

## **IPBA 2010 – Legal Storm from Turbulent Times – Attracting, motivating and retaining talent in the multi-generational workplace.**

### **Joint Session organised by the Legal Practice, Employment & Immigration Law, and the Women Business Lawyers committees.**

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Flexible career structures that satisfy younger lawyers' top motivators - namely depth & breadth of work, mentoring & feedback, work-life balance, and salary – these are some important learnings from our session that focused on attracting, motivating and retaining legal talent in the multi-generational workplace.

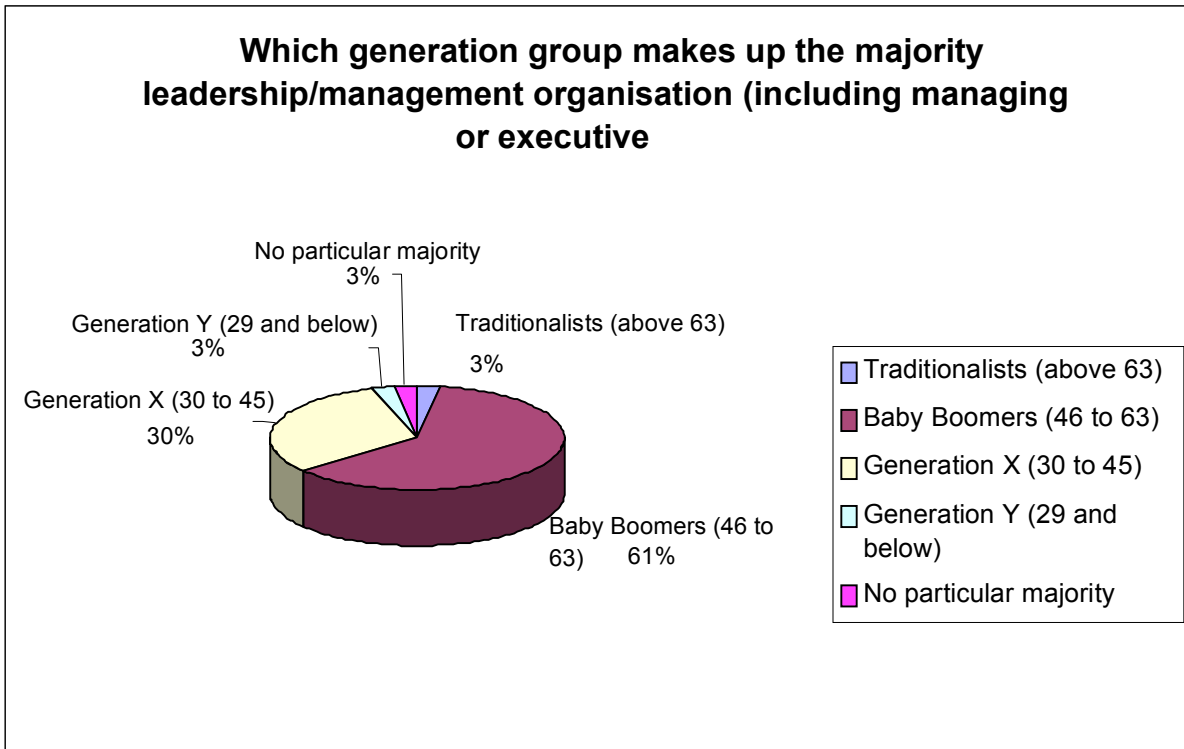
Before the session, we circulated a survey on the multi-generational workplace to members to the IPBA, to which we received approximately 170 responses. The results of the survey were presented at the session, avidly discussed, and breakout groups looked at the “solutions” to the issues raised by the survey results.

The survey asked leaders and lawyers in law firms and in-house legal departments to answer a number of questions on the multi-generational workplace. The “generations” are:

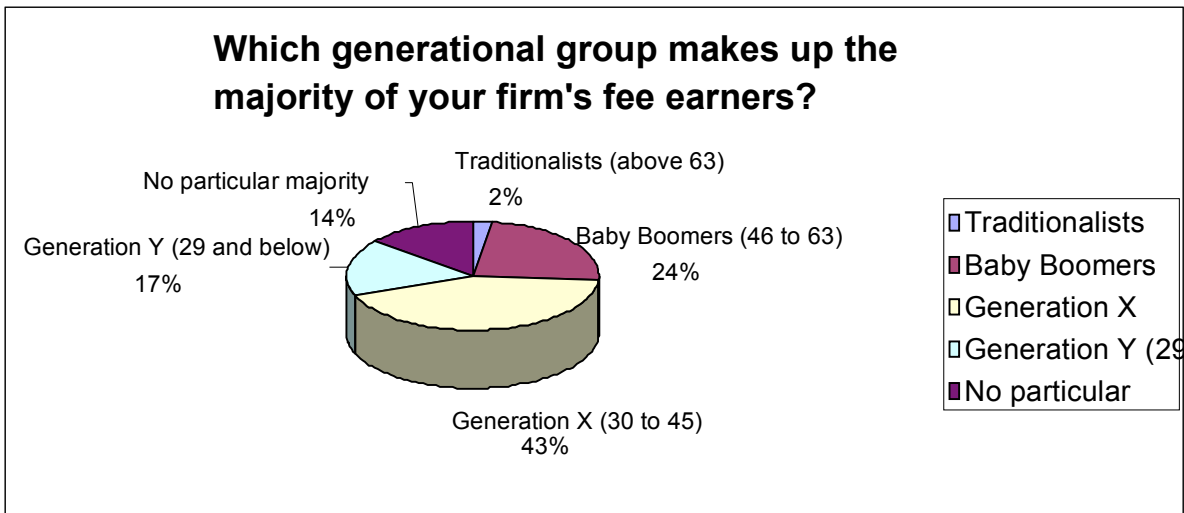
Traditionalists (T): born before 1947 (age above 63 years);  
Baby Boomers (BB): born 1947-1964 (age 46 – 63);  
Generation X (Gen X): born 1965 – 1980 (age 30-45);  
Generation Y (Gen Y): born after 1980 (age 29 and below).

**Key findings of “Legal Storm” survey on multi-generational workplace**

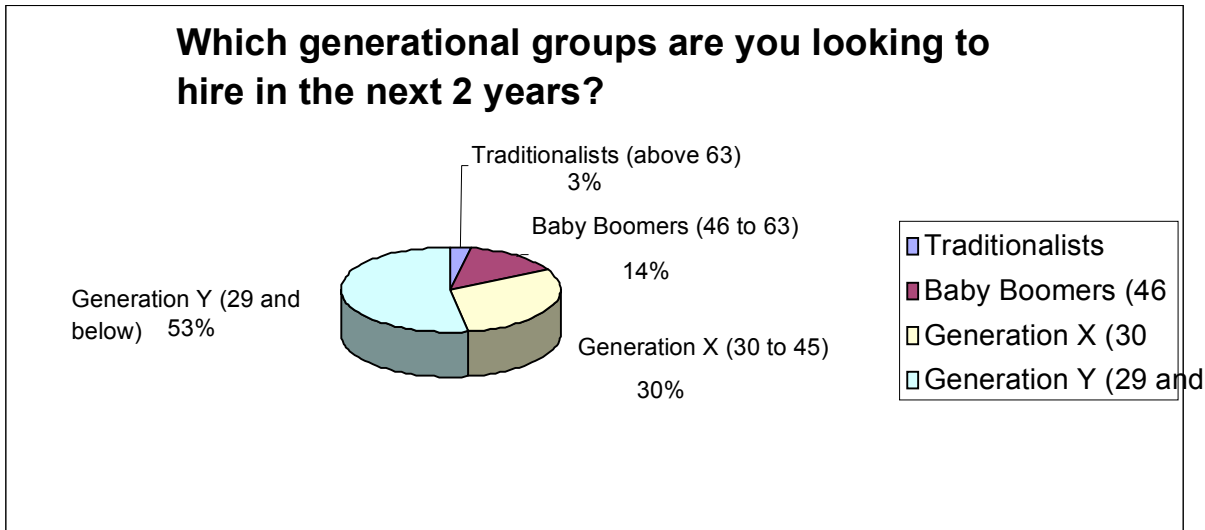
Distribution of generations in leadership/management.



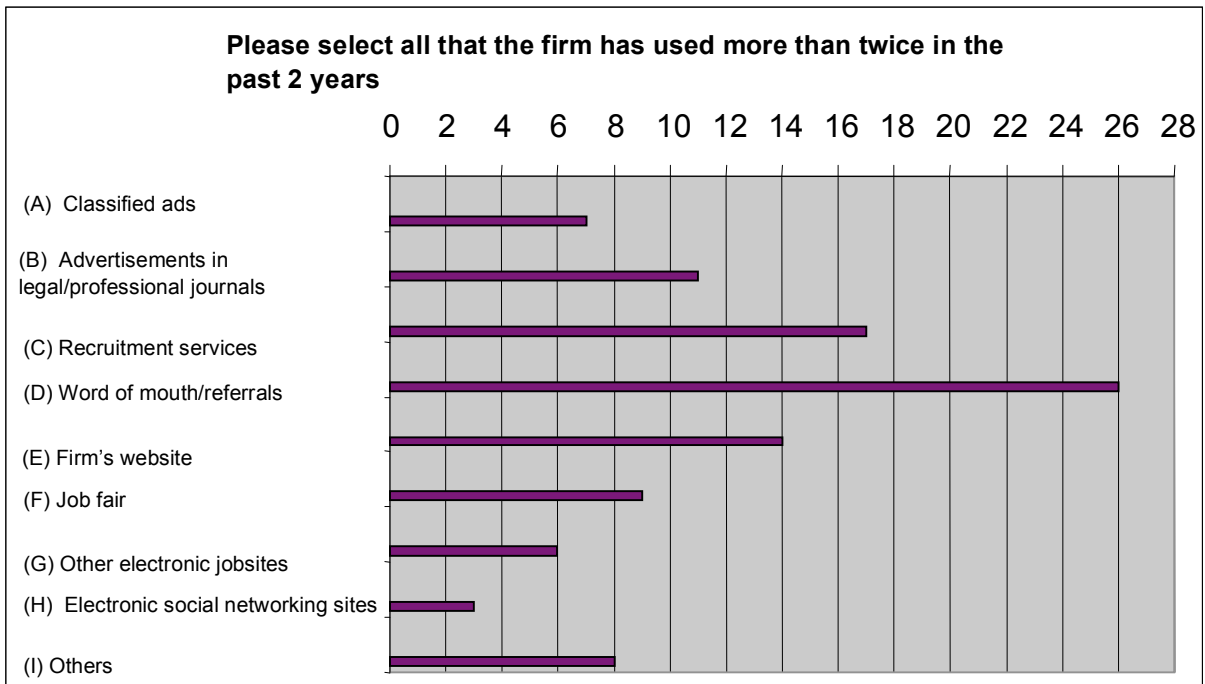
Distribution of lawyers by generations



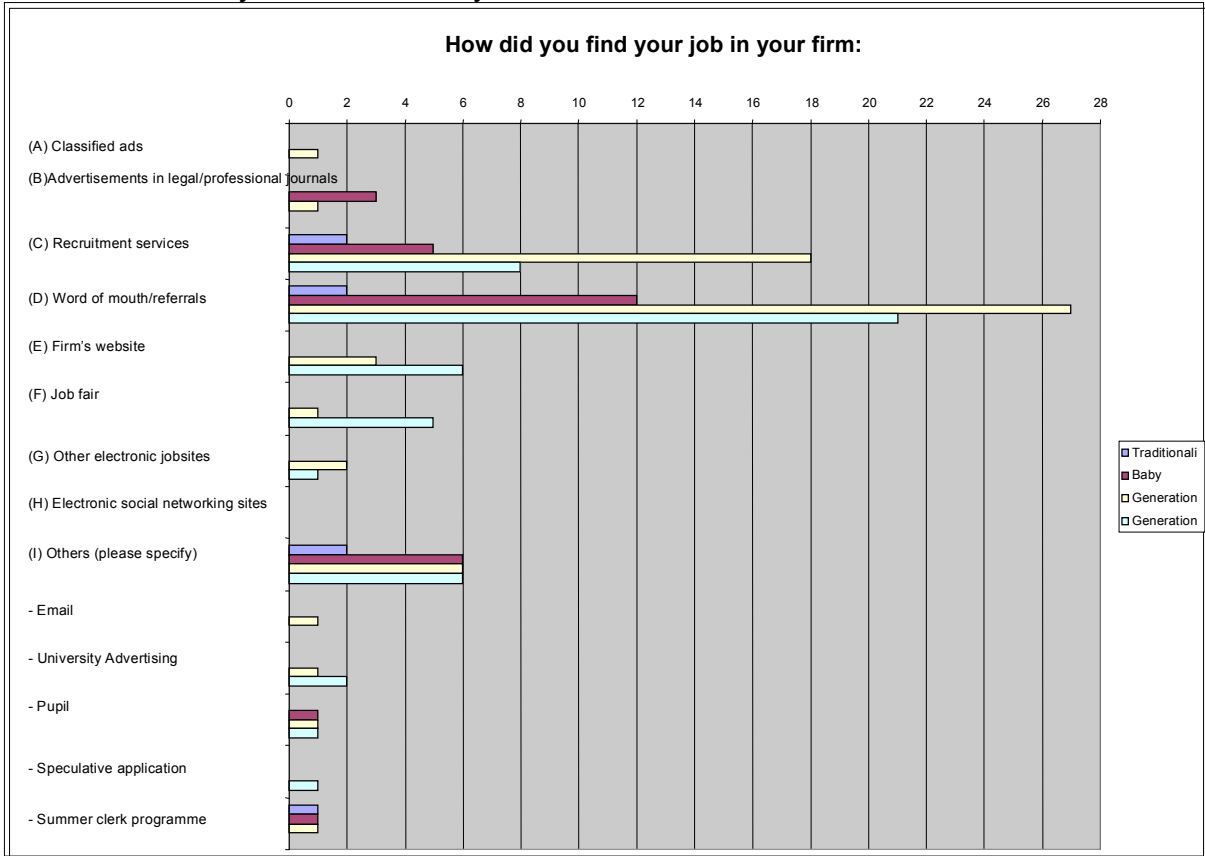
Generations to be hired in the next 2 years



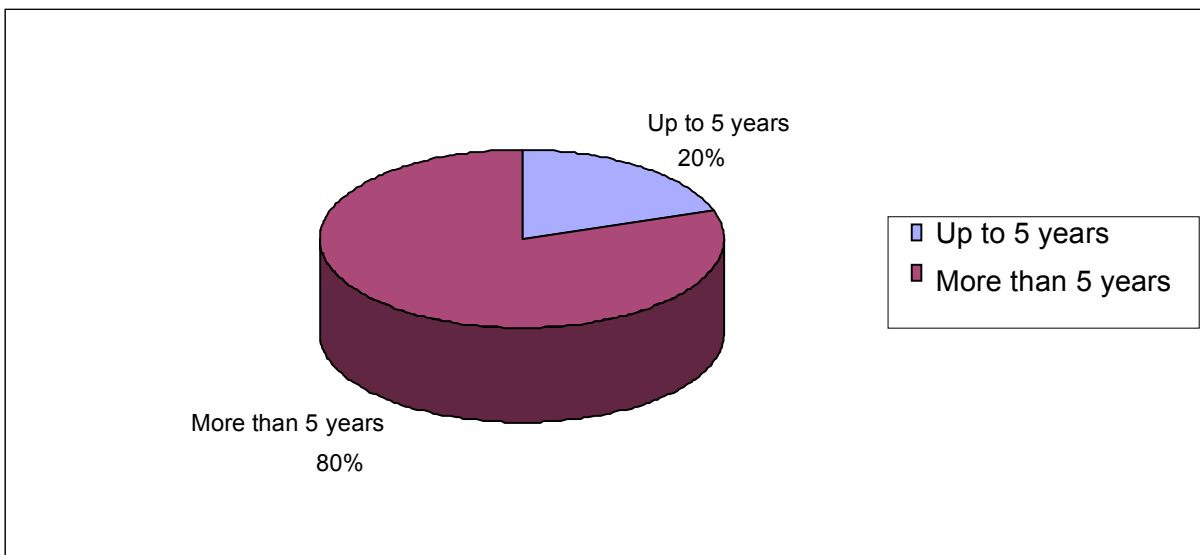
Most successful recruitment tools – management’s choice



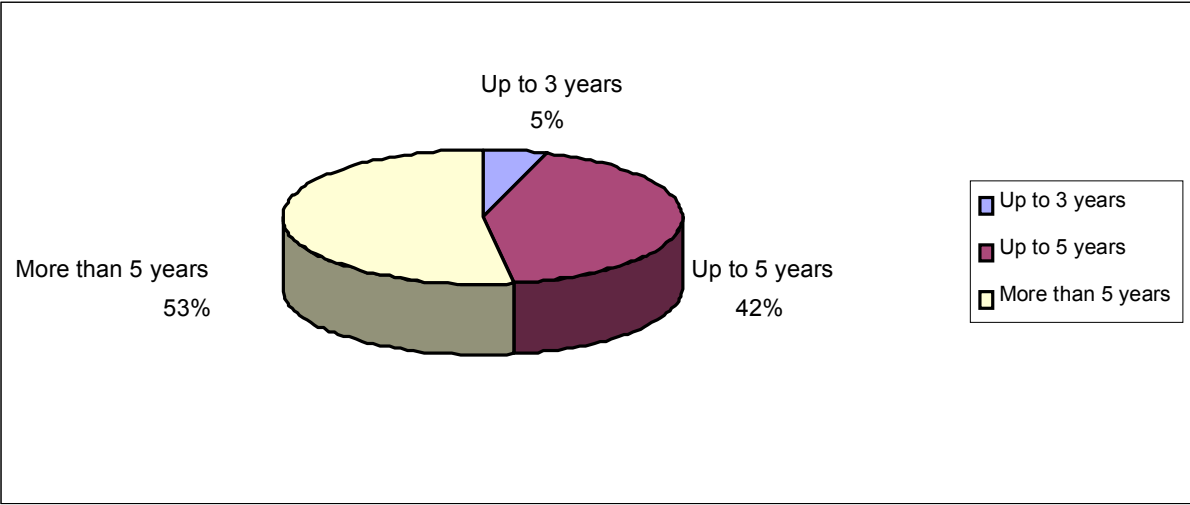
### Most successful job source – lawyers’ choice



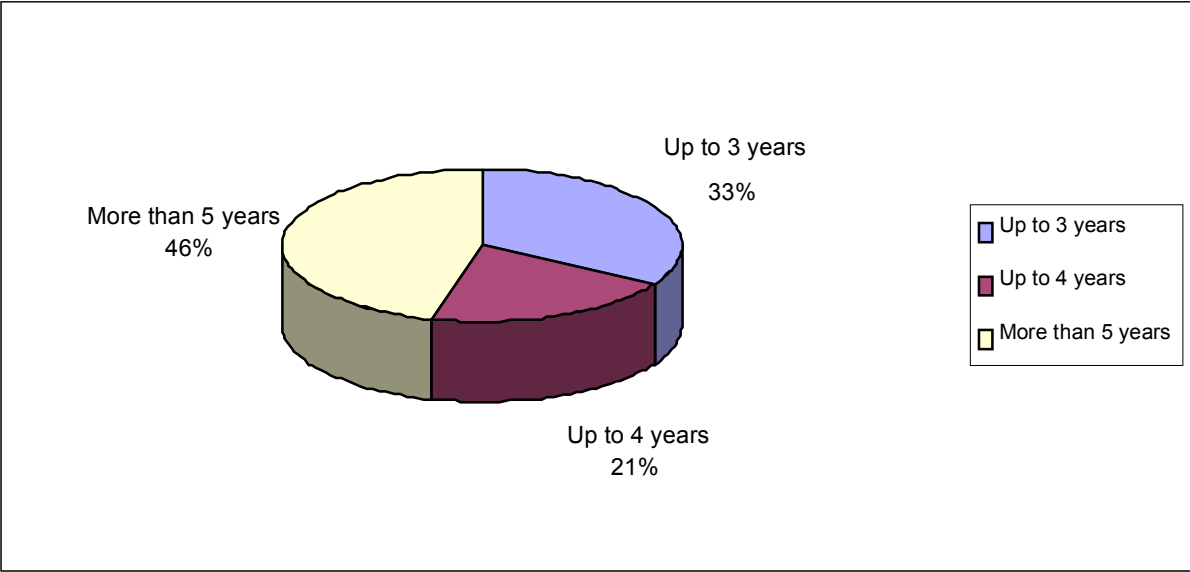
### Lawyers’ response on reasonable employment period in the same firm - Traditionalists



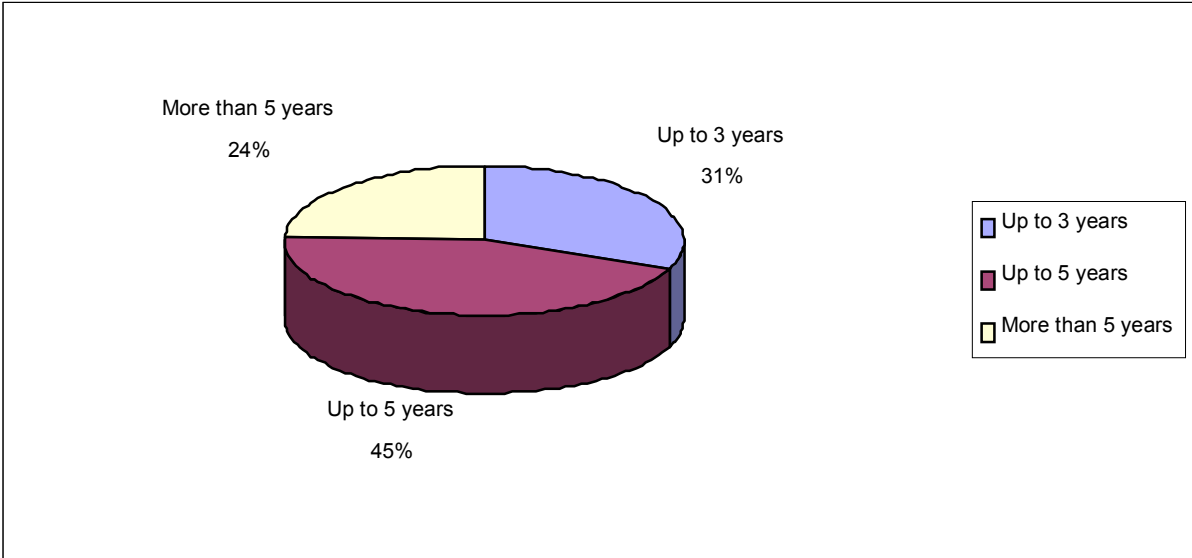
Lawyers' response on reasonable employment period in the same firm - Baby Boomers



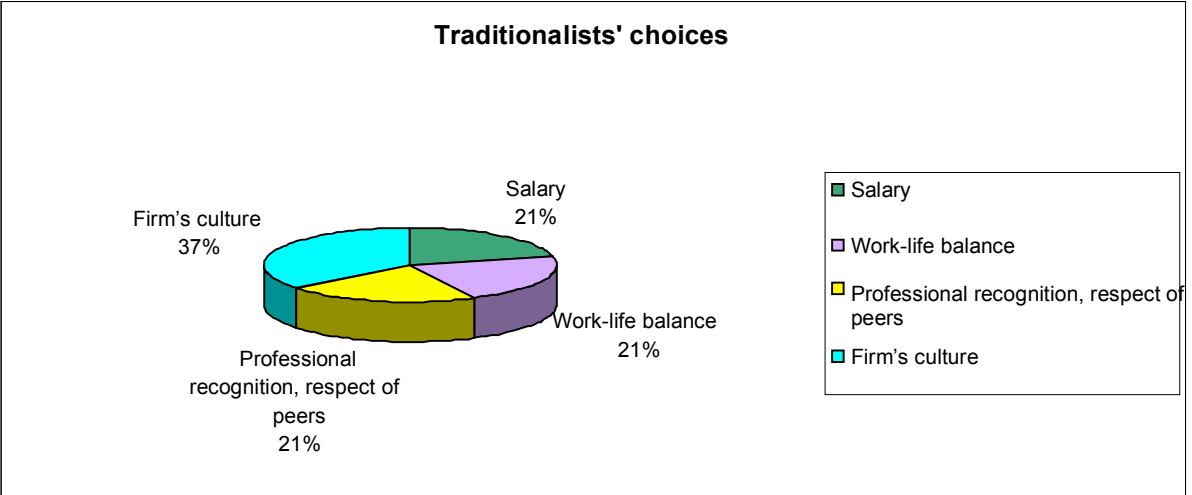
Lawyers' response on reasonable employment period in the same firm - Gen X



Lawyers' response on reasonable employment period in the same firm - Gen Y

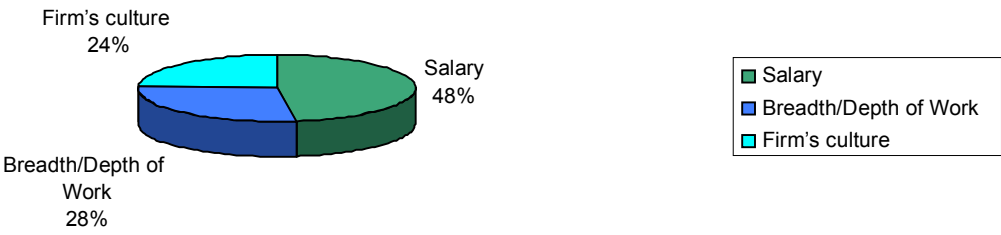


Top 3 greatest job motivators

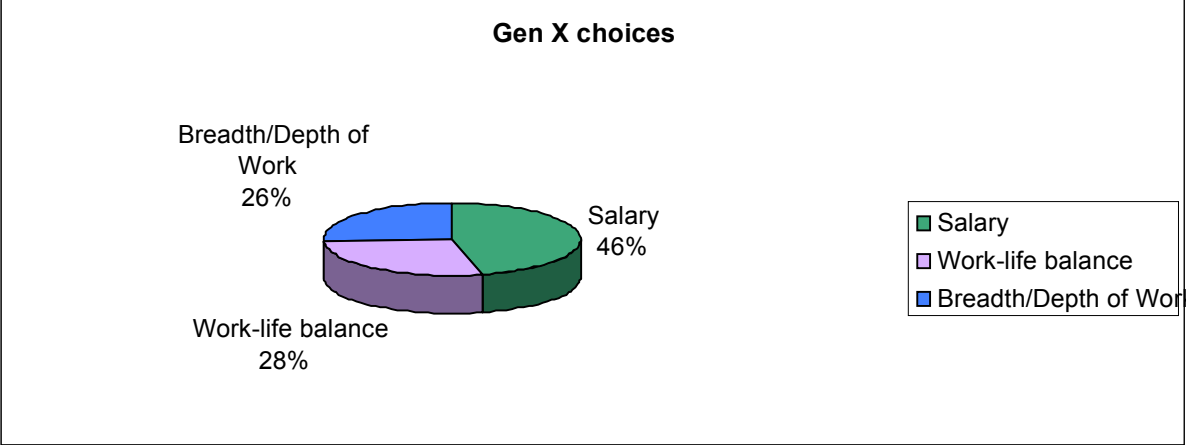


Top 3 greatest job motivators

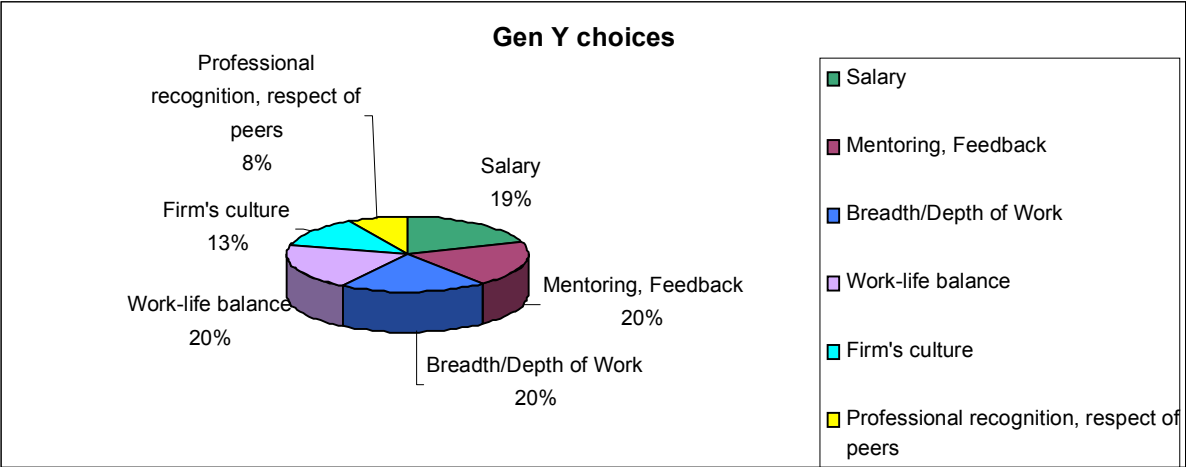
**Baby Boomers' choices**



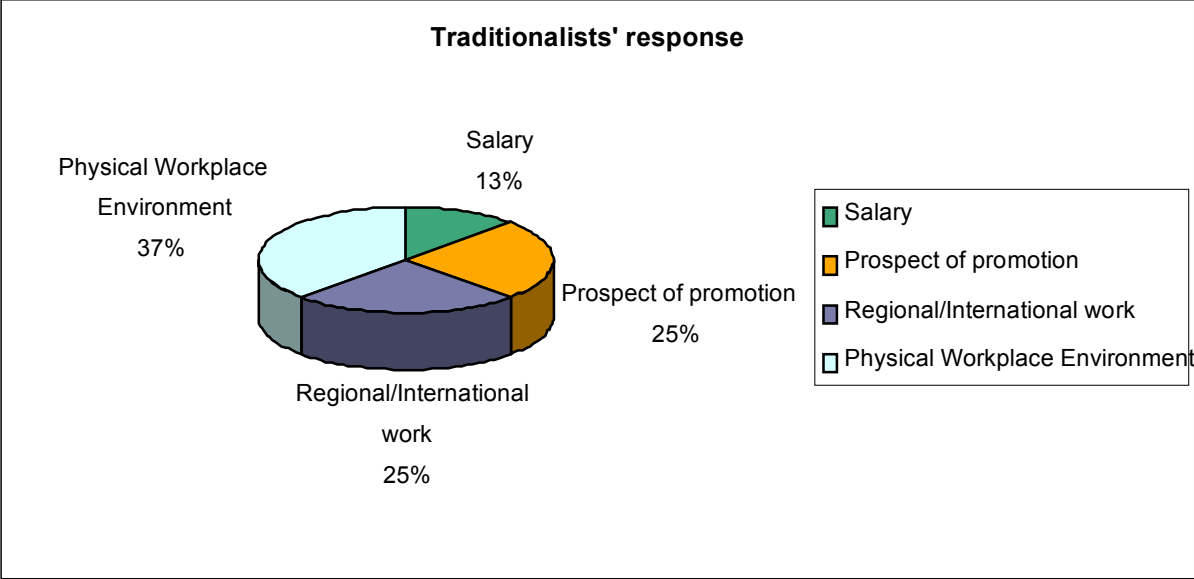
Top 3 greatest job motivators



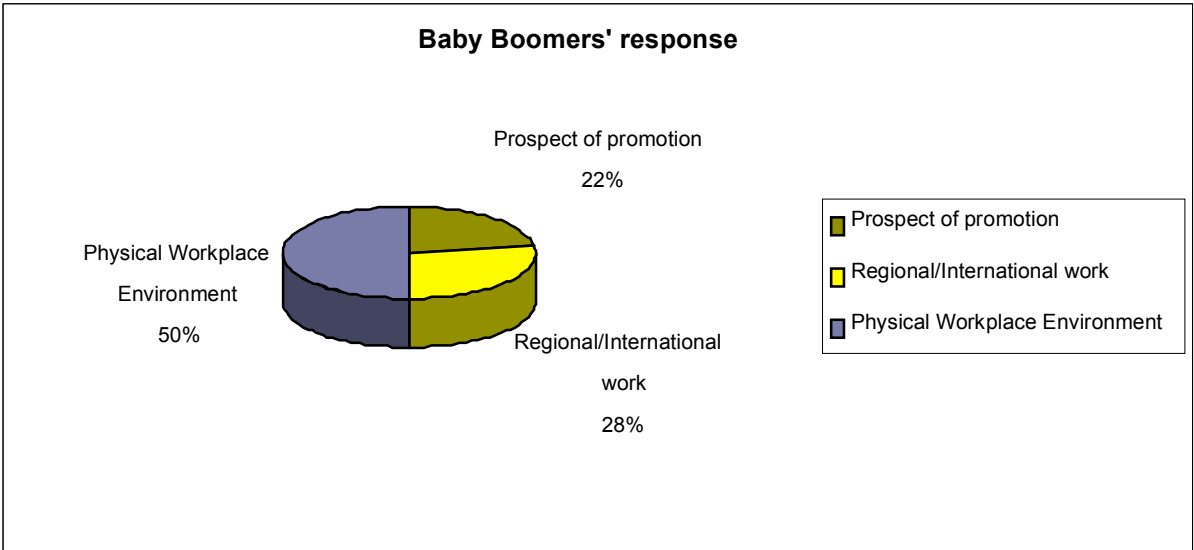
Top 3 greatest job motivators



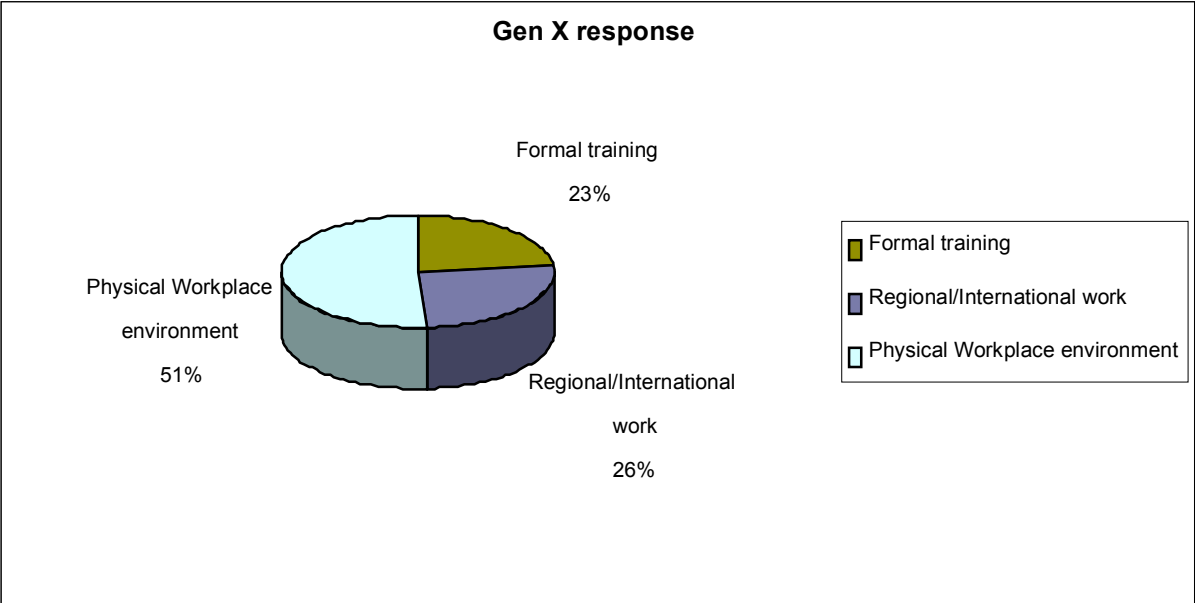
Least important motivators



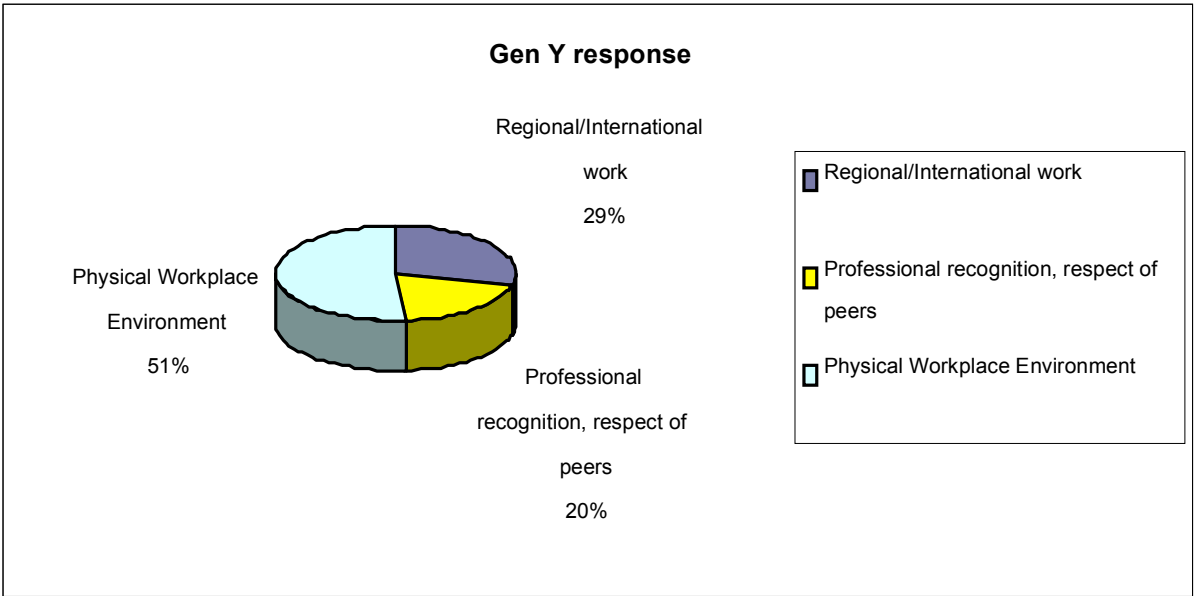
Least important motivators



Least important motivators



Least important motivators



## **Key Panel observations on survey results**

- The responses were broadly consistent across each generation. Country of origin did not seem to make much difference in the response.
- There are talented lawyers whose career aspirations remain the traditional goal of partnership. However, there is a noticeable pattern too of talented lawyers who have outstanding partnership potential but who are not necessarily choosing the partnership career path.
- Gen X and Gen Y are probably able to choose alternative career paths because they have the option of not needing to make a living as a full-time lawyer, with other sources of financial support particularly from their families.
- The traditional partner's life at work is probably a negative example for Gen X and Gen Y, who want a greater work-life balance.
- The "least important motivator" of physical office environment for Gen Y was attributed to most law firms already having attractive offices, so nice offices are a "given" for Gen Y.
- What motivates a lawyer should ultimately be individually assessed, irrespective of his or her "generation". It is important for management to have flexible career structures, but these should be available for all generations, depending on the individual's aspirations.
- A majority of lawyers leave because they do not enjoy working with their managers – firms may need to teach partners to be people managers.

## Key points from breakout groups

### 1. Retaining Generation X – Partnership and Employment Structures

- **Guidance and Support** - Generation X (age 30 – 45) is positioned between the Baby-Boomers and Generation Y. As Generation X will be performing most of the important tasks and fee-earning work, they need quality Generation Y lawyers as support but also supervision and guidance from Baby-Boomers. For Generation X, therefore, support from quality Generation Y and guidance from Baby-Boomers is very important.
- **Recognition** - it is important to instill a sense of ownership in Generation X and there are a number of ways to achieve this. Baby-Boomers have to be generous in sharing clients with and introducing clients to Generation X who will be the next generation leaders and owners of the firm. Baby-Boomers have to understand this and be willing and motivated to share their clients and contacts with Generation X.
- **Flexibility** - Some suggested that women should be offered more flexibility in terms of working hours so that they can achieve a better work-life balance and be able to attend to their family's and children's needs. However, flexibility should be accorded to men as well; more and more men are now choosing to work part-time or even from home. With advanced technology and the availability of remote access, this is certainly possible.
- **Alternative Career Path** - There should be a better defined hierarchical structure so that Generation X are properly mentored by Baby-Boomers, not only about their work performance but their well-being generally. Generation X in turn can mentor Generation Y. Whilst the structure of many firms have always been "Up or Out" so that when Generation X reaches a certain seniority and are not assessed as being partnership material, they will have to leave. An alternative career path should be offered to those who will not make partners but have other abilities and attributes. Many firms now offer titles like Consultant / Of Counsel to senior lawyers who will not or do not wish to become partners. This group of Generation X lawyers will be most valuable to the firm because of their experience and relationship with clients, amongst their other attributes. The title of Consultant / Of Counsel, etc, also enhances their position and role in the firm and vis-à-vis clients including key clients.
- **Correct Mindset** - Young lawyers also need to change their mindset. They should recognize that they are amongst the one percent of top earners and therefore have to accept that they have to put in extra efforts to sustain their top earners position. Whilst a work life balance is important, they have to accept that this is not always

possible in the profession they chose to be in and there is a price to pay for being at the top of the earning brackets.

## 2. Retaining Generation Y – Employment Structures

The discussion revealed greater differences amongst large and small firms than between countries. It is easier to provide alternative employment structures in larger firms.

- **United States:** Large US firms are moving away from lock step associate pay structures, similar billable hours requirements for all associates, and "up (to partnership) or out" systems to more flexible structures which take into account individual expertise and career tracks. For example, some firms are now classifying associates in bands based on performance and expertise using terms such as "associate", "senior associate," and "managing associate". Not all associates are on partnership tracks; very capable associates may opt into more flexible working arrangements. These arrangements may change over time but retention is more likely when flexibility is built into the career span of a particular attorney. Flexible work arrangements enable partners to retain talented attorneys who might otherwise opt out. Clients do not object to teams including attorneys with flexible works schedules if the work is done well. Flexible work arrangements are more easily managed in some settings than others.
- **China:** The large Chinese firms operate in a manner similar to the foreign firms. In smaller or solo firms lawyers have more independence and can operate flexibly with clients calling their mobile phones. Salary ranges are also more flexible in smaller firms.
- **United Kingdom:** Firms are expected to have some flexibility, and attorneys can work remotely from home. However, these arrangements are not used as much as one might expect. It is easier for some employers, such as banks employing in-house attorneys, to be more flexible. Having too many attorneys with flexible work schedules can present a problem, and there is sometimes jealousy if one attorney is allowed a flexible schedule and another is not.
- **Russia:** There is a 40 hour maximum but the work can be organized in a way which meets this requirement. Attorneys have to be accessible despite the maximum hour rule.
- **Israel:** The firms are smaller, and associates must be paid overtime for work over 9 hours n a day. At about a year and a half of service, the employer and employee must decide what the employee's contribution will be. Bonuses are paid on the basis of group contributions; individual bonuses create tension.

- **Turkey:** The market for associates in Turkey is very competitive, and higher than market salaries must be paid to employ the best associates. The firms are mid-sized (15 lawyers or so).
- In general, large discrete projects enable flexibility. Smaller firms or firms in countries with less flexible working hours/ pay rules for attorneys have less flexibility and must find other ways to retain Gen Y talent.
- The consensus was that flexibility and innovation within the constraints of the rules of the particular country are critical to the retention of the most talented Gen Y attorneys.

### 3. Making Partnership attractive for Gen Y

Overall it is important to select the best candidates and make sure that the best candidates are available to fill the crucial roles in a firm.

- **Marketing**
  - Marketing seems to be a big problem for Gen Ys and it may be that they need to be given financial incentives to help them understand and practice marketing.
  - Gen Y can be wary of management responsibilities. Easing them gradually into various degrees of management capacities may make the eventual responsibilities associated with partnership less daunting.
  - Gen Y needs to be introduced early to business development so that they understand that work does not just appear. Group marketing and business development may be considered.
  - Need to manage work to keep Gen Ys fulfilled prior to partnership; This can involve ensuring that Gen Ys are kept busy (but not too busy) and interested.
  - There may even need to be alternative models of partnership, that is, partners who do not market. However, this will inevitably lead to two-tier partnerships as those who have the ability to market will clearly have the advantage over those who do not.
- **Conditions**
  - Paid sabbatical as part of the partnership deal can help to achieve a work-life balance and therefore make partnership more attractive to Gen Ys.

- Intuitively paying them more money is more likely to keep Gen Ys "in the game". On the other hand, the more they are paid as associates, the less is available and the smaller the gap between associate pay and partner pay. There is therefore a respectable argument that Gen Ys' pay ought to be moderated. There is also a view that generous salaries may be counterproductive in that it encourages a misconception that all things come on a "platter".
- A salary guarantee may help Gen Ys find partnership attractive.
- It goes without saying (almost) that there needs to be genuine equality between the sexes but how far this goes is an area to be watched. Parental leave being an obvious area, where there is potentially big cost to the business in granting men paternity leave.
- The availability of flexible hours for partners is a huge advantage.

#### 4. In-house Work Environment

In relation to attracting and retaining legal talent in-house, the discussion revealed certain differences between private practice and in-house work environment. Some of the characteristics of in-house positions include:

- **Work Life Balance** – In-house positions are often considered to offer work life balance. This is not always true. Some in-house positions are more demanding than others and the level of work life balance would depend on the corporate culture, the size of the business, the industry, and the like. Having said that, generally speaking you will have more control over time management, e.g. flex hours, working from home, paternity leave.
- **Responsibility** – As in-house you will be 100% responsible for your sole client/employer 24 hours a day 365 days a year. Ability to give meaningful and actionable advice within limited time and limited resources is required. Responsiveness and timeliness are keys to successful in-house counsel.
- **Get to Know Business** – As in-house you get to know your business better by virtue of being inside the business. You are considered a part of the business team and are expected to participate actively in strategic decision-making.
- **Broad Range of Work** – Many in-house positions are generalist positions and not specialized in one area of law. You are expected to know a little bit of everything – Jack-of-all-trades. In-house positions often offer a stream of a broad range of interesting work.
- **Compensation & Benefits** – In-house counsel is often considered to be less compensated than their private practice counterpart but that is

not necessarily the case. Some in-house positions offer comparable salary through comprehensive benefit packages.

- **Moving Back & Force** – It is possible to move back and forth between private practice and in-house positions. Generally speaking, however, the longer you stay in in-house, the more difficult to come back to private practice. Nonetheless, coming back from in-house will give you a client's perspective, which will serve you well through your private practice career. Such perspective includes understanding business objectives, ability to propose solutions, practical approach to problem solving, and the like.

**Susan de Silva**

Moderator

ATMD Bird & Bird LLP

With heartfelt thanks to our Panellists: Juliet Blanch, Cheong Wei Lee, Suchitra Chitale, Jim FitzSimons, Allan Leung, Sandra McCandless, Kaori Miyake, Robert Quon; Chairpersons: Fiona Loughrey, Satoshi Moriguchi, Robert Quon, Sitpah Selvaratnam; and Beverly Au Yong of ATMD Bird & Bird LLP for getting us organised.