



PARTNER SATISFACTION SURVEY

From NSW to South Australia, large firms and small, *ALB* and Cicero again teamed up to find out how partners fared this year, what improvements could be made and their plans for the future

As the whirlwind year of 2006 draws to a close, firm partners have a chance to look over the term's successes and oversights, whether they are satisfied and where there is room for improvement, and it seems that the last 12 months have certainly provided a lot more pros than cons.

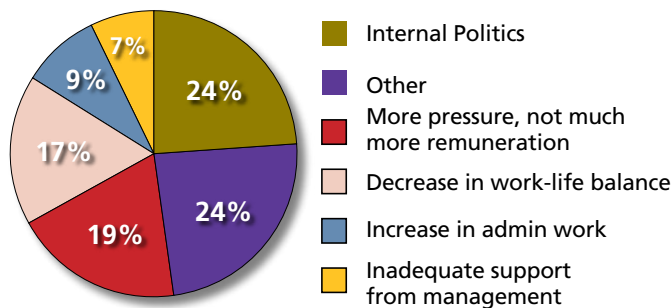
As good as it gets?

It appears becoming partner is a generally a good move towards improving overall career satisfaction – most partners this year (64%) agree that they are more satisfied with their working life since they made partner at their firm, compared to last year's percentage of 52% – clearly 2006 has been a good year to be partner in a law firm.

Another 14% this year voted that the level of satisfaction has remained the same, and only 21% said they are less satisfied now than with their previous position.

Of those who were unsatisfied with their partnership positions, 24% cited that the partnership was not living up to expectations due to either internal politics or 'other' reasons for the disappointment. A decrease in work-life balance (19%), more pressure for little more remuneration (17%), a sharp increase in administrative work (9%) and inadequate support from management (7%) were also causes for dissatisfaction in the role.

REASONS FOR PARTNER DISSATISFACTION



Jonathan Gill, managing director of specialist legal search firm, Cicero, agrees that making partner can often be a double-edged sword.

"When partnership status is reached, partners have a greater input over the direction of the firm, and you can often see a reduction in hours worked rather than an increase, because they have a greater ability to delegate work than a Senior Associate," he says.

On the other hand: "I think the fact that almost a quarter claimed internal politics was the source of dissatisfaction is a telling statistic. Generally, when people become a partner at a firm they do have to start playing politics harder than they've done in the past," says Gill.

It seems internal politics are a recurring problem for partners

in firms, and one which Cicero has heard about on the grapevine a few times.

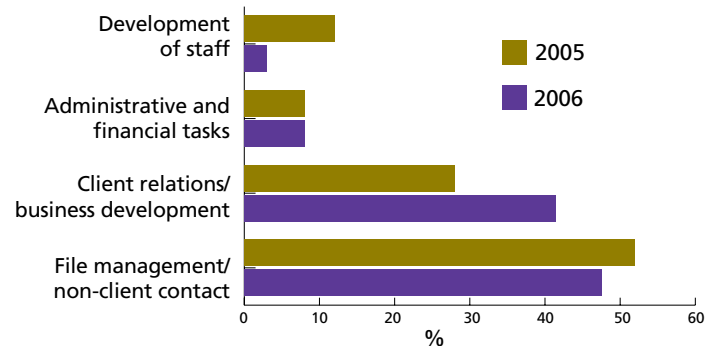
"When we make approaches to partners on behalf of our clients, those who are willing to consider moving are often those who claim to be disgruntled with the direction of the firm or the importance the firm places on their particular area of specialisation. It's rare that internal politics is given as the main reason for looking to move, maybe because that could be seen as a sign of weakness, that they've lost a political battle. However, as we get closer to the partners, and build trust, many divulge details of political stouches they have been involved in," says Gill, "and some of the politics that are going on in some firms just leaves us shaking our heads in bewilderment as to how firms can operate that way."

Wanted: training and development

Internal politics aside, according to respondents, the working day of a partner generally revolves around office work and client relations/business development; almost half of partners surveyed (47.5%) said that file management/non-client conduct made up the largest part of their standard day, followed by client relations/business development (41.5%), administrative and financial tasks (8%) and development of staff (3%).

"Compared to last year, there is a clear shift in the role of a partner in the modern law firm. Last year, 52% of time was spent on file management and 28% on client liaison. The modern partner is clearly expected to "get out there" and drum up business for the firm. This serves to confirm what we have seen this year in the briefs we have received from clients" says Gill.

PARTNER'S GENERAL WORKING DAY



The low percentage of attention given to development of staff is something Gill finds particularly disturbing, especially considering the ever-growing 'war for talent' hitting the market.

"Partners in law firms need to spend more time maintaining and developing what talent exists within their teams," he says.

Although the survey indicates a low proportion of time spent on staff development, it seems most firm cultures do encourage a focus on employee training, with the majority of partners saying that spending time mentoring and developing staff is expected

by their partnership, but they are not measured on it, followed by those who say it is a major focus and measured as a KPI.

Others said that their partnership encourages the mentoring and developing of staff, but not at the expense of the business, and only a few partners answered that training was not encouraged because of time and billing constraints.

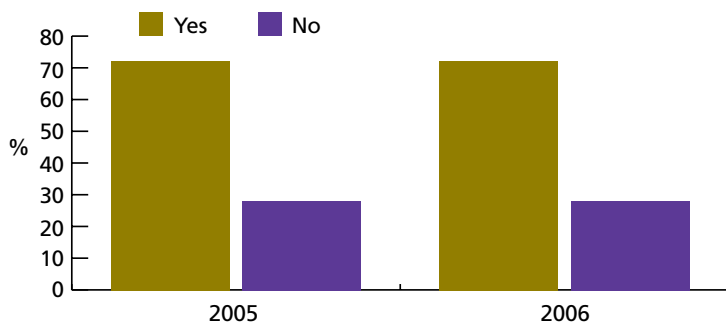
However, although a large group of partners said they do encourage junior staff and focus on the career development of these people and that they have an effective program in place, most partners combined admitted that they only have the time to encourage junior staff and focus on their career development in a 'sporadic' manner.

According to the survey, some partners find time at the expense of other work and a small number of partners said they did not have the time at all, or that they find the time at the expense of their work-life balance.

The next generation

Generations X and, particularly, Y have definitely made an impact on firms in the past year, with 72% of partners surveyed admitting they believe Gen X and Y issues are affecting their business and profit performance, as opposed to 28% who disagree.

HAVE GEN X AND Y ISSUES AFFECTED YOUR FIRM IN THE PAST YEAR?



"This is disappointing, in that the result mirrors last year's where again 72% indicated that Gen Y issues were impacting in the firm," Gill says. "It seems that law firms still have not moved forward in 2006 to adapt to Gen Y and thus continue to have high staff turnover. Young lawyers demand a work-life balance that partners wouldn't have been able to demand while they were going through the ranks, and they are more willing and able to leave if they don't like a situation within a firm."

It seems partners are well aware of the fact. Most partners said they believe the Gen Y itch to 'move around' is the reason for the generation's lawyers leaving firms for greener pastures, followed by overseas opportunities, broadening of work experience and disillusionment with the legal career.

But Gill believes many partners may have it all wrong when it comes to the Gen Y phenomenon, and says that it is not that Gen Y like to move around, but more a case of them moving until they find what they like.

"The Gen Y lawyers that we interview are prepared to move for a better opportunity, and that's not always to do with more money," says Gill. "Generally moves are made for career progression and training, and they are very prepared to vote with their feet if the issues that they are raising are not addressed.

"But I don't think you can just say they just 'like to move around' – no, they don't. Given equal amounts of training, pay, mentoring and opportunities they will stay where they are – they don't aim to collect business cards with their names on them, but they are

more willing to move around to get ahead than previous generations, and they're very keen to take control of their own careers," he says.

Jenny Bourke, Associate Director at Cicero, agrees: "Some of the young lawyers I have encountered form part of extremely tight-knit divisions. The loyalty they display to their employers stems from working for, and with, innovative and inspiring partners who 'get' them. They certainly are not going anywhere anytime soon."

Gill suggests that working on the overall firm culture regarding staff development is the best way to satisfy Gen Y, and gain a critical advantage in attracting and retaining staff.

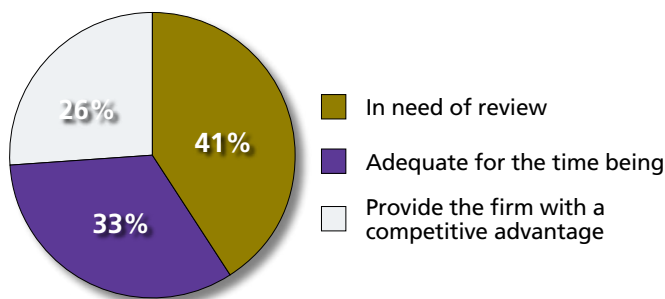
"The most arresting thing to come out of the survey is that 72% of partners think that Gen Y issues are impacting the business and yet only 3% of partners do treat encouraging junior staff and focusing on their career development as the major part of their role," says Gill. "I think blind Freddy can see these are related issues. Gen Y is not going to go away and law firms need to learn how to work with them.

"It's very easy for law firms if they do have high turnover in Gen Y to just say, 'oh, it's just a Gen Y issue', rather than seeking to address the problem. But there are some firms out there who have low turnover amongst Gen Y which would indicate that they have grasped the issues and dealt with them, and on the back of that, these are the firms I predict will be more successful and profitable over the next five to six years."

The deal with policies

With the Gen Y issues mounting and the ongoing 'war for talent' making it harder to find quality staff, it is not surprising that 41% of partners surveyed believe that their firm's retention and staff development policies are in need of review, with 33% stating the policies are adequate for the time being and only 26% think that their current policies provide the firm with a competitive advantage, helping them to contact quality people.

PARTNER VIEWS ON THEIR FIRM'S RETENTION AND STAFF DEVELOPMENT POLICIES



On the subject of implementation of staff policies in firms, results were fairly divided – 32% of partners say that they have been informed of these via a briefing or memo, 26% say that they are not aware of the existence of any policies, 21% say they have received full training in how to implement their policies and 20% believe that they have a policy in place but are unaware of the details.

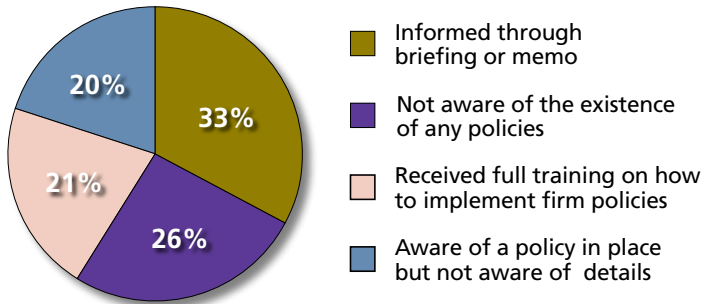
According to Gill, this again highlights an underlying problem in the retention strategies of firms.

"If you look at those answers, they're fairly evenly split, but I would say that only one of those is acceptable – that they have received full training on how to implement their policies," he says.

"So I look at these results and am dismayed that close to 80% are not aware of their firm's policies or haven't received proper

PARTNER SATISFACTION SURVEY

PARTNER AWARENESS OF IMPLEMENTATION OF STAFF POLICIES



training in them. Clearly there is a huge implementation issue within law firms, and this is an area where Cicero works closely with our clients to help educate partners to ensure that they are best placed to attract and maintain top legal talent.”

Shopping for talent: recruitment

For those partners who recruited staff in the past 12 months, 2–3 months was the average length of time it has taken to complete the recruitment process.

According to partners, recruitment companies are also not always on the mark – the lack of candidate selection and insufficient candidate experience coming in as the main reasons for unhappiness with candidates provided in the last 12 months, followed by candidates not fitting in with firm culture and candidates having inflated salary expectations.

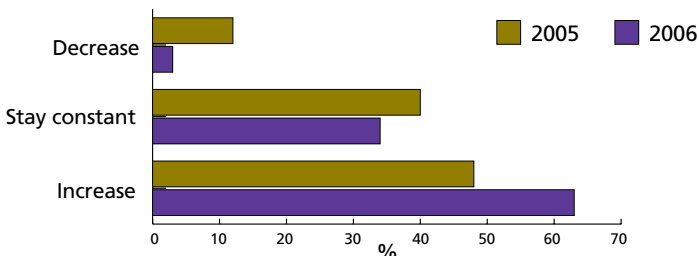
But Gill says it is not always the recruitment companies who are at fault. “Again this would fly in the face of the belief that ‘Gen Y just like to move around’,” he says. “If Gen Y just like to move around then there should be lots of candidates on the market, but there aren’t. There is a scarcity of good candidates actively on the market, but the search methodology is providing those firms that use it with excellent results.”

When it comes to insufficient experience in potential candidates, Gill believes it is law firms that need to be more flexible in their own development of talent and give people chances, in order to end up with the staff they want.

“Generation Y are hugely resourceful, they’re the best educated generation in history and partners who appoint people who don’t necessarily have the correct experience, but have the willingness to adapt and the intelligence to do it are well rewarded by the people that they take a chance on. I believe more partners should hire on the basis of potential rather than experience,” he says.

“Those who do, and are willing to invest time developing their staff, are those with the lowest staff turnover in my experience. It is also the best way to deal with the high salaries currently being paid to experienced staff in specialised areas.”

REMUNERATION EXPECTATIONS



This is also Bourke’s experience: “Recruiting with a ‘tick box’ mentality is no longer working. The more progressive firms are looking closely at developing alternate attraction tools for Gen Y,” she says.

“Where there is a lack of knowledge of what attracts young lawyers or a lack of will to implement changes, firms will continue to struggle to attract and retain staff.”

Looking to the future

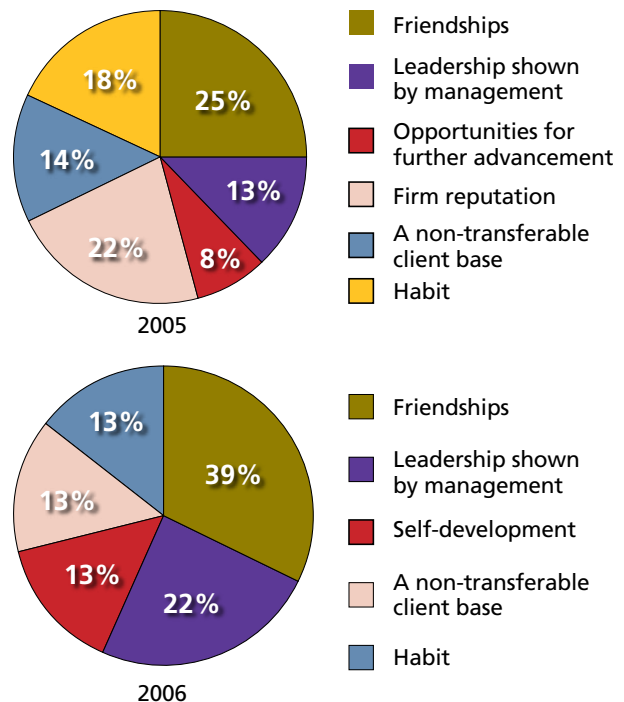
When it comes to future prospects, most partners are fairly happy to stay put overall; and with a staggering 63% of partners surveyed saying they expect their remuneration this year to increase, 34% betting their pay packet will stay constant, and only 3% forecasting a decrease, it is no wonder most partners are content.

Most partners (59%) also said they would not consider moving during the coming year, 21% were unsure but only 20% of partners indicated that they would consider switching firms in the next 12 months.

When asked what factors would entice them to move to a new firm, the majority of partners included higher remuneration, a better work-life balance and better quality work environment, followed by more progressive partnership, and different management.

Partners who were asked what factors would prevent them from joining another firm partnership suggested that friendships were one of the biggest reasons for not moving, followed by firm reputation, then habit and a non-transferable client base.

FACTORS PREVENTING PARTNERS FROM MOVING FIRMS



“These results mirror our findings in 2005, and underline the importance of a firm’s culture in keeping partners, as well as staff, loyal,” says Gill.

Business as usual

On the business side of things, 63% of partners believe that a corporate model with CEO is the most appropriate model for the coming years, contrasted by 37% who think that a partnership model would be best.

According to partners, most of their firms have also recently invested in technology, including CRM, financial management, practice management and communication technologies.

Practice management has been the most popular technology investment for most firms, followed by communication technologies, financial management, and CRM. In addition, the majority of partners surveyed (68%) believe that those firms that did invest in technology have created a more efficient working environment by doing so.

Gill agrees that investing in technology is a good move for firms, but stresses that it should be treated as an addition to the people power in the business, not the other way around.

“It is a good move, and one of the more resounding responses is that the majority of partners (68%) believe that the investment has created a more efficient working environment – but systems cannot replace talented individuals in what is a knowledge-based profession. They can enhance the sharing of knowledge of people, but they can’t replace quality people,” he says.

According to Gill, this year’s survey results have highlighted a major talent shortage issue in the legal industry and perhaps even the labour market as a whole, which could have an impact on partners and firms alike if they do not start to improve their attitude and strategies before it is too late.

“Three or four years ago we were starting to argue that the war for

talent is here. That argument has now been proven. We’re now providing solutions to it, and most of the retention strategies Cicero implements revolve around learning to work with and develop existing staff and the talent that already exists. It’s just plain common sense that’s being ignored by a lot of very smart people,” says Gill. “Law firms are inherently fairly conservative and they take time to change, but Gen Y is forcing the pace of change, quicker than has ever been done in the past.”

Gill’s advice for an even better turnout on satisfaction for the coming year is as simple as it is straightforward: “Get to know your staff, let them know you and regularly have conversations about their expectations and whether you’re able to deliver on them – it’s in their best interests and, in turn, gives you an edge in the market.” ALB

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(The above dates are subject to confirmation, please check the website for updates)

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