

“Career Concerns in an Adversarial Setting: the Effect of Lawyers’ Reputational Concerns on Litigation”

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(Note: In the presentation, I will also discuss related empirical evidence on lawyers' career aspirations)

This article studies a model with two lawyers opposing each other in a case where the outcome of the trial depends on the lawyers' talents and effort choices. The trial outcome provides an implicit incentive because it is informative about the lawyers' talents. Regardless of the functional form used to model the binary trial outcome, the implicit incentive is shown to be characterized by three components, namely the ex ante uncertainty over the lawyers' talents, the sensitivity of the trial outcome to the attorneys' talents, and the variance of the noise in the trial outcome, which is endogenous. Their interplay with the attorneys' effort levels and the merits of the case affects the informativeness of the trial outcome on the lawyers' talents, thereby creating strategic interactions that can affect litigation outcomes. Moreover, an unbalanced court field (i.e., due to exogenous merits favoring one side) can further amplify the effect of career concerns as the unfavored agent would experience a more substantial reputational gain in case of winning relative to an even case).