

## Groundbreaking Research

### Developing the Next Generation of Professionals

When we asked lawyers around the world what motivates them, professional growth was very high on the list no matter their gender, no matter their years at the bar and no matter where in the world they live and work. Lawyers thrive on learning – indeed they crave it.

Unlike other aspects of our study (motivation, reward, aspiration) there is virtually no cultural difference in the professional development needs of young professionals. Over 95% of both associates and partners around the world agreed that continuous professional growth – by that they mean consistently challenging work – was one of the most critical aspects of professional happiness.

We have spoken with many associates who tell us that the top three reasons they give us for making a lateral move are:

1. lack of challenging work,
2. lack of professional growth, lack of learning, lack of career opportunity and
3. lack of meaningful working relationships.



by Karen MacKay, MBA, CHRP  
President

Young professionals develop when three critical components work in harmony. First, formal training: this of course begins in law school but continues through CLE programs and in house training. Second, experiential learning: actually doing work that is appropriate for their level and that is challenging. Third, observation: by observing senior practitioners in action and through mentoring relationships.

#### Survey Statistics

<b>No. of Firms in the Study:</b>	63
<b>No. of Respondents:</b>	800
<b>Geographic Regions:</b>	70% North America 11% South America 13% UK/EU 6% Asia Pacific

<b>Demographics</b> 71% of Associates: 74% of Partners:	25 to 35 yrs old - Generation X 41 to 55 yrs old - Baby Boomers
<b>Gender</b> Associates: Partners:	55% Male / 45% Female 77% Male / 23% Female

## Challenging Work

The challenge for firm leaders is two fold. First, knowing each of your lawyers is critical - really knowing them. Where they are in their skill development and what they need next in terms of stretch engagements. At the right level, at the right pace and with the right encouragement they have a shot at reaching their potential. Second, and more important, is managing the firm's risk while giving associates an appropriate challenge. When asked if his work was continually challenging, one associate said "yes, but not necessarily in a good way. I am often placed in uncomfortable situations...". He was not alone in expressing that he is sometimes responsible for matters for which he does not feel appropriately trained and that "controlling" partners do not encourage associates to seek assistance from others in the firm. Associates in such situations feel helpless, fearful and stressed.

There are some partners who "keep clients close and associates at a distance". Those partners, often resulting from their own lack of selfconfidence, do not delegate challenging work and stifle development of associates around them. Associates grow out of these jobs and leave.

## Allocation of Work

We asked if work was allocated equitable and wisdom on the subject came from both associates and partners. "What does equitably mean?" said one associate. "I don't have a "right" to receive work; I have the opportunity to develop relationships with partners in which they entrust their work and their clients to me."

The partner perspective: "we have a free-market system, so the good, aggressive associates are relied upon heavily." Basically, good, talented people attract the trust of the partners with whom they work. Practicing law can be difficult and people like to work with people they like and trust. It's that simple.

It is clear that "the best are also the busiest". Those associates who do not give partners a sense of confidence can quickly get lost in the development process. They don't get the work; therefore they don't have the hours. If they don't get the work, they don't learn and they fall behind their peers.

Firms that are gaining ground here are doing it at the practice group level. Practice group leaders who are committed to developing junior talent have some influence. A problem arises when there is an experience gap in a group and leaders must manage

these situations.

For example, a small group has three associates; a sixth year, a second year and a first year associate supporting a very busy rainmaker partner. The sixth year associate leaves. The second year associate has been with the firm since graduation and was a summer associate (or in Canada as an articling student for a year, or in the UK as a trainee for two years). The partner has known this junior for some time and that second year junior becomes heir to his former colleague's files when she leaves. Two things can happen. First, the second year can rise to the occasion but not without some level of personal and professional stress. Second, the second year can become completely overwhelmed, begin showing a lack of confidence, lose the confidence of the partner and as a result becomes a casualty, due to poor management of the situation.

### **In house Training – a Balancing Act**

When we asked associates and partners in 63 firms around the world if there were formal training programs in their firms; 82% of partners said yes while only 69% of associates agreed. Needless to say this response is somewhat mystifying. Perhaps for some partners this is a case of having “talked” about a program rather than actually doing the program. Where firms do provide some sort of formal in house training, the investment is primarily at the junior levels. While firms have an obligation to get juniors up and running my challenge to you is to rethink this investment. Attrition in private practice, at least in North America, is very high: with 1/3 gone by third year and of the remaining associates, 44% plan to leave by fifth year.<sup>1</sup>

Given this reality does it not make more sense to actually accelerate training and development for those who remain with the firm past fifth year?

Think about the contribution to the firm of each of these individuals who makes partner, over a thirty-year career as a partner. You do the math for your firm but if the average partner in your firm generates \$1Million per year for thirty years that's \$30Million. If senior training and development in such areas as “managing transaction teams”, “mentoring”, “business development”, “managing client teams” and “leadership” could accelerate the growth of his or her practice beyond that \$1Million per year does it not make sense to increase the training and development investment as associates get closer to partnership and beyond that threshold?

Firm leaders struggle with where to invest resources. If you spend all your money training juniors and neglect your senior associates and junior partners, those young partners may never achieve their potential. If you neglect your juniors you may accelerate their departure because they feel they aren't getting adequate training. Finally there are those partners who want to strip-mine the firm every year and who complain to firm leaders that money spent on people who leave anyway is a waste of cash they could otherwise be earning personally.

In the final analysis, as one Director of Professional Talent put it, it is “better to train them and have them leave than not to train them and have them stay”.

Investment in talent development is measurable and can be measured for each year of

call to the bar that flows through your firm. Development and retention of talent impacts the only two sustainable levers of profitability – both of which are impacted by investments in professional development:

$$\text{Net Income Per Partner} = \text{Utilization} \times \text{Rate} \times \text{Margin} \times \text{Leverage}^2$$

## Mentoring Relationships

Relationships are a critical component in the development of professionals. Good working relationships create an environment where feedback happens naturally. Feedback, considered very important by 83% of associates in our study, is most effective when it is ongoing and informal. As one individual put it, “waiting until my yearly review to criticize me for something that happened six months ago is not effective; it does not help me develop”.

The demographic groups in law firms today have very differing views on relationships and feedback. For Baby Boomers, feedback is a means to an end, whereas those associates who are in Generation X crave it.

Mentoring relationships that Baby Boomer partners experienced was very different than the relationships that are desired by both Generation X and Y who are now their juniors. If indeed 44% of associates today are citing lack of meaningful relationships as a primary reason for leaving a firm, that number is likely to go up unless partners develop the interpersonal skills needed to nurture the next generations.

We asked associates to describe the relationship with the partner(s) with whom they worked most closely. While it is clear that the relationship is complex, the relationships appear to be a mix of mentor, work provider and boss.

Digging a little deeper, we asked partners how they treated the associates they worked closely with and asked associates how they felt they were treated.

There are four areas of disconnect worthy of mention. It is not the percentage of respondents that is of particular concern but rather the gap between how partners think they treat associates and indeed how associates feel. While generally, associates feel valued, indeed feel like they have a future with the firm, others feel like employees whose purpose is to produce and if they don't they are fungible. While partners indicate that they treat some of the associates like future partners, a significant number of the associates in our survey are not getting that message. They feel like employees rather than like talent.

Highly motivated associate lawyers, who stay long enough, add to both the top and bottom line, increase partner productivity and contribute significantly to the building and retention of client relationships. The select few who make partner add to the financial stability of the firm and its legacy. When high turnover rates occur within associate ranks, marked decreases in associate productivity become evident because both departed associates and those currently with the firm are distracted. Partner productivity

increases by default, profits remain flat - or worse, go into decline. In all cases, the recruiting costs negatively impact margin.

## Conclusion

Developing professionals to their potential is complex. The tension between some in the partnership who view it as an investment while others view it as an expenditure of resources.

High potential professionals (like high potential athletes) will not likely reach their potential if left on their own. Young talent needs an integrated approach that includes:

- meaningful relationships with partners and senior associates (learn by observing),
- substantive work assignments (experiential learning),
- consistent training and development opportunities (formal training),
- clear expectations for advancement (achievable goals and stretch assignments),
- flexible work arrangements (to accommodate blended lives), and
- ongoing informal feedback.

## A Winning Game Plan for Professional Development

A common denominator for all generations of lawyers is the desire to win. In order to win, a team needs to work together and execute a game plan. Consider the outcome of the basketball team who does not practice together before the big game and whose players perform individually. This is a recipe for failure. Such is the case in law firms whose partnership does not contribute to ongoing professional development (PD) activities.

Whether it is mentoring, feedback or teaching, the consensus that partners and associates alike will benefit from learning and practicing together is the first step for effective PD. Functioning as a team is a difficult paradigm shift for many attorneys who, in many cases, practice as sole practitioners in a loosely structured organization called a "firm". However, in the current landscape of legal practice; i.e. increasing firm size, time pressures and client demands, this change in mindset and approach is vital to ensure future success. "None of us is as smart as all of us." – Japanese proverb

Once the commitment to PD is made and rewards are in place, the next step is investing in professionals to drive the process. In other words, the team needs a coach who will coordinate and focus the team's energy. Choose professionals who have knowledge of and experience in educational programming, who understand client service industries and have superior communication skills.

Once you've gathered the team and have chosen the leader, the last step is developing and executing the game plan. The PD professional should take the following steps.

- Interact with firm leadership in order to understand the Firm's business objectives.
- Define the skill sets necessary to meet those objectives.

- Design and deliver learning experiences that teach those skills using a combination of inhouse talent and external providers. The most effective professional development activities engage all levels of legal talent through frequent interactive experiences.
- Obtain ongoing program evaluation to maintain quality and communicate results to law firm leaders.

Professional development activities shared by an entire partnership and driven by PD professionals is a winning game plan that delivers success in client services.

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1. After the JD: First Results of a National Study of Legal Careers, co-sponsored by NALP Foundation and the American Bar Association, Page 53 Turnover & Mobility
2. David H. Maister, Managing the Professional Service Firm

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