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Essay

*903 ASSOCIATE RETENTION FOR LAW FIRMS: WHAT ARE YOUR LAWYERS SAYING ABOUT YOU?

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The challenge of retaining associate-level attorneys in law firms is nothing new, but the current marketplace has even the most experienced observers scratching their heads. Managing partners and firm administrators are trying to come to grips with what precisely is driving the unprecedented associate-level attrition rates, which nationwide range from just under 10% for first-year attorneys up to 81% for associates in their eighth year.

The legal profession is in the midst of a boom in recruiting attorneys, particularly at the junior associate level, and is willing to pay huge salaries to get them. However, it turns out that these talented young attorneys are leaving for reasons beyond money alone.

This was one of the major lessons we learned from the 2000 Emerging Legal Workforce Study, conducted by Spherion Corporation in conjunction with Harris Interactive Inc., [FN1] the renowned research and polling organization. This benchmark research provides critical insights into the changing attitudes and values of the legal workforce for a wide range of legal employers.

The purpose of this article is to share some of the most intriguing findings from the study and, in the process, to offer some suggestions to law firm managers on how to improve the effectiveness of recruiting practices and increase retention of their most valuable assets. [FN2] This newfound information can help law firms to save millions of dollars in employee turnover costs by better understanding what it is going to take to retain and motivate today's top legal talent.

I. THE BENCHMARK STUDY

The Emerging Legal Workforce Study was conducted through interviews of 498 legal professionals in five major metropolitan *904 venues. [FN3] The survey was designed to provide an up-to-date portrait of the legal workforce and to compare the legal workplace to the overall American workplace in the context of social and economic changes. [FN4] Although this article will focus on findings regarding associate-level attorneys, the legal professionals interviewed included attorneys and non-attorneys (i.e., paralegals and legal secretaries). [FN5]

This study was also designed to build on and adapt the previous benchmark survey among the total adult workforce Harris Interactive Inc. conducted for Spherion, in 1998 and 1999. [FN6] This is important because it

enables us to draw important conclusions about the legal workforce in comparison to the overall American workforce. For example, it allows for the examination of similarities and differences between the legal profession and the total United States workforce in the context of ongoing social and economic events. [FN7]

Specific topics of the survey included:

- Employee values and attitudes; [FN8]
- Workplace characteristics; [FN9]
- Satisfaction with diverse aspects of work life; [FN10]
- Work preferences and expectations; [FN11]
- Relationships with coworkers and supervisors; [FN12] &
- Issues specific to the legal profession. [FN13]

The primary lesson documented by this study is that associate attorneys are extremely mobile for both economic and noneconomic reasons, which creates a very unstable workforce for legal employers. At the same time, we learned that the key drivers of retention are nonmonetary in nature, and instead are driven by management practices not generally given much attention and importance by legal employers.

*905 II. UNHAPPY ABOUT BALANCE BETWEEN PERSONAL AND WORK LIVES

Members of the legal workforce and the global workforce identify similar characteristics of their jobs that they most like. [FN14] Like the workforce as a whole, legal professionals are most likely to mention good relations with coworkers, the type of work they do, their salaries, their work schedules, and job flexibility as things they like best about their work lives. [FN15]

However, it is instructive that legal professionals are more pessimistic than the total workforce about the balance between their work and personal lives. [FN16] Attorneys work much longer hours than the total workforce and are most likely to choose a reduction in work hours or a more flexible work schedule to an increased salary, if given those choices. [FN17]

The study found that while more than half (53%) of working adults in all industries reported the balance between personal and work life is *better* than it was five years ago, nearly half (45%) of all attorneys say the balance between work and personal life is worse than it was five years ago. [FN18] In response to a subsequent question, only about three in ten (30%) attorneys believe that employees at their firms are encouraged to create a balance between work and life outside of work. [FN19]

Given no other choice, only half (51%) of attorneys would prefer a 10% increase in pay to a 10% reduction in work hours. [FN20] More than four in five (81%) in the general workforce would choose the pay increase. [FN21]

III. MOST PLANNING TO LEAVE WITHIN TWO YEARS

It has long been a common assumption that legal professionals, particularly attorneys, viewed change and mobility as potentially damaging to their careers. We now have a benchmark, however, that illustrates just how much these traditional values have evolved over time. [FN22]

*906 The study found that more than half (56%) of all attorneys in law firms report they are most likely to

change jobs within the next two years, and almost a third (32%) will do so within the next 12 months. [FN23] In dramatic contrast, the 1999 general Workforce Survey found that just one-third (33%) of the total workforce said they will look for work with a different employer within two years. [FN24]

Moreover, the study debunked the myth that being a lawyer is a lifelong career, as just two in three (67%) attorneys say they intend to remain in the legal profession for their entire career. [FN25] In fact, job satisfaction among attorneys (only 37% are satisfied) is considerably less than that of non-attorney legal professionals (45% satisfied) and the general workforce. [FN26]

IV. DESIRE FOR CAREER DEVELOPMENT

Not surprisingly, 79% of all attorneys surveyed felt that law school did not adequately prepare them to practice law. [FN27] In fact, 99% believe that on-the-job training is the best way to learn about the profession, and 80% believe their law firm is responsible for providing them with appropriate training and development programs. [FN28]

So, what grade do law firms receive from attorneys for training and development? Almost three out of four (72%) attorneys interviewed say their firm provides poor training. [FN29]

Most legal professionals also seek growth opportunities and challenge in their work, even if they have to deal with more stress and less structure. [FN30] Compared to non-attorneys and the total workforce, attorneys are especially likely to accept an environment with more stress, although they do seek a predictable work schedule. [FN31] To this extent, career development opportunities are especially important for associate attorneys.

Specifically, the study found that more than nine in ten (93%) attorneys prefer work that provides opportunities for growth, even if it *907 is stressful. [FN32] This compares to 79% of the total workforce when it comes to seeking stress-oriented growth opportunities. [FN33]

V. NEED FOR GROWTH OPPORTUNITIES

Only 39% of attorneys surveyed think they have outstanding growth potential in their current firm. [FN34] By contrast, 56% believe their prospects for growth will improve should they leave their current organization. [FN35]

Also, whereas it has been a long-held tenet in the legal profession that changing jobs frequently could be damaging to one's career, only 38% of respondents felt that moving around was harmful to their search for long-term success. [FN36]

VI. BETTER MANAGERS

According to the study, the number one reason why attorneys are leaving their current employers is, contrary to popular opinion, not related to money. Attorneys (and other legal professionals) leave first and foremost due to problems with management. [FN37] These can range from problems with one's immediate supervisor to concerns about the ability to speak freely within the firm (trust issues). [FN38] Other issues include poor or no training, coaching, or mentoring programs to lack of flexibility in hours of work and expected results. [FN39]

Simply, the values and expectations of today's talented legal professionals are out of sync with those of their more traditional employers.

VII. SO WHAT'S A LAW FIRM TO DO?

As the results of the 2000 Emerging Legal Workforce Study document, the legal workforce is extremely unstable. Junior associates are leaving in droves for greener pastures, only to find that they are still unhappy but more highly compensated. Law firms are also willing to pay recent law school graduates high starting salaries on a speculative basis. As a defensive measure, some firms are asking their corporate clients to sign agreements to pay the law firms large sums should the corporate client opt to hire the firm's attorneys.

*908 So what can law firms do to truly address the problems? Here are a few suggestions:

- 1. Develop a mindset that recruiting truly begins after the new associates have commenced work at the firm. Law firms must learn to monitor the expectations of their junior attorneys and determine on an ongoing basis how well they are meeting or exceeding these expectations. One helpful technique is to conduct entrance interviews to determine what new associates expect, as well as to find out the true reasons why they joined your firm.
- 2. Implement formalized management feedback and training for supervising attorneys. Attorneys traditionally receive little, if any, formal management training. In the survey, problems with managers are played back as primary reasons why junior attorneys leave.
- 3. Develop and promote formal training programs for junior associates and other staff professionals. This will not only aid retention of the firm's current professional staff, but will build a powerful, positive reputation for the firm in the marketplace to bolster future recruitment efforts.
- 4. Consider new models for attorney hiring, including use of flexible staffing strategies. Many law firms are contemplating a program in which they'll hire significantly fewer junior associates, then fill peak demand periods with project attorneys.
- 5. Adapt to alternative lifestyle demands by adopting flexible work schedule and compensation plans. Firms that are most successful in retaining top legal talent are showing more flexibility in work hours and work locations and are sensitive to demands at home. In fact, many firms have abandoned the traditional requirement that all attorneys must bill 2000 or 2500 hours per year.
- 6. Tie a portion of supervising attorneys' annual compensation plans to retention performance. *909 Retention issues will be taken more seriously if there is some economic impact on senior, managing attorneys.

Attorneys and law firms in the United States are the best in the world at providing advice and counsel to their valued clients. They have no peers in the practice of law. Yet, the business of law, which is, alas, a people business, is under economic siege.

The challenge of retaining valuable associates in law firms may not be new, but there can be no doubt that the current marketplace places us in uncharted waters when it comes to associate attrition. Those firms that develop and implement preemptive measures to train, develop, and motivate their most valuable assets to remain

with them will be the ones that are best positioned to minimize their turnover costs and maximize their operational efficiency.

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[FN1]. HARRIS INTERACTIVE INC. & SPHERION CORP., THE 2000 SPHERION LEGAL WORKFORCE STUDY 1 (1999).

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[FN2]. Id. at 1, 5.
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[FN3]. *Id.* at 1, 5.

[FN4]. *Id.* at 5.

[FN5]. *Id.* at 1-2.

[FN6]. *Id.* at 1.

[FN7]. *Id*.

[FN8]. *Id.* at 11, 13, 39, 41.

[FN9]. Id. at 15, 42.

[FN10]. Id. at 19, 45.

[FN11]. Id. at 23, 58, 61.

[FN12]. Id. at 27, 58, 65.

[FN13]. *Id.* at 29, 66.

[FN14]. *Id.* at 22.

[FN15]. *Id*.

[FN16]. Id. at 25.

[FN17]. *Id.* at 23.

[FN18]. *Id.* at 25.

[FN19]. *Id*.

[FN20]. *Id.* at 26

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[FN21]. Id.
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[FN22]. Id. at 33-36.

[FN23]. *Id.* at 34.

[FN24]. *Id*.

[FN25]. *Id*.

[FN26]. *Id.* at 7.

[FN27]. *Id.* at 29, 67.

[FN28]. Id. at 29, 66.

[FN29]. *Id.* at 19.

[FN30]. *Id* at 14.

[FN31]. *Id*.

[FN32]. *Id*.

[FN33]. Id. at 4, 39.

[FN34]. Id. at 45.

[FN35]. *Id.* at 4.

[FN36]. Id. at 40.

[FN37]. See id. at 39-43.

[FN38]. See id.

[FN39]. See id.

29 Cap. U. L. Rev. 903

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