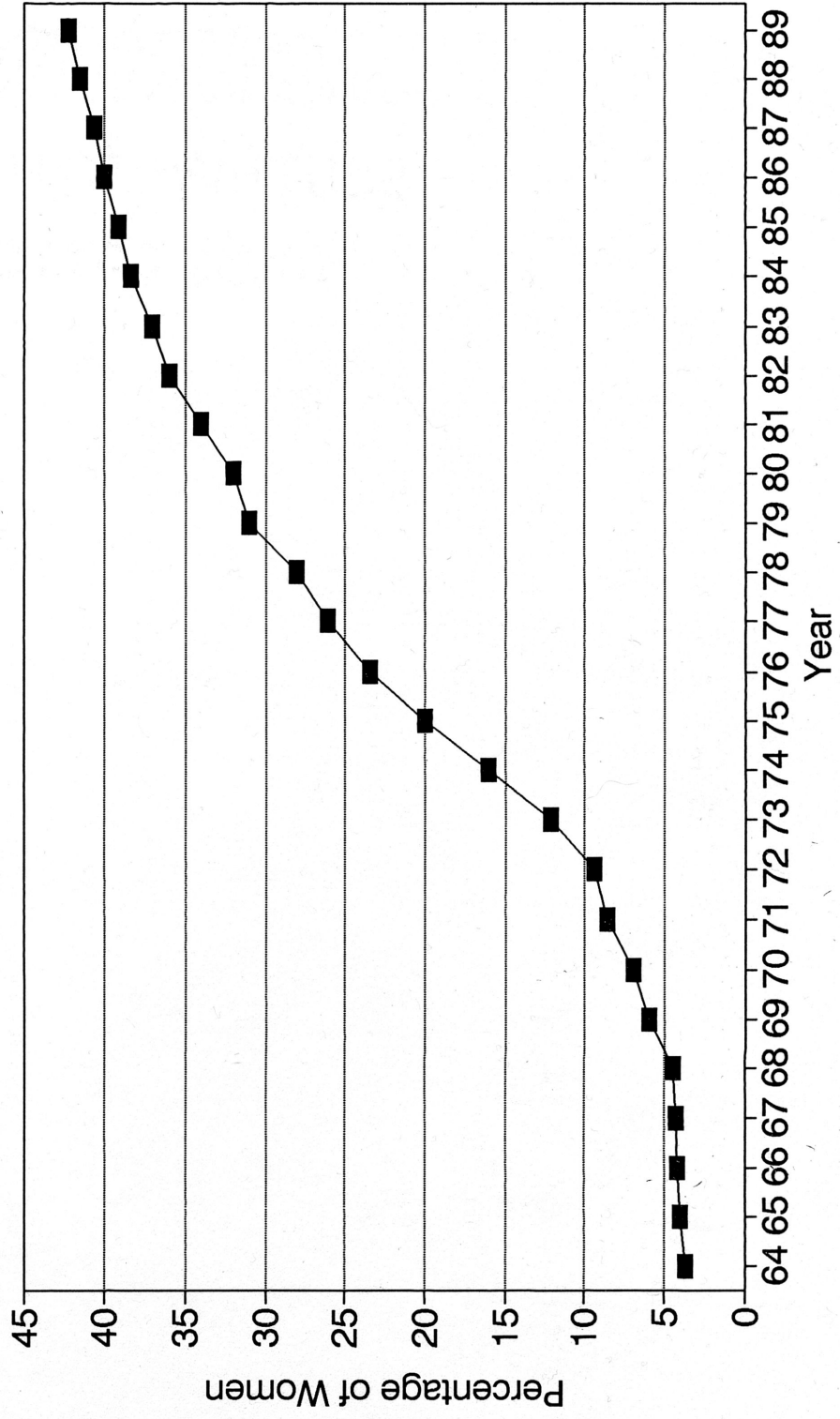
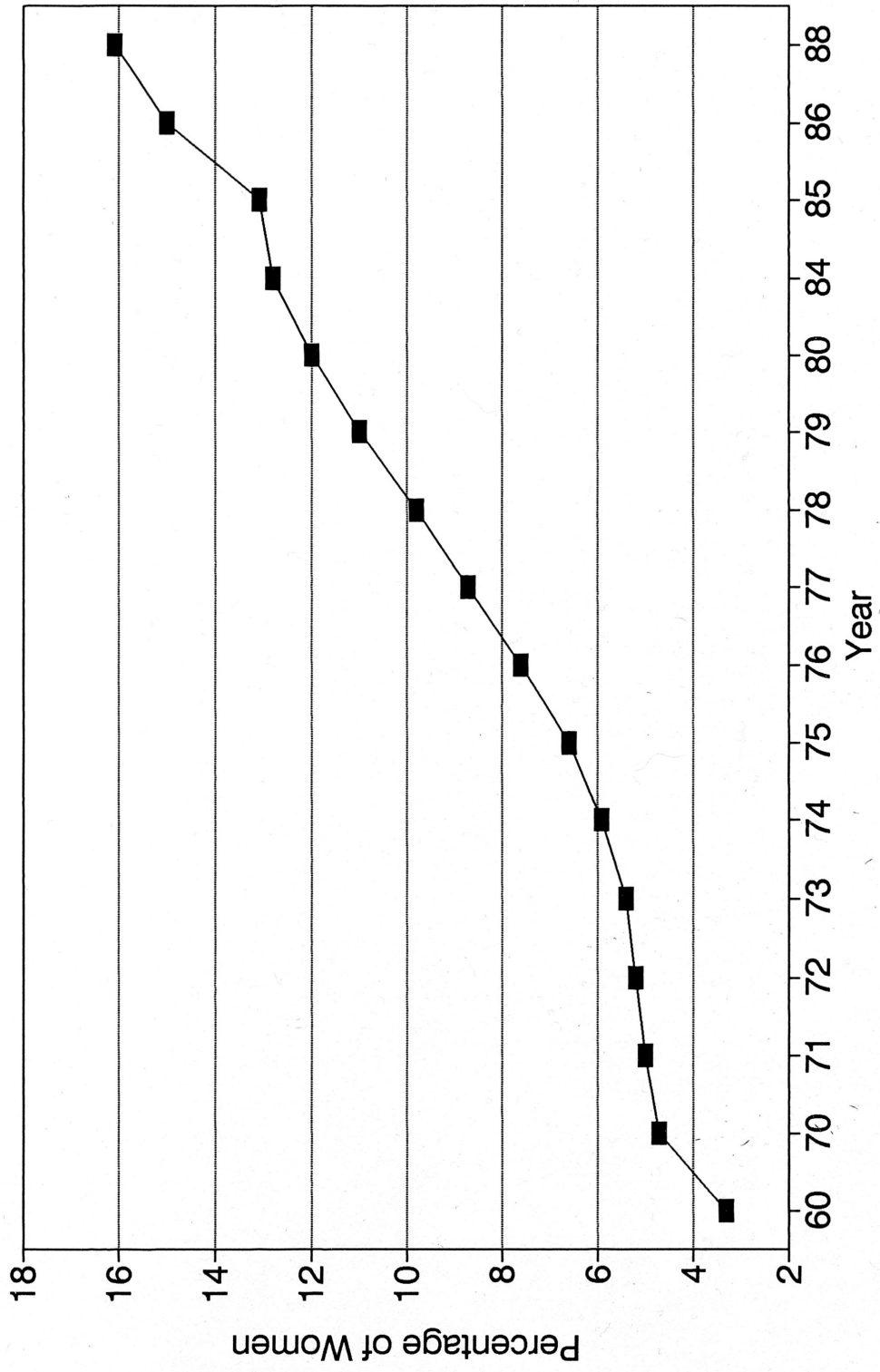


Figure 2: Percentage of Women Lawyers



The firms under study are an elite minority among law firms by virtue of their large size. The smallest firm employs 129 attorneys. In 1985, firms with more than 50 attorneys comprised only 1.2% of all firms (Curran, 1985). Clearly, there are few firms as large in size as the firms in this study. If a "glass ceiling" exists with regard to promotion in the legal profession, one would expect it to be found in these elite firms.

However, the National Law Journal survey has found significant improvement in the hiring and promotion of women since its 1981 survey. In 1981, women accounted for 15.5% of all lawyers at these firms; 23.9% of the women were associates, and only 2.8% were partners. By 1991, women saw some substantial gains. They made up 26.2% of all attorneys at these prestigious firms; 37.1% were associates and 11.1% were partners (MacLachlan, 1992). It is worth noting that this 26.2% is well above the most recent figures (1989) on the national percentage of women in the legal profession, which is only 16.1%.

Despite these positive changes, the major firms in the survey differ in their hiring practices. For example, the firm with the highest percentage of women partners, with 29%, was Anderson Kill Olick & Oshinsky of New York. However, Curtis, Mallet-Prevost, Colt & Mosle, another New York firm, had no women partners. And, despite Anderson Kill's apparently glowing promotion practices, it is not among the top five firms in terms of the percentage of female associates. The top firm in this respect is Washington, D.C.'s Dow, Lohnes & Albertson where 62% of the associates are females. The numbers drop to a low of 16% at Jacoby & Meyers of New York. Clearly, elite firms vary widely in their hiring and promotion of women.

Characteristics of the individual firms must be at the root of these variations. For example, one firm which hires and promotes above the average percentage of women is ninth ranked Morrison & Foerster of San Francisco. Of the firm's 671 attorneys, 37% are female, and about 10% are minorities. In addition, 18% of its 216 partners are women. The firm has grown by 47% since 1988, when 7% of its partners and 33% of all of its attorneys were women. Morrison & Foerster has eight domestic branch offices, and four international branches in locations such as Tokyo and London. It offers new associates a starting salary of \$65,000. Nearly 61% of its partners attended elite law schools, including 56% of the female partners. A large percentage of the firm's business, 43%, involves litigation, and corporate law forms the bulk of its work. Morrison & Foerster represents seven Fortune 500 corporations, the largest being Anheuser-Busch Incorporated. In addition, the firm represents one diversified financial company, The Travelers Corporation; two banks, including BankAmerica; and five savings and loan associations, including the largest in the United States, H.F. Ahmanson & Company.

Conversely, Bond Schoeneck & King, of Syracuse, New York, falls short of the elite firm average proportion of women, with only 15% of its 146 attorneys being female. Less than 3% of its partners are women, and slightly greater than 3% of all of its attorneys are minorities. The firm grew by 75% between 1988 and 1991, when it had only one female partner, and a mere 10% of all of its attorneys were female. In 1991, Bond Schoeneck & King offered a starting salary of \$53,000 to its new associates, and it had six domestic branch offices. Litigation comprised only 10% of its business, and its areas of practice were diverse, including corporate law, environmental law, education, labor relations, taxation,

and estates. One of Bond's two female partners attended an elite law school, as did 36% of all of its partners. The firm does not represent any prestigious corporations or financial institutions.

Why do the hiring and promotion practices of large law firms vary with respect to women? This is the question addressed by this study. Specifically, it looks at the hiring and promotion of women among the largest 250 law firms, as determined by the National Law Journal's 1991 survey of law firms, to examine the reasons behind the variation among these firms.

The Basic Structure of Law Firms

In order to understand the hiring and promotion practices of law firms, it is necessary to understand their characteristics and structure. The firms in the study range in size from 129 to 1259 lawyers, with a mean size of 269. Within each firm, there are two major categories of attorneys: associates and partners. Associates are those attorneys who are new to the firm, and they make up the majority of the attorneys in most firms. They must work their way up the firm's seniority ladder and earn the right to become a partner. Associates earn a fixed salary, whereas partners earn a portion of the firm's profits in addition to their salary. Naturally, it is quite desirable to become a partner. However, the quest to make partner is long and hard, and there are no guarantees. Currently, the average amount of time to become a partner in a large law firm is between 8 and 10 years. During this time, the associate must bill at least 2500 hours per year to the firm's clients. Based on her performance, an associate is voted on after the appropriate amount of time has passed and is either promoted to partner or forced to leave the

firm according to the "up or out" policy. Recently, the chances of becoming a partner have grown slimmer. In 1990, the chance of becoming a partner in a New York firm was estimated at one in six. In 1992, the figure became one in ten. Some claim this is a result of the large classes of associates that entered the firms in the early 1980s, while others attribute it to a sagging economy. Either way, it has made the climb to partnership in large firms all the more difficult (Woo, 1992).

Among the 250 firms in this study, the number of partners ranges from a low of 39 to a high of 419, with a mean of 104. The number of associates ranges from 42 to 826, with a mean of 151. These figures indicate that on the average the number of associates exceeds the number of partners in these firms. The average number of women attorneys in the firms is 69, translating to a percentage of 25.5% women attorneys. This proportion ranges from a low of only 3.5% to a high of 39.3%. The mean number of women partners is 12, and the mean number of women associates is 55. However, as noted earlier, there is much variation among the 250 firms with respect to the actual numbers of women in the firms.

The Dependent Variables

There are two dependent variables, both calculated as a ratio of the percentage of women associates or partners for each firm to the 250 firm average percentage of women associates or partners. I used ratios instead of the proportion of women associates and partners in the firms for two reasons. First of all, because this study strives to explain why elite firms vary in the percentages of women they hire and promote, a ratio is a better measure of the variation. It

reflects the extent to which each firm in the survey differs from the average for all firms in the survey. A score of less than one means the individual firm is hiring proportionately fewer women than the 250 firm average, while a score of greater than one indicates the firm is hiring more women than the 250 firm average. A score of one signifies the firm meets the overall firm average. The ratios also simplify the process of evaluating the data as they separate the dependent variables from each other and from the independent variables, allowing examination of the historical practices and power components of the firm that would not otherwise be possible because of their similarity in calculation. Because the dependent variables are not calculated as percentages, they are not linked mathematically to important independent variables.

The first dependent variable is the ratio of the percentage of women associates of the individual firm to the elite firm average of women associates. The ratio of associates gets at the question of hiring practice because attorneys generally begin their careers as an associate in a firm. The next is the ratio of the percentage of women partners in a firm divided by the average percent of women partners. This ratio is a measure of promotion practices in firms.

By definition, the mean of both of the dependent variables is one. However, the standard deviations differ for each. For the associate ratio, the standard deviation is 0.22. However, for the ratio of partners, the standard deviation is 0.36. This indicates that the firms deviate from the average number of women partners more than they do from the average number of women associates. The associate ratio ranges from 0 to 1.68, while the partner ratio ranges from 0 to 2.67. This indicates two things. First of all, it confirms the fact that there are

firms which do not hire or promote women. Secondly, it demonstrates that firms are more likely to deviate farther from the average with respect to promoting women than hiring women.

Additionally, it is important to note that the correlations between the variables are not such that it precludes their analysis. The correlation between the partner and the associate ratio is only 0.22, which is not strong enough to indicate that the two dependent variables are different variations of the same concept.

The Conceptual Model

Surprisingly, no research has been done regarding the reasons for variations among firms in hiring and promotion of women. The only literature which exists concerns wage discrimination and discrimination in hiring and promoting of minorities in different types of organizations. However, none of this research was significantly similar to this study to be helpful. Because of this, I have created my own theory about the reasons behind the variations based on my knowledge of the structure and operation of law firms.

To determine the cause of the variation in the dependent variables for each firm, I developed and tested a conceptual model. This model assumes that variations in hiring and promoting women are a function of internal and external factors affecting the firms. These factors are further divided into four broad categories: the internal factors include firm structure and firm culture; and the

external factors are firm location and client characteristics. These variables were then operationalized according to more specific measures. The categories will be examined in detail below.

INTERNAL FACTORS

Internal factors are those organizational elements within a firm that influence its behavior. They are things a firm could conceivably change. If these factors are found to be important in explaining the variation among firms in hiring and promoting women, this finding points to internal biases against women and to the fact that changes must come from within the firm in order to rectify the problem.

Firm Structure

Firm structure refers to the firm's complexity as an organization. This category includes the growth of the firm between 1988 and 1991, the firm's "leverage," the number of branch offices, the percentage of lawyers working in these branches, and changes in the number of branches.

The growth of firms is expected to have a significant impact on the proportion of women in law firms. Firms experiencing rapid growth between 1988 and 1991 may hire and promote greater numbers of women than their slower growing counterparts because women make up an increasing segment of the legal profession. Thus, growing firms must accommodate this influx of women, if they wish to expand. If this is true, the effect of growth would be most pronounced for

women associates, as lateral hiring of senior attorneys from one firm into another is fairly rare, and the hiring of women into partnership positions would not account for much of the growth.

Leverage is the way in which firms are structured. It is measured as a ratio of the number of associates to the number of partners. Firms leverage themselves because the associates who earn less than the partners generate more profits for the firm than the partners alone could (Galanter & Paley, 1991). These profits then go to pay the salaries of the partners. High leverage ratios mean that there are more associates per partner whereas a low ratio means that the number of associates is closer to the number of partners. With this in mind, leverage is expected to have a clear impact on the hiring and promotion practices of law firms.

Firms with high leverage ratios would be expected to have a larger number of women associates, but fewer women partners, than those firms with a low leverage. This is due to the fact that those firms that are highly leveraged have more associates, which is the position that women are likely to hold in a firm. These firms also have fewer partner positions which means it is harder to be promoted; it is likely there will be fewer women partners in highly leveraged firms.

Change in leverage from 1988 to 1991 is also examined. There are two effects that a change in leverage will have. Firms that have increased their leverage in effect create more associate positions, which they can fill with women, while tightening or reducing opportunities for partnerships. Conversely, firms which have experienced a decrease in their leverage eliminate opportunities to be hired as an associate, but they expand the chance to become a partner. Change in leverage is calculated as a ratio, and is computed by dividing leverage in 1991 by

the leverage in 1988. A value greater than one indicates that there are more associates per partner in 1991 than there were in 1988. Firms experiencing this type of growth thus create more opportunities for associates to be hired, but restrict partnership openings. A value of less than one indicates that there are fewer associates for every partner in 1991 than in 1988. This situation is a contraction of leverage; firms altering their structure in this manner restrict opportunities for new hirings of associates, but expand the chance for partnerships. Therefore, it is expected that a growth in leverage will lead to an increase in the number of women hired by the firm, but fewer women promoted to partner. However, a contraction of leverage will lead to an increase in the number of women promoted by the firm, while the number of women hired as associates will drop.

The effects of the branch variables are harder to anticipate. Branches reflect the complexity of the firm. The greater the number of branch offices, the more complex the firm. From one perspective, numerous branch offices and high proportions of lawyers working outside the firm's main office may lead to proportionately fewer women in the firm. This idea comes from a cursory observation made during examination of several firms listed in the Martindale-Hubbel Law Directory. The branch offices were generally smaller than the main office, with one to five partners and five or more associates. Women were noticeably absent in the branch offices which might be due in part to the "old boy network" or feelings of the older, established male partners that women should be closely supervised or they are not as capable as the male attorneys. Supervision might not be as easy in a branch office, where there are fewer resources than in the main

office. An additional explanation for the possible lack of women in firms with many branch offices is the fact that the lawyers in these offices are likely to come into contact with firms' clients on a regular basis. As stated earlier, because women entering the legal profession are generally young, they are also inexperienced. If it is true that branch attorneys come into contact with clients more than attorneys in firm's main office, a firm would not want an inexperienced attorney in its branches. Because of this fact, firms may prefer to keep their female attorneys in the main offices, and thus, firms with many branch offices would not have as much need for young, inexperienced, female attorneys.

From another perspective, however, the fact that a firm has branch offices widens its potential labor market to include the cities in which it has branches. Thus, the firm would not be limited to the home office's local supply of women attorneys. In addition, the attitude towards female attorneys might be quite different in other labor markets, allowing firms to hire women according to its local norms.

Firm Culture

Firm culture refers to normative influences within a firm, including the power of the women within the firm and the firm's "liberalness". Indicators of firm culture include the percentage of minority lawyers in the firm, the number of partners who are graduates of elite law schools, the historical attitude of the firm toward hiring and promoting women, and the starting salary of the firm.

The proportion of minority lawyers in firms, as an indicator of firm "liberalness", is expected to influence the number of women attorneys hired by law firms. Because minorities face many of the same problems as women in breaking into the legal profession, their presence in firms indicates a willingness to also hire women. Accordingly, one would expect that the greater the proportion of minorities found in firms, the greater the proportion of women hired and promoted by firms. Changes in the percentage of minority attorneys from 1988 to 1991 are also examined; it is expected that increases in the proportion of minorities should be paralleled by similar increases in the proportion of women.

Additionally, a firm's prior attitude about hiring and promoting women is expected to have a positive impact on its current hiring and promotion practices, as it indicates the firm's past tolerance of women. If a firm hired a large proportion of women in the past, it is expected that it will continue to do so in the present.

The proportion of partners who graduated from elite law schools was examined based on the expectation that the greater the proportion of elite graduates hired by a firm, the lower the proportion of women hired by the firm. This is due to the fact that the pool of eligible job candidates will be limited, as women are slightly more likely to attend local or regional schools which are less prestigious. Thus, the number of women who are graduates of an elite law school is small, and if a firm wishes to hire elite graduates, there may not be enough to meet the demand. This assumes that firms with high proportions of elite law school

graduates prefer to hire graduates of elite schools. In this sense, this variable measures the influence of the "old boy" network on the hiring and promotion of women lawyers.

The number of women partners who graduated from elite law schools is examined as a measure of the power of the women within firms. Women who have graduated from an elite law school possess a certain amount of power by virtue of that fact. They may exert more influence than women who graduated from less prestigious law schools. These women also are likely to have liberal attitudes regarding the hiring and promotion of women into their firms, and form an "old girl" network of their own to advance their interests. Accordingly, if a firm has a high proportion of women partners who are graduates of elite law schools, it is expected that it will hire and promote higher proportions of women. More generally, the power of the "old girl" network is explored using the percentage of female partners in a firm with regard to their legal education. This presumes that women in positions of power, i.e. the partners in a firm, have been in the firm long enough to have acquired influence. I expect to find that the greater the proportion of women partners in a firm, the greater the number of women the firm will have, due to the influence exerted by these women.

The effect of high starting salaries on the hiring of women is hard to predict. On the one hand, it could have a negative effect on hiring of women. Firms use starting salaries to attract the most qualified attorneys possible. If firms paying high salaries feel that female attorneys are basically less qualified than male attorneys as a whole, they will be less likely to hire women, as they will feel they are getting less for their money than they would if they hired a man. Firms paying

lower starting salaries would not be in a position to expect as much in terms of the credentials their new attorneys bring to the firm, and would therefore hire more women. In short, in this situation, salary would have an inverse relationship to the hiring of female attorneys. However, from another perspective, the effects of the salary variable might be quite different. If firms are forced to compete for the best new attorneys, including the best new women attorneys, high salaries might be required to hire the best women attorneys. That is, firms paying a higher salary would be better able to bid for the services of the most capable female attorneys. In either scenario, it should be noted that the effect of starting salary is likely to have a stronger effect on the proportion of women hired by the firm than on the proportion promoted. However, as being hired is a prerequisite to being promoted, it should have some effect on promotion as well.

EXTERNAL FACTORS

External factors are elements outside of the firm which influence its hiring and promotion of women. These factors are largely beyond the control of the firm. Should these elements prove to be significant in explaining the variation among firms in hiring and promoting women, changes must occur in the firm's environment in order to remedy the situation.

Firm Location

A firm's location may affect its hiring and promotion practices. The idiosyncrasies of a firm's surroundings in terms of labor market and community norms may influence these practices. Firm location attempts to explain variations in the

hiring and promotion of women through examination of the regional location of firms, their legal markets, and population size.

Because attitudes differ throughout the country, the regional location of the firm is expected to have a significant effect on the proportion of women hired and promoted by law firms. For instance, one expects the west coast to be more liberal than the south, and thus firms in the west may hire more women than firms in the south. This is to say that the attitudes of the general population in different regions of the country will affect the hiring and promotion practices of law firms in these locations.

The number of competing elite firms in a firm's location also might contribute to a high proportion of women. If a firm is located in a city with a large number of prestigious law firms, it will have to compete in the labor market for new members. Accordingly, the firm will be forced to compete for women and hire greater numbers of women than firms located in cities with few elite firms. In these latter cities, the competition will be concentrated among those looking for jobs and the firm can be more selective, hiring women only if it so chooses.

Finally, the population of the metropolitan statistical area in which the firm is located is expected to have a significant impact on the proportion of women in law firms, since it affects the size of the labor market. Specifically, the larger the city, the greater the proportion of women lawyers in the labor market and thus the higher the proportion of women in the elite firms.

Client Characteristics

A firm's clients are its lifeblood: there would be no need for the law firm without its clients. Therefore, it is reasonable to expect that a firm's personnel policies will reflect in part the attitudes and prejudices of its clients. The client characteristics variables attempt to measure the extent to which firms are influenced by their clients. They refer to the type of clients the firms represent and to the types of legal business the firms handle.

Four types of clients are examined: banks, savings and loan associations, diversified financial corporations, and corporations. Only the most prestigious (i.e. largest) of these clients are included in the analysis, yielding 100 banks, 50 savings and loans, 50 diversified financial corporations, and 250 corporations. Banks include organizations such as Citicorp, Chase Manhattan Corporation, and NCNB Corporation, while examples of the savings and loan associations are Great Western Financial Corporation, Glenfield Incorporated, and California Federal Bank. Diversified financial corporations are such well-known companies as American Express, Merrill Lynch, and The Travelers Corporation. Corporations are taken from the Fortune 500 rankings, including such organizations as General Motors, Exxon, and General Electric. Three measures were used for each type of client: an indicator of whether a member of the firm sat on a client's board of directors, the number of clients represented, and the overall prestige of the clients represented. In addition, a total number of clients and total rank was calculated across categories. Further, the firms' percentage of prestigious legal business, as defined by

Heinz and Laumann (1982) in Chicago Lawyers: the Social Structure of the Bar, was calculated. Finally, the percentage of business involving litigation was examined.

The effects of these variables are difficult to predict. On the one hand, client variables are expected to have a positive effect on the number of women hired and promoted to partner by the firms. That is, the more prestigious the clients or the greater the number of prestigious clients represented by a firm, the more likely a firm is to have higher proportions of women. This is to be expected because these clients as national corporations and institutions are more likely to be sophisticated and in the public eye, and thus more willing to deal with female attorneys. In addition, they might exercise some influence over the law firms, convincing them to diversify their ranks, as the clients themselves have. Also, many of the larger corporations have in-house counsel, in which they employ differing numbers of attorneys on a full-time basis to do the routine work of the corporation. Because of a growing trend in the legal world, it is likely that women will be among these in-house attorneys, as it has been found that women are beginning to move towards such positions because of their favorable working conditions (Machlowitz, 1989). Thus, the larger corporations are accustomed to working with women, and law firms may have copied this example.

However, the percentage of prestigious legal business represented by firms could have an opposite effect. The prestigious areas of law--tax, antitrust, banking, general corporate, and securities--are those areas from which women have been traditionally excluded. Thus, firms with many highly prestigious clients are likely to have fewer women. In addition, a high percentage of legal business

involving litigation may negatively affect the proportion of women hired and promoted by elite law firms. Because of lingering feelings that women are unaggressive and less assertive than men, firms that heavily engage in litigation, where courtroom appearances demand aggression and assertiveness, may hire fewer women or be less likely to promote them.

Data

The data for the project come from seven main sources. The National Law Journal survey of women and minorities in firms in 1992 provides the basis for this study. From this survey, I obtained the data necessary for several variables. First of all, I used the data to establish the number of attorneys, partners, and associates in each firm, as well as the number of female and minority attorneys for each of these categories. I obtained similar data from a 1988 National Law Journal survey to calculate growth rates of the firms and the number of female attorneys.

Because these surveys also gave the location of each firm, I was able to assign the firms to one of five regions of the country: South East--Georgia, Florida, Kentucky, North Carolina, and Virginia; North East--Connecticut, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, and Washington D.C.; Central Eastern--Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; Central Western--Arizona, Colorado, Louisiana, Missouri, Nebraska, and Texas; West--California, Oregon, Washington.

The National Law Journal surveys for 1986 and 1991 provided data on the branches of each law firm, as well as the number of lawyers in each branch. This information was tallied and used to calculate the number of branches, growth in

number of branches, and percentage of lawyers located in the branch offices for each firm. The 1991 survey also provided data for the firms' proportion of prestigious business and the percentage of litigation each firm was involved in.

Data for the client variables came from two separate National Law Journal surveys. "The Client List: Who Represents Financial America?" provided data for the variables concerning banks, savings and loan associations, and diversified financial corporations, while "The Client List: Who Represents Corporate America?" provided data for the corporate variables.

Finally, I counted the number of female and male attorneys who graduated from elite law schools using the biographies contained in the Martindale-Hubbel Law Directory. The schools classified as elite included: Yale, University of Chicago, Stanford, Columbia, Harvard, New York University, University of Michigan, Duke, University of Pennsylvania, University of Virginia, Northwestern University, Georgetown, University of California at Berkeley, Cornell, and Vanderbilt. Martindale-Hubbel was also used to provide information about some of the firms which were not included in the 1988 NLJ surveys. Because the populations of firms in the surveys varied due to changes in their size, certain firms were excluded in the 1988 survey that were included in the 1991 survey. For firms which were not included in the 1988 survey, I used the 1988 edition of Martindale-Hubbel to count the number of associates and partners, male and female.

Simple Correlations

The correlation of each independent variable with the dependent variables is given in Table 1. Clearly, few of the variables are strongly correlated with the dependent variables, and fewer still achieve statistical significance. Nonetheless, this provided the starting point for multiple regression analysis. I began with those variables that had strong correlations, and these gave clues about others that might be important in explaining variance in the dependent variables. In the end, I wound up with two reduced models, which are explained below.

**Table 1: Correlations of the Independent Variables
With the Dependent Variables**

INDEPENDENT VARIABLE	FEMALE ASSOCIATE RATIO 1991	FEMALE PARTNER RATIO 1991
FIRM STRUCTURE:		
Leverage:		
1991	.0681	.0926
1988	.0104	.0646
Change in Leverage	.1168	.1464
Branches:		
Number	.0207	.0100
Percent of Branch Lawyers	.1381	.0737
Change in Branches	-.0448	.1283
Size	-.1164	.1059
Percent Change in Size	.0306	.2179*
CLIENT CHARACTERISTICS:		
Savings and Loan Associations:		
Number	.0834	.1061
Score	.0879	.0241
Board Member	-.0500	-.1455
Banks:		
Number	-.0936	-.0311
Score	-.0459	-.0653
Board Member	-.1761	-.0039
Financial Corporations:		
Number	-.1621	-.0909
Score	-.1179	-.0610
Board Member	-.1485	-.0622
Corporations:		
Number	-.1284	.0227
Score	-.0678	-.0290
Board Member	-.2580**	-.0790
Client Totals:		
Number	-.1251	.0060
Score	-.0780	-.0543
Percent Prestigious Business	-.1972*	-.1825
Percent Litigation	.0736	.1267

FIRM CULTURE:

Minority Percentages:		
1991	.0906	.1038
1988	.0596	.1019
Change in Minority Percent	.0835	.0589
Elite Graduates	-.0400	.1316
Elite Female Graduates	.0950	.3460**
Female Percentages:		
Partner 1991	.2171*	N/A
Partner 1988	.1420	.6217**
Associates 1988	.3630**	.3128**
Salary	-.1782	-.1783

FIRM LOCATION:

M.S.A. Population	.1224	-.1681
Regions:		
North East	-.0046	-.2294*
South East	-.0465	.0766
Eastern Central	-.1398	.0144
Western Central	.0252	.1425
Western	.1826	.1409
Coastal	.1259	-.1318
Big Cities	.0291	.0531
Five Firms in Location	.0400	.0847
Number of Firms in Location	-.1107	-.1936*

* p < 0.01

** p < 0.001

The Reduced Models

After statistical analyses of the dependent variables with the independent variables, two separate, simplified models were developed that best explain the differing proportions of female associates and female partners in these elite firms. Perhaps the most striking observation that can be made about both models is that the internal variables proved to have the most influence on variations from the 250 firm norm, while relatively few of the external variables explained these variations.

Female Associates

The final model for female associates is contained in Table 2. Internal factors proved to have a much more significant effect on the variation of the firms in hiring of women associates than did the external variables. The significant internal variables included growth in the number of branches, the proportion of women partners who attended prestigious law schools, and the proportion of women associates in 1988. The only significant external variable was the number of financial companies represented by the firm, a measure of the extent to which a firm's clients influence its hiring practices. The proportion of variance explained by this model was 0.18.

The most significant factor influencing variance from the 250 firm proportion of women associates was the proportion of women associates the firms had in 1988. Its b score or regression coefficient was 0.008, with a standard error of 0.002. The b score indicates the average change in the dependent variable, the ratio of associates, identified with a unit change in the independent variable, the

proportion of women associates in 1988, when the other independent variables are held constant. The beta weight was 0.32. The beta weight is a standardized partial slope estimate. It is a way of comparing the relative importance of the independent variables when their measurement units are not comparable. It indicates the average standard deviation change in the independent variable associated with a standard deviation change in the dependent variable when other variables are held constant (Lewis-Beck, 1980). This suggests that firm liberalism strongly influences variation from the mean percentage of associates. If a firm was receptive to hiring women in the past, it is likely to decide to hire more women as associates. Conversely, firms that did not hire women in the past are unlikely to begin hiring significant proportions of women.

The proportion of female partners who graduated from elite law schools also was significant. The b score was 0.01, with a standard error of 0.004, and the beta weight was 0.18. The greater the percentage of women partners who graduated from elite law schools, the greater the percentage of associates the firm is likely to hire. This suggests that the power of the firm's women partners is quite important in determining the firm's hiring of women associates. As stated earlier, women who graduate from elite law schools are likely to be able to exert more influence in their firms than are the women who graduate from a less prestigious school.

Increases in the number of the branch offices negatively affected the percentage of women associates in the firms, reflecting the fact that as firms become more complex, they are less likely to hire women. The b value for the change in the number of branches was -0.01, with a standard error of 0.006, and

a beta weight of -0.13. With a growth in the number of branch offices, the number of female associates dropped. This finding suggests that firms adding more branches are not hiring women to staff these new offices; more branches do not seem to improve chances of women being hired into an elite firm as they expand into new markets. The majority of the women in the firms are located in the main office of the firm. It would seem that with a growth in the number of branches, there would be a corresponding growth in the number of attorneys needed to staff these offices, but this growth appears to favor male attorneys. While the reason for this preference is unclear, one might suppose that this is because male attorneys are seen by senior partners as more experienced and better able to handle the operation of autonomous offices without worrying the managing partners of the firm.

The only external variable which attained statistical significance, the number of diversified financial corporations represented by a firm, was negatively related to the percentage of women associates. The b score for the variable was -0.04, with a standard error of 0.01 and a beta weight of -0.19. This disproves at least partially the hypothesis that larger, more prestigious corporations are progressive institutions which influence their outside counsel to retain a substantial proportion of women. Instead, it appears that the more prestigious financial corporations that firms represent, the lower the percentage of women associates in the firms. This may be due to the nature of the clients' business. Women are generally not concentrated in banking and general corporate law, which are the areas of law in which financial corporations desire representation, which is consistent with this explanation. Additionally, these prestigious corporations are members of an

extremely conservative industry. As such, they may prefer that their counsel retain a conservative attitude towards hiring women, and thus influence firms which represent them to hire few women.

In conclusion, the internal variables dominated the explanation of variance from the 250 firm average of women associates. The only external variable, the number of financial corporation represented by firms, which contributed to the explanation was fairly weak.

Table 2: Female Associates

Variables	b Score	Beta
Number of Financial Corp.	-0.039** (0.013)	-0.194
Percent Female Associates 1988	0.008*** (0.002)	0.324
Change in Number of Branches	-0.013* (0.006)	-0.133
Elite Female Graduates	0.010** (0.004)	0.176

R Coefficient = 0.425

R² = 0.181

* p < .05

** p < .01

*** p < .001

Female Partners

The reduced model for female partners is contained in Table 3. As with the associate model, internal factors played a much larger role in explaining variations from the 250 firm average than did the external factors. There were three significant internal variables, including the historical attitude of firms toward promoting women, the power of women partners, and the changes in leverage, which reflects a change in the firms' internal structures. External variables that proved to be significant indicators of variations in the women partner ratios included the percentage of prestigious business and location in a western central city, although both of these variables had much less influence than any of the internal variables. The proportion of variance explained by this model was considerably more than that explained by the associate model, at 0.48.

As in the associate model, the historical tendency of the firms to promote women to partner proved to be the strongest predictor of their present attitude towards promoting women to partnerships, as indicated by the b score of 0.05, with a standard error of 0.005. More telling, however, is the strong beta weight of 0.54. This indicates that, if a firm had a significant percentage of women partners in 1988, it was likely to have a significant percentage of female partners in 1991. There are two possible explanations for this. First of all, it is likely that the firms which had a relatively large percentage of women partners in 1988 had more liberal attitudes, and that they continue to hold these attitudes at present.

However, the influence of older women partners might contribute to the greater proportion of women partners. That is, a high percentage of female partners in 1988 might lead to a large proportion of female partners in 1991

because the older partners exert influence in their firms, convincing them to promote additional women to partner. In light of the fact that the presence of elite female law school graduates also proves to be a significant factor in the promotion of women to partnerships, the power component of the women within a firm seems to be the determining factor. Indeed, with a b score of 0.02 (standard error of 0.005) and a beta weight of 0.27, the percentage of women partners who graduated from elite law schools is a significant factor. As previously asserted, women who graduate from elite schools are likely to possess more influence than graduates of less prestigious schools. Thus, they might have the power to sway the promotion practices of their firms in favor of women.

Change in leverage, which measures the effect of internal, structural changes, was negatively linked to the number of women partners. The b score was -0.27, with a standard error of 0.09, and the beta weight was -0.17. Clearly, in firms where leverage grew between 1991 and 1988, the relative number of women partners shrank. Growth in leverage means that the number of associates relative to partners grew larger. Thus, there are fewer partnership opportunities in firms with increased leverage and, as expected, this negatively affected the percentage of female partners.

The proportion of prestigious business handled by firms, an external indicator, negatively influenced the proportion of women partners. The b score for the proportion of prestigious business was -0.003, with a standard error of 0.001, and a beta weight of -0.14. While not as strong as the previous variables, this confirms the hypothesis that the greater the percentage of prestigious business that firms handle, the lower the proportion of women partners relative to the 250 firm

norm, presumably because either few women have traditionally been attracted to or been recruited to practice in these areas of law.

One other external variable, location in a western central city, was a significant, positive factor in explaining variation of firms from the 250 firm average, though not as significant as the other variables, as illustrated through its b score of 0.15 (standard error of 0.06) and its beta weight of 0.15. Specifically, firms located in the western central region of the United States were likely to have greater than average proportions of female partners. This is contrary to the hypothesis that firms located in the coastal regions of the country would promote more women than the conservative, internal regions. This suggests that the liberal attitudes and cultures surrounding firms in the coastal regions do not influence the firm's promotion practices.

In conclusion, it appears that the external variables had little effect on the promotion practices of law firms. Though two were significant, they both were less significant factors, as indicated by their beta weights, in explaining the variation of firms from the 250 firm average than any of the internal variables.

Table 3: Female Partners

Variables	b Score	Beta
Percent Prestigious Business	-0.003* (0.001)	-0.141
Percent Female Partners 1988	0.052*** (0.005)	0.542
West Central Region	0.150* (0.058)	0.147
Change in Leverage	-0.271** (0.087)	-0.174
Elite Female Graduates	0.024*** (0.005)	0.265

R Coefficient: 0.692

R² = 0.479

* p < .05

** p < .01

*** p < .001

Conclusions From the Final Models

The first thing that is noticed about the two models is that internal variables are much more important than the external variables in explaining the variation of a firm from the mean percentage of elite firms. This is especially true of the culture of the firm, which looks at the liberalness of the firm and the power of its partners.

In both models, the historical attitude of the firms towards the hiring and promotion of women is the single best predictor of its current practices of hiring and promoting women. That is, if firms did not hire or promote a large proportion of women in 1988, they were likely to continue that pattern in 1991, and thus fall short of the 250 firm average. Similarly, if firms had a high percentage of women in 1988, they were likely to exceed the 250 firm average in 1991. This can be seen as a measure of the liberalness of the firm, in so far as it is liberal to hire or promote women within law firms. So, it seems that firms which are liberal tend to remain liberal, while those that are conservative remain conservative.

The power of women partners also shows up as a significant factor in the two models. This power shows up in the form of women partners who are graduates of elite law schools. The elite graduates apparently exert influence in the firm, and their presence ensures that the firm will hire and promote more women than firms with fewer elite women graduates. Additionally, the power of existing partners influences the current promotion practices of firms, as firms with a historically high proportion of women partners retain that high percentage.

In conclusion, it seems that the variation among elite law firms with regard to the hiring and promotion of female attorneys is due in large part to internal characteristics of firms themselves. Because of this, changes must occur within the firms in order to reduce the variation. As more women enter the legal profession, firms will be forced to begin to hire increasing numbers of women in order to sustain their growth. As this begins to happen, the firms will establish a more liberal attitude towards the hiring and promotion of women, as they develop a historical pattern of hiring and promoting women. In addition, as more women are promoted to partnership, they will begin to constitute a larger proportion of the firms, and their power will grow, leading to more hirings and promotions of women within the elite law firms.

**Appendix A: Mean, Standard Deviation, and
Range of Independent Variables**

INDEPENDENT VARIABLE	MEAN	STD. DEV.	RANGE	
			LOW	HI
FIRM STRUCTURE:				
Leverage:				
1991	0.79	0.31	0.2	2.1
1988	0.73	0.29	0.1	1.7
Change	1.13	0.36	0.42	3.88
Number of Branches	4.56	4.24	0.0	46.0
Percent Branch Lawyers	28.04	18.54	0.0	88.98
Change in Branches	1.76	2.24	-3.0	15.0
Size	268.60	151.13	129.0	1259.0
Change in Size	137.55	41.63	77.19	588.89
CLIENT CHARACTERISTICS:				
Savings and Loans:				
Number	0.28	0.70	0.0	5.0
Score	5.22	12.20	0.0	50.0
Board Member	0.05	0.22	0.0	1.0
Banks:				
Number	0.73	1.11	0.0	8.0
Score	28.41	34.91	0.0	99.0
Board Member	0.12	0.32	0.0	1.0
Financial Corporations:				
Number	0.51	1.05	0.0	9.0
Score	9.05	15.27	0.0	48.0
Board Member	0.08	0.27	0.0	1.0
Corporations:				
Number	2.68	4.20	0.0	38.0
Score	90.46	77.55	0.0	250.0
Board Member	0.15	0.36	0.0	1.0
Client Totals:				
Number	4.19	5.84	0.0	56.0
Score	133.13	99.35	0.0	411.8
Prestige Business	35.24	15.17	5.0	85.0
Percent Litigation	34.73	14.36	8.0	100.0

FIRM CULTURE:

Minority Percentages:				
1991	4.46	2.73	0.0	18.83
1988	3.32	2.37	0.0	15.79
Elite Graduates	51.98	34.65	0.0	220.0
Elite Female Graduates	4.30	3.79	0.0	22.0
Female Percentages:				
Partner 1991	10.90	3.92	0.0	29.05
Partner 1988	7.84	3.83	0.0	22.41
Associates 1988	33.10	8.27	0.0	88.89
Salary	66628.54	9986.60	44000.0	88000.0

FIRM LOCATION:

M.S.A. Population	4239.05	2766.21	203.0	8863.0
Region:				
North East	0.45	0.50	0.0	1.0
South East	0.06	0.25	0.0	1.0
Eastern Central	0.21	0.41	0.0	1.0
Western Central	0.14	0.35	0.0	1.0
Western	0.15	0.36	0.0	1.0
Coastal	0.60	0.49	0.0	1.0
Big Cities	0.58	0.49	0.0	1.0
Five Firms in Location	0.75	0.43	0.0	1.0
# of Firms in Location	15.56	14.60	1.0	44.0

Works Consulted

Abel, Richard L. American Lawyers. New York: Oxford University Press, 1989.

Curran, Barbara. The Lawyer Statistical Report: A Statistical Profile of the U.S. Legal Profession in the 1980's. Chicago: American Bar Foundation, 1985.

Galanter, Marc and Thomas Paley. Tournament of Lawyers. Chicago: University of Chicago Press, 1991.

Heinz, John P. and Edward O Laumann. Chicago Lawyers: The Social Structure of the Bar. Chicago: American Bar Foundation, 1982.

The Lawyer's Almanac. Englewood Cliffs, NJ: Prentice Hall Law & Business, 1990.

Lewis-Beck, Michael S. Applied Regression: An Introduction. Beverly Hills: Sage Publications, 1980.

Machlowitz, David. "Corporate Moves: Achieving a Delicate Balance." ABA Journal. Aug. 1989: 62-66.

MacLachlan, Claudia, and Rita Henley Jensen. "Progress Glacial for Women, Minorities, But the Recession Hits White Male Associates the Hardest." The National Law Journal. 27 Jan. 1992: 1+.

Martindale-Hubbel Law Directory. 8 vols. Summit, NJ: Martindale-Hubbe, 1988.

Martindale-Hubbel Law Directory. 13 vols. Summit, NJ: Martindale-Hubbe, 1991.

Miskiewicz, Jim. "The NLJ 250: 9th Annual Survey of the Nation's Largest Law Firms." The National Law Journal. 22 Sept. 1986: S1-S22.

U.S. Bureau of the Census. Statistical Abstract of the United States: 1991.

Washington, D.C.: GPO, 1991.

Weisenhaus, Doreen, ed. "The NLJ Client List: Who Represents Corporate

America?" The National Law Journal. 1 June 1992: S1-S27.

Weisenhaus, Doreen, ed. "The NLJ Client List: Who Represents Financial

America?" The National Law Journal. 28 Oct. 1991: S1-S24.

Weisenhaus, Doreen, ed. "The NLJ 250: Annual Survey of the Nation's Largest

Firms." The National Law Journal. 30 Sept. 1991: S1-S30.

Weisenhaus, Doreen. "Still a Long Way to Go For Women, Minorities." The

National Law Journal. 8 Feb. 1988: 1+.

Woo, Junda. "Climb to Top Is Steeper at Big Law Firms." The Wall Street

Journal. 15 June 1992: B8.