

The race for legal talent



Law firms are facing more than their fair share of challenges when it comes to attracting and retaining staff. **Jenny Bourke** examines how they can gain a competitive edge

As the recruitment market continues to boom, the number of lateral hires is on the rise bringing back into focus the fact that “hiring the best people is one thing, retaining them is another”. All members of the legal fraternity now acknowledge that the current skilled candidate shortage is very real. As with any industry, there will always be ebbs and flows in supply and demand, but the impact of the lack of readily available talent is proving critical to firms’ growth plans. Industry experts anticipate the shortage could continue for at least 18 months. As a result, recruitment agencies will be all over your staff and as the number of open vacancies far outweighs the number of talented lawyers sitting on agencies’ databases, those firms with the ability to headhunt your staff will.

To ensure any firm’s growth, the time has come to look at effective retention, as well as focusing on acquiring the latest up and coming ‘young gun’.

The value of the business relationship

Most law firms acknowledge that fostering healthy business relationships is pivotal in promoting good business. Providing quality service to clients is one of the most important factors in running a profitable business. This ethos of the business relationship needs to be extended to other key relationships and one important business relationship that is often overlooked, yet is becoming more and more important, is the ability to develop relationships with your staff.

The old cliché that ‘our staff are our greatest asset’ has never been more aptly applied than in the current situation. Entering into a business relationship with your staff results in improved business. Lawyers who feel responsible will invariably act responsibly and with a sense of ownership. This sense of investment has immeasurable benefit for firms, the least of which is instilled loyalty.

Knowing your staff, and looking at ways in which they feel valued, respected, and rewarded is the beginning of a solid business relationship. It seems trite to say, but your staff are your advertisement to both the industry, and to clients.

Lawyers are becoming more particular about the types of firms they align themselves with. In the current environment, more interest is being shown in firms that are known to invest in their staff, and that actively encourage and promote a positive environment. The latest focus on employers of choice supports this.

Henry Davis York is one firm whose brand in this area speaks volumes. Among other accolades, the firm has secured the Best Attraction & Retention Strategy Award (2003 Australian HR Awards) and Employer of Choice for Women Citation (2004 and 2003 Equal Opportunity for Women in the Workplace Agency).

“We have a very strong brand in the market, there’s no question about that,” says Deborah Stonley, director of HR at Henry Davis York “I can say, hand on heart, that the experience internally for a lawyer at HDY when they come on board is what the brand represents. We enjoy very high staff retention rates.”

This is one of the most important factors in staff retention. All the glitz and glam of what working with a firm will entail means nothing if the experience once on board is something entirely different.

Stonley makes some valid comments when it comes to the changing face of issues surrounding retention. “Lawyers today approach their careers quite differently to years ago. It’s important to provide a supportive work environment, challenging work and progression; however, the younger generation of lawyers often view their time with a firm as simply a stepping stone in their career path. More and more we’re observing lawyers seeking out different options in developing their careers.”

Some of these options include in-house experiences for lawyers, stints working abroad, and more flexibility within the workplace.

Some would say firms with such a recognisable and positive brand have the advantage of industry perception. However, how are lawyers to know when change is happening across their industry and which law firms are rising to the challenge and developing strong internal business relationships?

“Obviously lawyers talk, and tales of experiences working with a firm – good or bad – circulate,” says Petra Stirling, HR Manager at Gilbert + Tobin. “But it’s a changing industry and nothing is written in stone. Cultures change and management are required to adapt.” In the past, Gilbert + Tobin has acquired a reputation for paying extremely well, potentially at the cost of work/life balance. “There is no doubt that law is a hardworking industry and it is true that our lawyers are hardworking,” says Stirling.

Many firms find that staff are keen to move on into in-house roles. Progressive firms understand and support this. Similarly, it is considered important to keep the lines of communication open with staff who may decide to leave or work abroad for a period of time so they can again join the fold upon their return.

“Generation Y are bright, they seek flexibility in their careers and many young lawyers lose motivation if they are consumed with entry level discovery work for long periods,” Stirling says. “That’s why we provide challenging work, engaging young lawyers with clients earlier in their careers.” Gilbert + Tobin are currently trialing a practical solution, redeploying a senior lawyer in their litigation department to train and mentor junior lawyers using work on the firm’s smaller cases. This allows them to develop a broad range of litigation skills under supervision at an earlier stage of their careers. Upon completion of the trial, other divisions may follow suit.

Legal firms need to adapt to the expectations of lawyers, and industry practice, and that’s a challenge facing the entire industry

Generational considerations

Employees’ change of expectations impacts your ability to retain them unless you keep up. Geoff Harley, partner in charge at the Brisbane office of Clayton Utz acknowledged this in a paper on the subject. In it, he

addresses the expectations of the four categories of generational lawyers, being Veterans, Baby boomers, Generation X and Generation Y. The expectations of each category differ enormously.

Motivating Generation X is about quality leadership. They want commitment from leaders to developing their skills and provide them with opportunities. Generation X are interested in acquiring broad experience to provide themselves with job security. They want to feel valued and connected to their employer. They seek feedback. If a Generation X lawyer is dissatisfied, they will be more inclined to move on quite quickly with a certain sense of cynicism. They will generally be able to be lured away by better opportunities, whether that might be the temptation of a better environment offering a strong culture, or simply better pay.

Generation Y are skills rich, with expectations to match. This group has grown up within an age of technology, with constant change in this area. They are not fearful of change. They insist on the best technical systems and also insist on being challenged by projects to extend their skills base. Being so skills focussed, they will be less inclined to leave an employer due to cynicism but because their expectations are not being met.

How can firms lift their game?

Law firms expend enormous amounts of money and time on recruiting key staff. The impact on firms to replace unhappy staff is one of huge expense. This can often be as much as two and a half times the salary to recruit replacements and get them up to speed, not to mention the need to source new clients to replace those who may have moved with individuals. However, there are a number of ways law firms can improve their retention levels:

- Build a culture of trust through clear communication and delivering on promises.
- Provide solid development and training to staff.
- Listen. Provide feedback.
- Create and communicate clear career paths for staff.
- Provide competitive salaries.
- Provide involvement for your lawyers. Mentor at junior levels. Keep their interest.
- Be innovative. Lawyers want to move away from the traditional image of stuffy law firms.
- Recognise the power that lies in generational management.
- Provide flexibility, including such things as in-house experiences or the opportunity to take leave and work overseas.
- Be sensitive to work/life balance. This will mean different things to different people. It may include things such as flexible work arrangements, flexible leave, study leave, career breaks or part-time work.
- Never underestimate the power of social activities and team building exercises.
- Recruit wisely and carefully with recruiters who know your business.

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