

The End of the Billable Hour? How AI Can Transform Models of Time and Efficiency in Law

By Katsiaryna Zinavenka

For decades, many law firms have relied on a pressure-based performance structure built around billable hours and relentless workload intensity.[1] In those systems, human time itself has functioned as a primary economic asset. The more hours required to complete work, the greater the potential revenue generation. As a result, professional value was often measured through endurance: Long hours, constant responsiveness, and the ability to sustain high output under pressure became embedded indicators of commitment and performance. Along the way, inefficiency – contrary to conventional economic theory – was not always economically punished.[2]

This structure created a difficult paradox inside the profession. While firms depended on precision, judgment and analytical quality in their work, the economic model frequently rewarded conditions that strained the very cognitive capacities required to maintain them. Over time, the legal profession developed a pattern of chronic stress, burnout, anxiety, depression and substance abuse associated with traditional pressure-based work environments.[3] Historically, these issues were often treated primarily as individual wellness concerns.[4] In reality, they also reflected structural characteristics of a performance system built around maximizing human workload capacity to the point of burnout.

From Time-Based Work to Capability-Based Performance

AI begins to alter that equation. When research, analysis, drafting and even elements of structured legal reasoning can be generated within seconds, time becomes less central as a source of calculating revenue. As firms begin to experiment with hybrid pricing structures that combine flat fees, hourly billing and value-based arrangements, longer execution time appears to be less directly tied to revenue generation.

Under these conditions, professional differentiation and competitive advantage shift away from raw workload endurance and toward strategic human capabilities – now emerging as a distinct skill set across the legal workforce at every level – particularly the quality of judgment exercised in coordination with AI systems.[5]

In AI-integrated workplaces, legal professionals are called upon to generate documents and evaluate, validate and apply AI-assisted outputs within accelerated workflows where information is abundant and discernment becomes critical.[6]

This shift raises an important organizational question: How will firms maintain quality control over AI-generated work products while preserving the efficiency gains AI promises to deliver? Courts have already demonstrated little tolerance for inaccurate citations, fabricated authorities and other blatant errors associated with AI-assisted legal work, placing responsibility squarely on attorneys and the reputations of their firms.[7] As a result, quality control becomes a central component of AI-era legal performance systems as firms must verify AI-generated outputs without recreating the labor costs AI was intended to eliminate.

Verification in AI-assisted legal work generally operates at both factual and substantive levels and cannot be addressed by a purely multilayered review structure or as a functionally isolated task without undermining either efficiency or accuracy. Factual review focuses on the accuracy of citations, the proper use of authorities and the reliability of statements of fact. Substantive review requires the exercise of professional judgment involved in legal analysis, strategic assessment and client objectives. While AI may contribute to both levels of review, the responsibility for final work products remains with legal professionals.[8]

One possible response to the question posed is to add multiple layers of review around AI-generated outputs: Paralegals verify citations, junior lawyers review analyses, senior lawyers evaluate strategy and partners review and approve the final work. Yet this approach risks recreating the very cost structure AI is intended to reduce by reintroducing time-intensive review across multiple stages of the workflow.

At the same time, treating quality control as a separate verification function becomes increasingly inadequate given the speed, scale and apparent completeness of AI-generated work. If, for example, paralegals or junior lawyers perform the checking function, verification might be reduced to a mechanical exercise that undermines factual accuracy or substantive legal analysis used in producing the work.

The challenge is therefore not simply one of verification, but of the economic and organizational limits of time-intensive quality control systems.

In AI-assisted legal work, effective quality control depends less on expanding review structures – whether through multiple layers or a separate verification unit – and more on embedding evaluative judgment at the point of initial engagement with AI-generated outputs. Because AI can increasingly generate work products comparable on their face to senior level drafting, a more efficient response is to shift evaluative responsibility downward, enabling support professionals to exercise greater judgment over assessing AI-generated outputs.

This shift requires a different model for the development of legal talent. Rather than relying on years of repetitive exposure to similar matters as the primary mechanism for training junior lawyers, firms would instead prioritize the early formation of a deep understanding of the underlying logic of legal rules, transactional structures

and deal architecture to strengthen decision-making skills. This foundation would enable junior lawyers to evaluate AI-generated outputs at the point of initial engagement, exercising both factual and substantive legal analysis, rather than being primarily used for tasks that are increasingly automated by AI systems.

This shift in capability allocation assigns greater decision-making responsibility at the junior level, as junior lawyers would be expected to identify issues, structure analysis and make defensible evaluative judgments under conditions of uncertainty. Quality control, therefore, becomes embedded within the exercise of professional legal judgment at the junior level rather than being performed as a separate verification function.

In this model, senior lawyers move away from heavy routine execution toward a supervisory role to focus on complex problem-solving and client-oriented strategy. This, in turn, reduces the operational burden traditionally concentrated at the partner level, enabling partners to devote greater attention to mentoring junior lawyers, overseeing the quality of senior-level judgment, and exercising higher-level, firm-wide decision-making.

This reallocation of workload also supports a shift in legal pricing models influenced by AI systems. Flat-fee arrangements become more economically viable rather than disadvantageous, particularly in routine transactional matters where both drafting and initial judgment are embedded in AI-assisted processes. For example, standard commercial contracts can be produced through AI drafting combined with supervised junior review under a flat-fee structure.

This proposed performance capability model reflects the fact that AI systems can be deployed across many law firms to generate comparable baseline legal outputs. As a result, competitive advantage depends less on time-based performance and more on the quality of collective legal and strategic judgment in client strategy, risk positioning and deal structuring. This requires evaluative judgment to be distributed across the legal workforce at every level rather than being concentrated only at senior levels.

Work-Life Harmony as a Judgment-Centered Performance Capability

As already discussed, traditional time-based performance models in legal practice have been associated with chronic stress, burnout and related forms of cognitive strain affecting lawyers' mental, emotional and physical states. In AI-accelerated legal environments, where performance is increasingly defined by the quality of judgment rather than by time spent producing output, these three dimensions of human functioning become directly relevant not only to individual well-being but also to organizational performance.

Modern research in cognitive science, neuroscience and behavioral psychology further documents that mental, emotional and physical states are deeply interconnected and together shape the quality of judgment, attention and decision-making.[9] For example, a 2024 experimental study found that sleep deprivation – a physical condition – increased fatigue and negative emotions, decreased positive emotions and vigilant attention, and impaired participants' use of negative feedback in risky decision-making,[10] illustrating how disruption in one state can affect other states and weaken judgment. The practical relevance of these findings to legal practice is reflected in Bloomberg Law's 2024 Attorney Well-Being Survey, in which 56% of respondents reported disrupted sleep and 48% reported trouble focusing on work tasks.[11] As AI-assisted legal practice makes judgment increasingly central to performance, this research underscores the need for law firms to provide mechanisms through which lawyers can learn to regulate these three interconnected states.

Work-life harmony should therefore be understood as a foundational judgment-centered capability: the sustained ability to self-regulate these three states in ways that preserve mental clarity, emotional regulation and physiological stability over time, enabling more consistent exercise of judgment. Rather than functioning as a wellness concept separate from performance, work-life harmony directly impacts judgment itself, shaping attention control, cognitive stability and decision quality.

Although work-life balance has long been discussed in the legal profession, and many firms already offer wellness initiatives, this analysis proposes a different approach under which firms integrate structured training in the self-regulation of mental, emotional and physical states into professional capability development and support its application in professional practice as a means of strengthening judgment-centered performance.

At the individual level, work-life harmony remains a capability exercised by each lawyer, but the firm provides the framework through which it is systematically developed and applied. Each lawyer can develop this capability through a structured framework for three-state self-regulation organized around seven strategy-control elements:

- What to regulate.
- Why regulation is exercised.
- The nature of that regulation.
- The degree of regulation required.
- When regulation is to be initiated.
- How long it is to be maintained.
- How it is to be implemented.[12]

These elements translate work-life harmony into a practical operational framework rather than leaving it as an abstract concept.

At the organizational level, firms implement this approach by incorporating the framework into formal professional training and reinforcing its application within day-to-day legal work across the workforce. For example, firms may conduct monthly reviews of collaboration practices and coordination protocols within and across departments to identify communication gaps and inefficient workload distribution that may contribute to cognitive load and unnecessary stress,[13] alongside weekly departmental discussions on self-regulation strategies and three-state recovery techniques for sustained performance. Work-life harmony is thereby developed as a professional capability connected to performance, rather than addressed solely through wellness initiatives separate from lawyers' work.

This organizational approach extends beyond work-life harmony. As AI-assisted legal practice transforms how evaluative judgment is developed, distributed and supervised across the workforce, firms need formal training systems through which every legal professional, regardless of seniority,[14] develops a new category of AI-complementary strategic human capabilities for judgment-centered performance – including work-life harmony, AI-era decision-making intelligence, strategic leadership and workplace navigation – all treated as teachable and scalable competencies. In this context, work-life harmony becomes an essential component of a broader performance architecture designed to sustain the quality of judgment across all levels of the legal workforce in AI-accelerated legal environments.

The future of the legal profession will depend on how effectively firms operationalize the strategic human capabilities required to exercise sound judgment as core elements of AI-era performance models.



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Endnotes

1. Scholarship on law firm practice has long documented high-intensity work structures associated with sustained workload pressure and extended working hours. *See generally* Patrick J. Schiltz, *On Being a Happy, Healthy, and Ethical Member of an Unhappy, Unhealthy, and Unethical Profession*, 52(4) Vand. L. Rev. 871 (1999).

2. Transaction cost economics provides a framework for understanding how complexity and opacity in transactional legal practice can allow inefficiency and apparently high productivity to coexist over time. *See* Oliver E. Williamson, *The Economics of Organization: The Transaction Cost Approach*, 87(3) Am. J. Soc. 548, 551 (1981) ("limited capacities of human actors to cope with the complexity and uncertainty with which they are confronted"). These issues are crucial in transactional lawyering in the age of complex statutes, a major part of legal practice. *See* David Howarth, Law as Engineering: Thinking about What Lawyers Do 51–96 (2013).

3. Patrick R. Krill, Ryan Johnson & Linda Albert, *The Prevalence of Substance Use and Other Mental Health Concerns among American Attorneys*, 10(1) J. Addict. Med. 46 (2016). *See also* Yair Listokin & Raymond Noonan, *Measuring Lawyer Well-Being Systematically: Evidence from the National Health Interview Survey*, 18(1) J. Empirical Legal Stud. 4 (2021); Graham Ambrose, Brianne Holland-Stergar & Nora F. Engstrom, *Mental Health Screening in Lawyer Licensing* (Stan. L. Sch., Deborah L. Rhode Ctr. on the Legal Profession, Sept. 2024), https://law.stanford.edu/wp-content/uploads/2024/12/Mental-Health-Screening-in-Lawyer-Licensing-Final.pdf.

4. Listokin & Noonan, *supra* note 3, 4–5 (rounding up and critiquing conventional wisdom on topic); Schiltz, *supra* note 1, 874–81. *See also* NYSBA Journal's issue on attorney well-being, Summer 2026, v.98, no. 3.

5. Peter Brödner, *Coping with Descartes' Error in Information Systems*, 34(2) AI & Soc'y 203 (2019).

6. Challenging a common, if often implicit, assumption that lack of information is the principal obstacle to accurate judgment, *see* Richards J. Heuer, Jr., Psychology of Intelligence Analysis 51–63 (Novinka Books 2006) ("Do You Really Need More Information?").

7. *Mata v. Avianca*, Inc., 678 F. Supp. 3d 443 (S.D.N.Y. 2023) (imposing Rule 11 sanctions for submission of briefs containing fictitious AI-generated legal citations and holding that citation to "fake opinions" violates Rule 11(b)(2) because such authorities are not "existing law"); *cf. United States v. Hayes*, No. 2:24-cr-00280-DJC, 2025 WL 235531, at *10–12 (E.D. Cal. Jan. 17, 2025) (applying an identical rationale to sanction an attorney under the court's inherent authority where criminal filings contained hallucinated AI cases); *Gauthier v. Goodyear Tire & Rubber Co*., No. 1:23-CV-00281, 2024 WL 4882651, at *3 (E.D. Tex. Nov. 25, 2024) (ordering an attorney under Rule 11 to pay a $2,000 fine, attend a generative AI continuing legal education course, and provide a copy of the order to the client); *Gregoire v. Bd. of Trs. of the S.F. Bay Area Rapid Transit Dist*., No. 3:25-cv-02150-TSH, 2026 U.S. Dist. LEXIS 100834 (N.D. Cal. May 6, 2026) (imposing sanctions and requiring ethical training where filings contained multiple unverified citations generated through AI systems); *Wadsworth v. Walmart Inc*., 348 F.R.D. 489 (D. Wyo. 2025) (sanctioning individual attorneys for filing AI-generated fictitious citations and reaffirming counsel's non-delegable duty to independently verify legal authorities under Rule 11; the court also considered firm training and internal safeguards in declining to impose additional firm-level sanctions). These authorities reflect a consistent judicial approach requiring attorneys to verify the accuracy of legal authorities before filing them with a court. In federal civil proceedings, courts have enforced these obligations through Rule 11 sanctions, while in criminal proceedings courts have relied on their inherent authority to impose comparable sanctions for the submission of fictitious or AI-generated citations.

8. 22 N.Y.C.R.R. pt. 161, app. A (Model Rule Regarding Use of Artificial Intelligence Technology in Preparing Court Papers) (2026), https://www.nycourts.gov/rules/part-161-use-artificial-intelligence-technology (requiring attorneys using artificial intelligence tools to "carefully review the paper and independently ensure" that submissions do not contain "fabricated or fictitious cases, statutes, or other material"); *Williams v. The Estates LLC*, 663 F. Supp. 3d 466, 478 (M.D.N.C. 2023) (holding that attorney violated Rule 11 by serving as a "rubber stamp" and failing to independently verify filings signed under their name); *IBT Emp. Grp. Welfare Fund v. Compass Mins. Int'l, Inc*., 723 F. Supp. 3d 1053, 1061 (D. Kan. 2024) ("[A] wholesale failure to investigate violates Rule 11(b)." These authorities collectively reflect the non-delegable nature of the attorney's duty of verification, which remains fully with counsel notwithstanding the use of automated systems to generate legal text.

9. Antonio R. Damasio, Descartes' Error: Emotion, Reason, and the Human Brain (G.P. Putnam 1994); Lawrence W. Barsalou, *Grounded Cognition*, 59 Ann. Rev. Psychol. 617 (2008); Christopher P. Neck & Charles C. Manz, *Thought Self-Leadership: The Impact of Mental Strategies Training on Employee Cognition, Behavior, and Affect*, 17(5) J. Org. Behav. 445 (1996).

10. Wenjing Xu, Lei Wang, Li Yang, Yan Zhu & Peng Chen, *Sleep Deprivation Alters Utilization of Negative Feedback in Risky Decision-Making*, 15 Frontiers in Psychiatry 1307408 (2024), https://doi.org/10.3389/fpsyt.2024.1307408.

11. Bloomberg Law, 2024 Attorney Well-Being Report: The Divide Between Health & the Legal Industry 4–6 (2024), https://assets.bbhub.io/bna/sites/18/2024/09/BLAW_2024_Well-Being-Report.pdf. The survey included more than 600 respondents, 97% of whom were practicing attorneys.

12. Scott A. Boorman, *Fundamentals of Strategy: The Legacy of Henry Eccles*, 62(2) Naval War Coll. Review 91, 103 (2009).

13. Arnold B. Bakker & Evangelia Demerouti, *The Job Demands–Resources Model: State of the Art*, 22 Journal of Managerial Psychology, 22(3), 309–328, (2007), http://dx.doi.org/10.1108/02683940710733115; Arnold B. Bakker & Evangelia Demerouti, *Job Demands–Resources Theory: Taking Stock and Looking Forward*, 22 Journal of Occupational Health Psychology, 22(3), 273–285 (2017), https://doi.org/10.1037/ocp0000056.

14. Katsiaryna Zinavenka, *Think Big with Mentee Insight: Strategic Solutions via Analysis* (Nov. 24, 2024), https://www.menteeinsight.com/blog/think-big-with-mentee-insight-strategic-solutions-via-analysis ("Nowadays, strategy is too important to be left to a few top-level executives.").