

Analysis **Law Firm Management**

## After Baker McKenzie's Cuts, Layoffs Expected in Other Law Firms. Don't Only Blame AI

Several recruiting and staffing experts in touch with big firms said AI isn't alone leading to cuts, and some firms could simply be using AI as a public justification for cuts, even if slower performance, large staffing overheads or inefficiencies are the primary drivers.

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### What You Need to Know

- Baker McKenzie announced it was cutting its business professional staff earlier this month and cited AI as one of the reasons for the change.
- The firm already had a substantially higher portion of non-attorney staff, among total firm personnel, before its cuts, as compared to other firms in the Am Law 100 and even the Second Hundred, according to Law.com data.
- More firms may soon make similar cuts, either due to AI or other reasons.



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After Baker & McKenzie laid off hundreds of business professionals this year, several law firm staffing leaders predicted more cuts coming in Big Law, whether it's a result of artificial intelligence tools or other factors. Some staffing recruiters predicted that Baker McKenzie's move could even encourage others to go forward with their own cuts.

Baker McKenzie's statement earlier this month that AI was a factor in [cutting less than 10%](#) of its business professionals caught many firms' attention and heightened fears that AI could replace more legal staffing jobs. Still, several recruiting and staffing experts in touch with big firms said AI isn't alone leading to cuts, and some firms could simply be using AI as a public justification for cuts, even if slower performance, large staffing overheads or inefficiencies are the primary drivers.

For Baker McKenzie specifically, the firm, ranked No. 8 in the Am Law 100, had a substantially higher portion of non-attorney staff, among total firm personnel, before its cuts, as compared to other firms in the Am Law 100 and even the Second Hundred, according to Law.com data.

The firm's percentage of non-attorney employees, 62.1%, among all personnel, was more than ten percentage points above the 48.5% average for the Am Law 100 and the 49.9% average for the Second Hundred, according to the Law.com 2024 data.

Baker McKenzie also had the largest total personnel headcount among the Am Law 200, at over 12,000 attorneys and staff, which is significantly larger than even Am Law No. 1 Kirkland & Ellis' around 7,000 total. The next largest personnel headcount belongs to No. 3-ranked DLA Piper, with over 9,700 attorneys and staff.

Baker McKenzie did not immediately respond to requests for comment on the extent to which AI was a deciding factor in its layoff announcement.

Jennifer Johnson, chief executive officer at consulting and recruiting agency Calibrate Strategies, said in an interview that AI tools are not exactly the cause of most staff layoffs the industry has seen lately.

According to Johnson, AI is the "accelerant" that is revealing inefficiencies that were already present at firms of all sizes. She said she's been in conversations with leaders from the Am Law 100 down to regional practices who are all looking at optimization and reorganization toward leaner professional staff teams.

Law firms "are very slow to make change," Johnson said. "They're very slow to cut people, very loyal to their people in so many instances. Now that they're behaving more like businesses, they're going to have to make harder choices. Sometimes that means changing the business model and

how many people you have in that model. That's just going to be the more normal course of business going forward."

Johnson also said that when exactly more firms will be making cuts is a different story for each size of firm, from Am Law 100 firms to the Second Hundred and down from there, but that across the industry, firm leaders are looking to be more "intentional" with professional staffing. Johnson credited the recent trend of firms hiring CEOs from business backgrounds rather than law backgrounds as a partial reason for this shift, as those executives are more results-oriented when it comes to support staff.

AI-related cuts are much more likely at large and upper-mid-size firms, noted Jennifer Scotton, chief marketing and business development officer at mid-size firm Constangy. Scotton also said that while she is aware of conversations being had at larger firms about making staff cuts, she expects that about a year after those cuts are made, firms may refill those eliminated positions. She described the layoffs as "experimentation" by the larger firms with their business models.

"Even if we see more big firms cutting positions because they're leveraging AI, we'll see a bounce back from that," Scotton said.

Cat Casey, chief legal AI futurist at technology conference organization Masters AI, said that while she expects AI to cause major disruptions long-term in the legal staffing space, the need to make cuts right now is "more headlines than reality."

"I don't think AI is going to lead to the cuts, but I do think it might be a very convenient boogeyman to blame it on," Casey said, pointing to Baker McKenzie's large overhead ranks of support staff. "Business needs change. So, I don't think (AI) is going to be the cause, but it may accelerate or be a very good excuse for business necessary consolidation."

[Law.com reported](#) on Feb. 6 that Baker McKenzie anticipated potential headcount reductions of less than 10% of business professional workers across the world. The number of people expected to be affected may be up to 740.

A firm representative has said that artificial intelligence adoption was one of the factors behind the cuts, along with "introducing efficiencies" and "investing in roles that best serve the clients' needs." The firm representative said that the layoffs were decided following a review of Baker McKenzie's business functions.

Baker McKenzie is only the latest firm to confirm staff layoffs in the last year. Others last year include Clifford Chance, which said it was cutting [10% of its London business roles](#), some 50 people out of 550 total; as well as Perkins Coie, which laid off about 5% of its professional staff last summer.

Law.com reported at the time that AI adoption was understood to be part of Clifford Chance's decision in October, though the firm had also been consolidating staff for some time. Perkins Coie, which announced a merger with Ashurst in 2025, said it made its cuts following an internal review and that the layoffs were part of an already-planned series of changes to its workforce.

## The First Dominoes

These firms will not be the last. Law firm staffing experts said they believed that Baker McKenzie's move may make others more comfortable with staffing cuts, regardless of whether AI plays a role.

Scott Love, president of legal industry recruiter The Attorney Search Group, said it's likely that more legal industry leaders are considering staffing cuts now that a firm as large as Baker McKenzie has confirmed its own intentions.

"If they use AI to justify it, they won't look as cruel when they make that many staff cuts," he said.

Love also said that in his experience, the industry will likely not see too many new staff cuts until the end of the year. At that time, firms may enact some cuts that, until that point, will be an abstract consideration rather than a hard and fast plan, he predicted.

Stephen Nelson, an executive consultant at legal industry consultancy The McCormick Group, also predicted more staffing cuts, noting that the indirect impacts of AI technology on broader profitability factors may also be a driver of layoffs. And whether it is a stated reason or not, Nelson said, many future staffing cuts will likely be partly because of AI's impact on the firm's business operations.

On the other side of that coin, other firms could wind up relying more on AI tools because they want to take on more client work than they could afford to pay humans to do.

John Mann, managing director at recruiting firm The Alexander Group, said he has not heard talk of justifying necessary layoffs by blaming AI among his client law firms. He said that while it is possible for some firms to take that tactic, it is important to appreciate the extent to which artificial intelligence tools actually may be causing a shakeup of labor needs.

"AI adds efficiency and automation to workflow," Mann said. "Where AI will have implications is where AI is automating what are more routine tasks."

Baker McKenzie and other firms see opportunities to restructure. "AI was a factor, not the reason, but a factor" for cuts, he said.

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