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Shearman & Sterling Strives To Keep Its Black Attorneys

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Shearman & Sterling has 620 attorneys and some uneasy white consciences.

The prestigious New York law firm routinely engineers complex international mergers but can't manage to keep black attorneys from walking out the door. That isn't unusual among top law firms. Only 2.4% of lawyers in the country's 250 biggest firms are black, up from 1.5% in 1985, according to the National Law Journal.

But Shearman's problem is all the more striking because the firm genuinely has been trying to do something about it. Six years ago, it used \$460,000 in legal fees to create a generous scholarship program for black law students. Recipients receive \$30,000 toward tuition, an invitation to work at the firm and special attention from partners.

The program has attracted such sterling applicants as Elgin Clemons, who was raised in a low-income housing project in Little Rock, Ark. He excelled at Princeton University and New York University Law School and along the way worked in politics and civil rights. He impressed partners during two summer stints at the firm and toiled long hours as a full-time associate for two years.

Then, last year, he left. "He was one of our most promising failures," partner Danforth Newcomb, who worked with Mr. Clemons, says of the firm's inability to keep him there. Of the 10 scholarship recipients who have entered the full-time job market so far, not a single one is working at Shearman, the last having left just last month.

But Shearman prefers to stress what it sees as progress. Scholarship winners who leave are "ambassadors," who have already begun to steer other blacks to the firm, says partner Jonathan Greenblatt, the leading advocate for integration at the firm. A diversity committee and ethnic-sensitivity training are improving the climate, he says. One black associate, Denise Grant, has been at Shearman for eight years, and some insiders say she has a serious shot at being invited into the partnership in January.

'Traditional Image'

"They are really doing something to counteract the traditional image," says Michael Bagley of the NAACP Legal Defense and Educational Fund, which jointly administers the scholarship program with Shearman.

But despite all the firm's efforts, only 11 of its 480 associates are African-American. Not one of its 140 partners is black, and Ms. Grant will be the first black to have made it far enough to be considered for partnership since 1986.

Why do blacks leave?

Many quit for the same reasons whites do: grueling hours, impersonal relationships with bosses and long odds of making partner. Shearman partners say they are trying to improve associate morale, but attribute huge workloads to the firm's booming business in mergers and corporate finance. As for partnership, only two or three members of each year's incoming "class" of 72 can expect to be anointed eight to 10 years later. Typically, about four members of each class are black.

But blacks also say they leave, in part, because they have a harder time communicating and forging relationships with white partners and senior associates.

Melida Hodgson recalls being troubled as a first-year associate when a secretary mentioned that a litigation memo she had written had received some criticism. Ms. Hodgson queried the higher-ranking associate and partner on the case, but was told not to worry. When she went to a more senior partner who doled out assignments to associates, however, he said there had been some problems with her work, and he was having difficulty persuading other partners to give her assignments.

Double Talk

Frustrated by the double talk, Ms. Hodgson says she "decided right there I wasn't staying long term." She left after four years and now holds a civil litigator's post with the federal government. Confronted with stories of this sort, Shearman partners say misunderstandings are regrettable but white associates gripe about similar treatment.

But without a single black face in the partnership, says scholarship winner Olatunde Johnson, "you look around and wonder who is going to be there for you down the line," when partnership decisions are made.

Those feelings of isolation are magnified by glancing incidents of insensitivity. Scholarship recipient Raymond Staples was walking down a hallway at Shearman's offices two summers ago

when a firm security guard demanded identification. Mr. Staples, who had left his wallet in his desk, was detained.

"I was wearing a suit and tie," he says. "It was the middle of the day; neither of the two white colleagues I was walking with was stopped." The firm later apologized to Mr. Staples and disciplined the guard. Mr. Staples accepted the apology and today praises Shearman as "a fine law firm." But he has left law altogether to go into business for himself.

Music Mishap

Another misunderstanding still cited by current and former black associates occurred at a 1994 summer outing at a country club. Two black women associates became extremely upset because a law-firm staff member instructed the disk jockey not to play rap or reggae music. When a partner intervened, a rap song was put on, and white lawyers charged onto the dance floor.

Paradoxically, the scholarship program, which relies heavily on the NAACP Legal Defense and Educational Fund for its credibility, seems to attract aspiring attorneys who are particularly unlikely to go into corporate law. Heavily wooed by Shearman, Ms. Johnson, now finishing a clerkship at the U.S. Supreme Court, is going to work in the fall for the Legal Defense Fund. "I think it's important that someone integrate Shearman & Sterling," she says. "But that's just not a priority of mine right now."

Long a part of New York's legal establishment, Shearman & Sterling rose to prominence in the late 19th century, representing robber barons such as Jay Gould and such banks as the corporate ancestor of Citicorp. The firm hired its first black lawyer in 1973 and by the early 1980s had a dozen black associates. George Madison, a black graduate of Columbia Law School, joined Shearman in 1980 "because of the breadth of the practice and because of the strong expectation that it would be among the first of the Wall Street firms to make black partners."

Things didn't work out that way. Three senior black associates in the mid-1980s were passed over for partnership. Fearing that he, too, would be passed over, Mr. Madison left after six years. All four of these black lawyers went on to successful partnerships in other firms.

"Shearman is a great law firm, with fine people," says Mr. Madison, now executive vice president and general counsel at Comerica Inc., a Detroit bank holding company, "but I think people look at the 1980s and ask why no one made it." Indeed, current associates too young to be familiar with the details still refer to "the 1980s" to illustrate the resistance they believe blacks face at the firm.

Sending a Message

Shearman partners decline to discuss specific partnership decisions, but several say privately that until the late 1980s, the firm simply didn't see black associates who had partnership potential.

The introduction of the scholarship program in 1991 had the desired effect of sending a message that Shearman wanted to increase its diversity. The only requirement of scholarship winners is that as students, they split one summer between working at Shearman and at the NAACP Legal Defense Fund.

But reputations don't turn on a dime. The current edition of *The Insider's Guide to Law Firms*, a popular law students' employment guide, still says Shearman has "had difficulty retaining the minorities that it recruits." Some younger black Shearman associates say they took their jobs with great wariness and plan to stay only two or three years.

Even highly regarded black associates like Bryan Parker have raised questions about the firm's commitment to making blacks partners. At a firmwide meeting in February, Mr. Parker, a second-year member of the mergers-and-acquisitions department, asked Stephen Volk, the firm's highest-ranking partner, what Shearman's specific plans were to increase racial diversity. Mr. Volk responded that he wanted to see several black partners, that the firm already had talented black associates, and that black lawyers might be hired "laterally" from other firms.

Retaining Talent

The absence of even a single black partner has been a big part of Shearman's problem retaining talented associates like Duane Hughes, whom the firm tried to rehire this year. Mr. Hughes, 33, a University of Pennsylvania law graduate who speaks Spanish and Portuguese, had worked for the firm in the early 1990s, fending off repeated entreaties from corporate recruiters. Eventually, he jumped to [Lucent Technologies](#) Inc. When he decided to return to a law firm this year, he says he seriously considered Shearman, where he had "a valuable experience." But instead he chose competitor Simpson Thacher & Bartlett in New York, in part because it has two black partners. (Only 10 of the 25 largest New York-based firms have one or more black partners.)

Robert Clayton, a former associate law dean at Tulane University in New Orleans who has consulted with Shearman about recruiting African-Americans, says elite firms will continue fighting over a relatively small group of blacks until they pay more attention to qualifications other than college and law-school grades. Shearman partners say they do look at more than formal academics, but that diluting academic standards would lead to a typecasting of blacks as less qualified.

No one questioned Elgin Clemons's credentials when he won a Shearman scholarship in 1991, but he concedes he didn't know much about law-firm life.

During his first week as a summer associate in 1992, Mr. Clemons was told bluntly -- by a secretary -- that he needed some new business clothes. "Look, my suit was shiny," he says. "I think some African-Americans who weren't well off might take that the wrong way." Mr. Clemons received a tip on men's stores from his mentor, Mr. Greenblatt, and bought a new suit that night.

Mr. Clemons also had to confront a mindset that nearly all of the 20 current and former black associates interviewed for this article say many Shearman partners share. The partners, they say, assume that blacks as a group have more problems with legal writing than whites. In private, some partners do generalize along these lines -- most with a tone of concern, rather than condemnation. But this type of thinking "is a real problem," Mr. Clemons says, "because if the black associate writes one bad memo, he might be confirming the stereotype and get put in a box where partners don't want to work with him. A white might make the same mistake, and it will be seen as an exception."

Tough Editing

In 1992, Mr. Clemons ran into some tough editing from Mr. Newcomb and a note saying, "Let's talk." Mr. Clemons took a deep breath and asked the partner to explain the corrections, line by line.

"We sat right here, and I showed him," Mr. Newcomb says, pointing to the blond wood table in his corner office. "We don't do that enough, and it goes for blacks and women, too," says Mr. Newcomb, a blunt, balding man of 54. "And I think part of the reason is that partners are nervous about being accused of racism or sexism." Mr. Newcomb's candor and Mr. Clemons's eagerness for guidance broke down that barrier.

By his own admission, Mr. Clemons obsessed about his work, "double-checking, triple-checking ... nose always to the grindstone." Mr. Newcomb took him aside one day and suggested that he start attending firm social events. "It's the white-wine test," he said.

Mr. Newcomb explained that the firm wanted to see if younger lawyers can handle themselves in situations where clients are courted. So Mr. Clemons began attending and discovered a bonus: Partners chatting about pending projects. He was able to pick up some choice corporate-finance assignments simply by hearing about them over drinks.

Mr. Clemons, to be sure, had some degrading experiences, but he shrugged them off. One day, rather than call for an internal messenger, he personally took a stack of work to the firm's mail room to be sent to a client. A mail clerk, also black, told him he would have to get an attorney's signature. "What makes you think I'm not an attorney?" Mr. Clemons asked, knowing the answer was race. "It's frustrating, but you can't let that sort of thing slow you down," he says.

Levers of Commerce

Mr. Clemons hesitated before signing on with Shearman full time. "I saw myself more in the civil-rights-lawyer mold," he says. But his father-in-law, P.A. Hollingsworth, a Little Rock civil-rights lawyer, told the young man that he could do more good by learning how to operate the levers of commerce.

When he started working for Shearman full time in 1994, Mr. Clemons tried to bridge his diverse interests by doing pro bono assignments for Enterprise Corp. of the Delta, a nonprofit business-development concern based in Jackson, Miss. Shearman went to great lengths to back Mr. Clemons; at various times, as many as six or eight partners and associates were working with him on projects, such as the creation of a for-profit venture-capital unit of Enterprise Corp.

Fearing he could be typecast as "Mr. Pro Bono," Mr. Clemons didn't slough off any of the standard requirement of billing roughly 2,000 hours a year. He became famous for late-night labors, angering his wife, Tracy, by routinely backing out of social engagements and leaving dinner parties at 10:30 p.m. to return to the office. A track star in high school and college, Mr. Clemons says he began to run out of steam after a couple of years.

Then, last year, the head of Enterprise asked Mr. Clemons to come on board full time as general counsel and chief of the new venture-capital unit. "It was a perfect fit," says the lawyer, now 30. "I could use my legal training and Shearman & Sterling experience and apply it to developing my community." The Clemons returned to Little Rock, and Mr. Clemons now commutes to Jackson.

Mr. Greenblatt consults with Mr. Clemons periodically about experienced black attorneys who could be hired laterally -- an exception to the general rule of bringing lawyers up through the associate ranks. As for black law students, "someone like Elgin becomes our ambassador and role model," Mr. Greenblatt says.

Mr. Clemons says black college and law students ask him all the time about career paths. But his ambassadorial message isn't exactly what Shearman has in mind.

"If people ask me whether they should follow in my footsteps," trying to juggle public-interest obligations at a big corporate firm, "I say, 'No, don't do it.' I had the ideal, and I worked hours that few people would want to work."

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